

AUNDE India Limited



**14th ANNUAL REPORT
2010 - 2011**



AUNDE India Limited
(Formerly known as AUNDE Faze Three Limited)

14th ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

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|---|---|--|
| 1. Date of Annual General Meeting | : | Thursday, 1 st December 2011 |
| 2. Time and Venue | : | 10.30 AM at Survey No. 380/1
Khanvel Sivassa Road, Dapada – 396 230
Union Territory of Dadra & Nagar Haveli. |
| 3. Book Closure | : | Friday, 25th November 2011 to Thursday, 1st
December 2011 (both days inclusive) |
| 4. Investors' Complaints may be
addressed to | : | Corporate Office:
AUNDE India Limited,
102, Shiv Smriti Chambers, 49-A,
Dr. Annie Besant Road, Worli,
Mumbai-400 018
Phone : 022 6660 4600
Email: investors@aundeindia.com |

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BOARD OF DIRECTORS

Ajay Anand	Managing Director
Rolf Konigs	Director
Kapil Sethi	Director
R. J. Avadhani	Director

COMPLIANCE OFFICER

Jovita Reema Mathias	Company Secretary
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REGISTERED OFFICE

Plot No. 146, Waghdhara Village,
Dadra – 396191
Union Territory of Dadra & Nagar Haveli.

CORPORATE OFFICE

102, Shiv Smriti Chambers,
49-A, Dr Annie Besant Road,
Worli, Mumbai – 400 018

AUDITORS

M/s Majibail & Co.
Chartered Accountants
Mumbai.

ADVOCATES & SOLICITORS

Vikram Philip & Associates

BANKERS

Canara Bank
Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) P Ltd.
Unit-1, Luthra Industrial Premises,
Andheri – Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072.
Phone: 022 2851 5606 / 5644
Website: www.sharexindia.com
Email: sharexindia@vsnl.com



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NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of AUNDE India Limited will be held on Thursday, 1st December 2011 at Survey No. 380/1, Khanvel Silvassa Road, Dapada - 396230, Union Territory of Dadra & Nagar Haveli at 10.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 30th June 2011 and the Balance Sheet as at 30th June 2011 together with the Report of the Directors' and the Auditors thereon.
2. To appoint a Director in place of Mr. R. J. Avadhani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board of Directors
For **AUNDE India Limited**

Place: **Mumbai**
Date : **21st October, 2011**

(**Jovita Reema Mathias**)
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND & VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy, in order to be effective, should be deposited with the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person if he or she so wishes. A form of proxy is given at the end of the Annual Report.
3. The Register of Members and the Share Transfer Registers of the Company shall remain closed from Friday, 25th November 2011 to Thursday, 1st December 2011 (both days inclusive).
4. Members are requested to intimate any change in their address to the Registrar and the Share Transfer Agent, **Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072**. The Company or its Registrar cannot act on any request for change in the address received directly from the shareholders holding shares in electronic form. Such changes are to be advised only to the Depository Participant of the respective shareholders.
5. Documents referred to in any of the items in the Notice are available for inspection at the Registered Office of Company on any working day during Business Hours between 11.00 am to 1.00 pm.
6. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the meeting.
7. Members are requested to address all the correspondence/documents, invariably quoting their Registered Folio No. / Client ID relating to the Equity Shares held by them, directly to our Registrar and Share Transfer Agent, **Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072**.
8. Members are requested to bring their copy of this Annual Report to the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
10. Brief resume of Mr. R. J. Avadhani, Director is given under the Corporate Governance Report.

AUNDE India Limited



DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the 14th Annual Report on the working of the Company, together with the Audited Accounts for the year ended 30th June 2011.

HIGHLIGHTS:-

FINANCIALS

Rs./Lacs

Particulars	For the Year Ended 30th June 2011	For the Year Ended 30th June 2010
Sales	7710.28	5619.69
Profit Before Tax	403.28	218.45
Less: Provision for current Tax	81.10	39.57
Provision for deferred Tax	-	31.85
Profit / (Loss) After Tax	322.17	147.03
Balance brought forward from Previous Year	168.80	146.76
Profit available for appropriation	490.97	293.80
Less: Transfer to General Reserve	150.00	125.00
Balance carried over to the next year	340.97	168.80

BUSINESS OVERVIEW

During the year under review, the Company achieved a total turnover of Rs. 7710.28 Lacs as compared to Rs. 5619.69 Lacs in 2009-10. The Company has earned a profit before tax of Rs. 403.28 Lacs as compared to Rs. 218.45 in the previous accounting year 2009-10 and a net profit of Rs. 322.17 Lacs as compared to a profit of Rs. 147.03 Lacs during the previous year 2009-10.

The automobile industry reported 26.17% growth in vehicle sales during 2010-2011. Factors like GDP growth, higher spending on infrastructure development, strong consumer confidence, government's focus on rural areas, moderate price hike by the auto makers despite steep rise in commodity rates and introduction of new models helped the industry to register robust growth during financial year 2010-2011.

The healthy growth of Automotive industry has driven the automotive textile industry to perform effectively and achieve remarkable growth. AUNDE India has also achieved a significant growth of 37% in sale turnover in the year 2010-11 as compared to previous year. The profitability of the Company has immensely grown showing 119% of increase in net profits.

FUTURE OUTLOOK

The Indian automotive industry has achieved the position of the top growing passenger car market in the world during the January-June period in 2011. According to The Society of Indian Automobile Manufacturers (SIAM), in passenger vehicles, India was the fastest growing market at 18.20 per cent during the six month and India's automobile industry is expected to grow by 11 to 13 per cent in the fiscal year ending March 2012. The four-wheel passenger vehicle market has grown impressively at the hands of the new middle class, and there is huge opportunity, as market penetration remains low.

AUNDE India is participating in the design development process of textiles and covers for sportswear, airplane, buses, coaches etc with AUNDE Global Group. Further, the Company is trying to tie up with AUNDE Global Group members for market knowledge and fabric development programmes, which will facilitate the Company to expand its market share in auto textile segment in India as well as globally.



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Further, the Company has successfully bagged export orders for supply of fabric to General Motors under Global Programme. The shipments will commence from 2012.

The Company is looking forward to grab opportunities by offering products with varied designs and consumer preferences. With its technologically advanced equipments AUNDE is confident to reap the benefits in coming years.

DIVIDEND

In order to conserve resources for strengthening the on-going project(s), your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

Your Company has not accepted any deposits from public in terms of the Companies (Acceptance of Deposits) Rules, 1975, and no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS

Mr. R. J. Avadhani, Director of the Company retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of section 255 the Companies Act, 1956 and Articles of Association of the Company and is eligible for re-appointment.

AUDITORS

M/s. Majibail & Company, Chartered Accountants, who are the Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the Accounting Year 2011-12. M/s. Majibail & Company have, under Section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

PARTICULARS OF EMPLOYEE

There are no employees drawing salary as required to be mentioned under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation and research and development activities undertaken by the Company alongwith the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



(iv) these Accounts have been prepared on a “going concern basis”.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, form part of this Annual Report.

ACKNOWLEDGEMENT

The Directors place on record their appreciation of the continued support extended by the Company's clients, business associates, supplier partners, bankers and investors during the year. The Directors also place on record their appreciation of the dedication and contributions made by the employees at all levels, who through their competence, hard work and support have enabled the Company to achieve growth and improved performance. The Directors look forward to their continued support in the future as well.

By order of the Board of Directors
For **AUNDE India Limited**

Place: **Mumbai**
Date : **29th August, 2011**

(Ajay Anand)
Managing Director



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ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 forming part of Directors' Report for the year ended 30th June 2011.

1. RESEARCH AND DEVELOPMENT (R & D)

- (i) Specific area in which R & D is carried by the Company:
 - Introduction of new products and improving the processes of existing products.
 - Development of new technology for our autofab / furnishing products.
 - Making new designs acceptable to customers.
- (ii) Benefits derived as a result of R & D activities:
 - Product range extension
 - Improvement of quality and yield
 - Cost reduction leading to competitiveness
 - Development of various designs as well as new products, with high standards.
 - Reduction in cost and time cycle, better effluent management and utilizing indigenous products for offering finished products.
- (iii) Future Plan of Action
 - Development of products for indigenous market.
 - Substitute development of new designs of high value autofab / furnishing products, which are currently imported.

2. CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars with respect to Conservation of Energy etc. pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 under section 217 (1) (e) of the Companies Act, 1956 are set out as under:

	Particulars	Year Ended 30.6.2011	Year Ended 30.6.2010
A	CONSERVATION OF ENERGY		
	(i) Electricity		
	A) Purchased		
	Units (Lakhs)	28.22	27.49
	Total Cost (Rs. in Lakhs)	94.27	100.50
	Rate Per Unit (Rs.)	3.34	3.66
	B) Own Generation (Thru DG Set)		
	Units (Lakhs)	0.58	0.35
	Total Cost (Rs. in Lakhs)	11.57	6.68
	Rate Per Unit (Rs.)	20.00	18.89
	(ii) Coal, Firewood, Rice Husk etc. (Qnty in Qntls)	NIL	NIL
	Total Cost (Rs. in Lakhs)	NIL	NIL
	Rate per Qntl. (Rs.)	NIL	NIL
B.	FOREIGN EXCHANGE EARNINGS AND OUTGO	2010-11	2009-10
	(Rs. in Lakhs)		
	Total Foreign Exchange Earnings Earned	4.00	4.58
	Total Foreign Exchange Used	110.54	461.07

By order of the Board of Directors
For AUNDE India Limited

Place: Mumbai
Date : 29th August, 2011

(Ajay Anand)
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY & BUSINESS OVERVIEW

The Indian passenger vehicle market reached a size of approximately 2.5 million unit sales in the year. This places India amongst top seven markets in the world. Global manufactures are continuously enhancing their efforts in India to expand their market by offering fuel efficient vehicles, vehicles with improved features and introducing new models suitable for mass segments. New entrant like Volkswagen, GM are looking at mass market segments to grab market share by launching competitively priced models in compact segments.

The global market for technical textiles is growing like never before. The growth in the Indian technical textile industry has been positive across all segments. The international markets are looking at India as one of the vital destination to do business with. Although US and EU continue to be major manufacturers and consumers of technical textiles, the Asian countries like China and India have recently emerged as chief production centers of technical textiles. Technical textiles offer a huge opportunity in India for both local consumption as well as for exports.

AUNDE India is having approximately 32% of the market share in the total automotive textile manufacturing in India. With sales to major automotive manufactures like Maruti, Mahindra, Tata, Hyundai etc, the Company was able to achieve 37% growth in turnover. During the year, the Company has successfully bagged orders from Nissan for its brands viz Micra and Sunny & Volkswagen's Vento. AUNDE India is also in talks with Honda who currently holds a market share of 1.29% in passenger vehicle segment.

Further, the Company has already installed manufacturing facilities of circular knit and warp fabrics which are high in demand in domestic market as well as internationally and expecting good orders in the current year.

High commodity prices and adverse currency movements continue to be the main challenges. Besides existing efforts to boost productivity, reduce waste and enhance value, the Company is working on new initiatives like higher localization and hedging to reduce the impact of commodity prices.

The Company's sound market base and sales growth continues to be its strength and will help to tap opportunities as economic prosperity widens in the country and achieve higher sales and profits in the current year.

Internal Control Systems and its adequacy

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards of assets, the reliability of financial controls, and compliance with applicable laws and regulations. The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally. Financial transactions are reported with accuracy and there is strict compliance with all applicable laws and regulations.

The Company has put in place sufficient system to ensure that assets are safeguarded against loss from unauthorized use of disposition and that transactions are authorised and reported. The Company also has an exhaustive budgetary control system to monitor all expenditure against approved budgets on an ongoing basis.

Human Resources / Industrial Relations

Human Resources represent the collective expertise, innovation, leadership and management skills of organization. The Company is of the strong belief that the employees are the most vital resources giving the Company an edge over its competitors in the dynamic business environment. On the industrial front, your company has had cordial and harmonious relationship with its employees and unions.