

AUNDE India Limited



**13th ANNUAL REPORT
2009 - 2010**



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

13th ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

1. Date of Annual General Meeting : Saturday, 18th December 2010
2. Time and Venue : 10.00 AM at Plot No. 146, Waghdhara Village Road ,
Dadra – 396 193
Union Territory of Dadra & Nagar Haveli.
3. Book Closure : Saturday, 11th December 2010 to Saturday,
18th December 2010
(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

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

COMPLIANCE OFFICER

Mr. Ravindra Koli	Compliance Officer
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REGISTERED OFFICE

Plot No. 146, Waghdhara Village,
Dadra – 396193
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 & ATTORNEYS

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

AUNDE India Limited



NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of **AUNDE India Limited** (formerly known as AUNDE Faze Three Limited), will be held on Saturday, 18th December 2010 at Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli at 10.00 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 2010 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rolf Konigs, 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 : 19th November, 2010

(Ajay Anand)
Managing Director

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 Saturday, 11th December 2010 to Saturday, 18th December 2010 (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 resumes of Mr. Rolf Konigs, Director is given under the Corporate Governance Report.



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DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the 13th Annual Report on the working of the Company, together with the Audited Accounts for the year ended 30th June 2010.

HIGHLIGHTS

FINANCIALS

Rs./Lacs

Particulars	2009-2010	2008-2009
Sales	5619.69	3736.31
Profit before taxation	218.45	5.52
Less: Provision for Taxation current	39.57	0.67
Provision for deferred Tax	31.85	44.36
Provision for Fring Benefit Tax	-	2.86
Profit / (Loss) After Taxation	147.03	(42.32)
Balance brought forward from Previous Year	146.76	189.14
Profit available for appropriation	293.79	146.82
Less: Transfer to General Reserve	125.00	-
Balance carried over to the next year	168.79	146.76

BUSINESS OVERVIEW

During the year under review, the Company achieved a total turnover of Rs. 5619.69 Lacs as compared to Rs. 3736.31 Lacs in 2008-09, registering a growth of 50% YoY. The Company has earned a profit before tax of Rs. 218.45 Lacs as compared to Rs. 5.52 in the year 2008-2009. During the year under review, the Company earned a profit of Rs. 147.03 Lacs as compared to a loss of Rs. 42.32 Lacs in the previous year 2008-09.

During the year the company has grown immensely in terms of sales and profitability due to the growth of automobile industry. The robust growth of Indian automotive sector has facilitated AUNDE to boost its sales during the year and to have remarkable profits. Being part of AUNDE Global Group has enormously helped the Company to become a global player. The Company now has tie ups with AUNDE Italy and AUNDE Brazil for manufacturing of auto fabrics to cater international markets, with innovative designer fabrics and quality products. Thus, AUNDE India is expecting higher sales turnover in the current and coming years as well.

FUTURE OUTLOOK

The Indian automotive industry is now integrating into a global automotive supply chain and global automotive companies are looking at India not only for its promising consumer market but also as an efficient supplier base. New technologies in the production process are constantly being introduced, and processes in the sales and service are being evolved to meet the demands of the ever-changing market.

AUNDE India is setting up expansion projects in manufacture of knitted fabrics by allocating and investing of Rs. 25 million for manufacturing textrim, textab and warp knitted fabric. AUNDE India is in the process of technological up-gradation of its installed machineries and equipments so as to adapt the technological changes of auto textile industry especially of global markets. Being part of AUNDE Global Group, the company is confident of leveraging the major market share in auto textile segment.

AUNDE India Limited



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.

NAME CHANGE

In order to reflect the identity of the Company as part of AUNDE Global Group, the Company has changed its name from AUNDE Faze Three Limited to AUNDE India Limited at the Ex-ordinary General Meeting held on 15th September 2010. The Company has received the Fresh Certificate of Change of Name of the Company to AUNDE India Limited from Registrar of Companies, Gujarat, and the name change has been effected from 8th October 2010.

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. Rolf Konigs, Director of the Company retires by rotation at the ensuing Annual General Meeting pursuant to the provisions the Companies Act, 1956 and Articles of Association of the Company and is eligible for re-appointment.

PARTICULARS OF EMPLOYEE

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, a statement showing the names and other particulars of employees are here below:

Disclosure under Section 217(2A) of the Companies Act, 1956 for the year ended June 30th 2010.

Name	Designation	Remuneration (Rs.)
Mr. Ajay Anand	Managing Director	36,00,000/-

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;



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- (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.

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 2010-11. M/s Majibail & Company have, under Section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

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.

Place: Mumbai
Date: 19th November 2010

For and on behalf of the Board

Ajay Anand
Managing Director



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 2010.

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	For the year 2009-10	For the year 2008-09
A CONSERVATION OF ENERGY		
(i) Electricity		
A) Purchased		
Units (Lakhs)	27.49	20.34
Total Cost (Rs. in Lakhs)	100.50	85.62
Rate Per Unit (Rs.)	3.66	4.21
B) Own Generation (Th ru DG Set)		
Units (Lakhs)	0.35	0.87
Total Cost (Rs. in Lakhs)	6.68	15.95
Rate Per Unit (Rs.)	18.89	18.32
(ii) Coal, Firewood, Rice Husk etc. (Qty in Qntls)	NIL	NIL
Total Cost (Rs. in Lakhs)	NIL	NIL
Rate per Qntl. (Rs.)	NIL	NIL
B. FOREIGN EXCHANGE EARNINGS AND OUTGO	2009-10	2008-09
(Rs. in Lakhs)		
Total Foreign Exchange Earnings Earned	4.58	48.76
Total Foreign Exchange Used	461.07	650.30

For and on behalf of the Board

Place: Mumbai
Date: November 19, 2010

Ajay Anand
Managing Director



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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY & BUSINESS OVERVIEW

The automotive industry (passenger cars) which is amid the top ten in the world with an annual yield of over 2 million units may not be looking so vibrant as of today but certainly has very good future potential for India once the recessionary dust settles.

As the potential of the technical textiles in India, they are promising areas for investment. Though slowly but the production of various technical textiles items is growing at a steady pace. The Indian technical textile industry is seen to grow between \$12-15 billion by 2012, representing 12 percent of the global worth. In addition, the country's overall consumption of technical and nonwoven textiles is believed to record an additional growth of 150 percent in 2012, in line with the GDP growth of the country. In the current state of affairs, technical textiles are recognized as a significantly budding field for promotion of the Indian textile industry.

In the drive towards lowering weight for reducing both fuel consumption and CO2 emissions, many current developments are looking at new uses for fabrics, and by 2020, it is predicted that the passenger cars will contain 35 kg of textiles, which will have a positive impact on the automotive textile industry like never before. Further, woven and knitted fabrics have a predominant share of the global market for automotive textiles, followed by composites - which have the greatest growth potential.

AUNDE India is the only local player to have tie-up with AUNDE Global Group, which gives access to the latest technology and new products which are in the international markets especially in USA and Europe. The Company has already obtained nomination for export of fabrics to GM-Global Programme for its plants in Thailand, Indonesia and Uzbekistan.

Currently circular knitted fabrics are extensively used in car interiors for seat covers, headrests, door panels, headliners, sunroofs, pillars, parcel shelves and boot covers. Warp-knitted fabrics are characterized by their wide range of applications and are also employed as door panels, headliners, pillars and boot covers.

AUNDE India is in the process of expansion of its existing capacities by installation of machines and technology required for the manufacture of knitted and warp knitted fabrics. These additional capacities will be utilized to seize the market share in knitted and wrap knitted fabrics.

AUNDE India is creating a competitive advantage worldwide by building global sourcing capabilities by developing and manufacturing low cost fabrics and introducing new performance fabrics for OEM's. AUNDE India designers are now teaming with Aunde Global group designers for new launches worldwide.

With this competitive advantage over our competitors, the Company looks forward for better and more upbeat times when the full potential of the Company can be actualized with genuine inclusive growth of the Company in the coming years.

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.

AUNDE India Limited



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.

Pollution and Environmental Controls

The Company has made progress in improving energy efficiencies and waste management and has complied with all applicable environmental laws and regulations. Utmost safety and health of the people working in the premises of the Company is of prime importance to the management of the Company and management has taken all possible steps to ensure the same including providing the appropriate safety equipments at the work place.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may be forward looking statements within the meaning of the applicable corporate laws and regulations. It may be noted that the actual results may differ from that expressed or implied herein.

Place : Mumbai
Dated : November 19, 2010

For and on behalf of the Board

**Ajay Anand
Managing Director**



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CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Strong corporate governance stands for sound management practices, transparency and disclosure. It encompasses not only the way in which the Company is being managed and deals with its stakeholders but also addresses all aspects of its relationship with the society.

The Board strives towards enhancement of shareholder's value through sound business decisions, prudent financial managements, high standards of ethics throughout the organization and ensure transparency and professionalism in all decisions and transactions of the Company.

COMPOSITION OF BOARD OF DIRECTORS

The Companies Board plays a pivotal role in ensuring good governance and acts in a democratic manner. The Board members have complete freedom to express their opinion and decisions are taken on the basis of consensus arrived after due deliberation.

The Board comprises of an optimum combination of independent professionals as well as Company Executives having in-depth knowledge of the business of the Industry. The size and composition of the Board conforms to the requirements of the Corporate Governance Code under the Listing Agreement with the Stock Exchange. Out of the total number of Four directors, One Director is "Non Independent Executive Director" and all other are "Independent and Non-Executive Directors".

None of the Directors hold directorships in more than the permissible number of companies under the relevant provisions. Further, none of the directors on the Board is a member of more than ten committees or Chairman of more than five committees.

During the year under review 11 Board Meetings were held on the following dates 30th July 2009, 30th September 2009, 29th October 2009, 9th November 2009, 16th November 2009, 27th November 2009, 28th January 2010, 19th February 2010, 15th March 2010, 19th April 2010 and 13th May 2010.

The names of the Directors and the category to which they belong to, along with their attendance at Board Meetings during the period under review and at the last Annual General Meeting, and the number of directorships and committee memberships held by them in other companies are as herein below:-

Name	Category	Attendance	Particulars				Total No. of Directorships and Committee Chairmanships / Memberships held*
			Board Meetings attended	Last AGM held on 23-12-09	Director	Chairman	
<u>Executive Director: -</u>							
Mr. Ajay Anand	Promoter, Executive & Non Independent	11	N	2	--	3	
<u>Non-Executive Directors: -</u>							
*Mr. G. G. Prabhu	Non Executive & Independent	3	N	--	--	--	
Mr. Rolf Konigs	Non Executive & Independent	-	N	--	--	--	
Mr. Kapil Sethi	Non Executive & Independent	6	Y	--	--	--	
Mr. R. J. Avadhani	Non Executive & Independent	7	Y	--	--	--	

Excluding Directorship of Private and Foreign Companies

**Appointment / Re-appointment of Directors:**

Mr. Rolf Konigs, Director liable to retire by rotation, appointed as directors of the company.
Mr. G. G. Prabhu, Director resigned from the Board w.e.f. 30.09.2009

DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr. Rolf Konigs
Date of Birth	19.08.1941
Date of appointment	22.05.2000
Qualifications	Graduate
Expertise in specific functional area	Wide experience Automotive Textile industry
Directorship held in other Public Companies	None
Membership/chairmanship of committees of other Public Companies	None

AUDIT COMMITTEE

The terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement.

The committee is headed under the stewardship of Mr Kapil Sethi, an independent non-executive Director who has varied, and vast and multifarious experience in financial management, corporate affairs and accounting matters. Mr. Rolf Konigs, Mr. Ajay Anand and Mr. R. J. Avadhani are other members of the Committee, have requisite financial and management experience.

The terms of reference are broadly as under:

Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor, fixation of audit fee

Approval of payment to statutory auditor for any other services rendered by the statutory auditors.

Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:

- o Matters required to be included in the Director's Responsibility Statement included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
- o Changes, if any, in accounting policies and practices and reasons for the same.
- o Major accounting entries involving estimates based on the exercise of judgement by management.
- o Significant adjustments made in the financial statements arising out of audit findings.
- o Compliance with listing and other legal requirements relating to financial statements.
- o Disclosure of any related party transactions.
- o Qualifications in draft audit report.

Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.

Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

Reviewing the adequacy of internal audit function, if any, including the structure of internal audit



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department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Discussion with internal auditors and significant findings and follow up thereon.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

Discussion with external auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

Reviewing the Company's financial and risk management policies.

Recommendation of Dividend, if deemed appropriate.

To look into the reasons for substantial defaults in payment, if any, to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors.

Composition, Meetings and Attendance:

During the year 5 meetings of Audit Committee were held on 30th July, 2009, 29st October 2009, 27th November 2009, 28th January 2010 & 13th May 2010. AVP- Finance of the Company is the permanent invitee. The Chairman of the Audit Committee was present at the last AGM of the Company.

Attendance:

S. No.	Name of the Member	Status	No. of Meetings Attended
1.	Mr. Kapil Sethi	Chairman	3
2.	Mr. Rolf Konigs	Member	-
3.	Mr. Ajay Anand	Member	5
4.	Mr. R. J. Avadhani	Member	4

Mr. Ravindra Koli , Compliance Officer of the Company acts as the Secretary to the Committee.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The terms of reference include to overseeing the redressal of Shareholders' / Investors' complaints / grievances pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission (with or without legal representation) of shares, dematerialisation / rematerialisation and other miscellaneous complaints. The Committee is also empowered to review the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services, if required.

The Committee is headed by Mr. Kapil Sethi, Independent Director. The committee met 5 times during the year and all the members were at the meetings. The committee received routine complaints and they were attended promptly and were disposed off.

Composition:-

S. No.	Name of the Member	Status	Designation
1.	Mr. Kapil Sethi	Non-Executive Independent Director	Member
2.	Mr. Rolf Konigs	Non-Executive Independent Director	Member
3.	Mr. Ajay Anand	Executive, Non-Independent Director	Member
4.	Mr. R. J. Avadhani	Non Executive, Independent Director	Member

Mr. Ravindra Koli, Compliance Officer of the Company acts as the Secretary to the Committee.



SHARE TRANSFER COMMITTEE

In order to expedite the process of share transfer and other related activities, the Share Transfer Committee has been empowered to approve the requests received for share transfer / transmission / transposition, issue of duplicate share certificates, sub-division/split, consolidation, re-materialization etc. These requests are processed through the Registrar and Share Transfer Agent, M/s Sharex Dynamic (India) Private Limited generally once in a fortnight. The details of transfers are reported to the Board of Directors at the ensuing Meeting.

Mr. Ravindra Koli, Compliance Officer acts as the Secretary to the Committee and is the Compliance Officer.

REMUNERATION COMMITTEE:

The Company has not constituted a separate committee to determine the terms of reference and remuneration package for its managerial personnel.

The Board of Directors determine the remuneration of the Whole-Time / Executive Directors within the framework as approved by the Shareholder / Central Government and as permissible under the Companies Act, 1956 and other laws as may be applicable. The Board also determines the amount of sitting fees to be paid to the Non-Executive Directors for attending the Board Meetings.

The details of remuneration paid to Executive Director during the Financial Year 2009-2010 is given as follows:

<u>Director</u>	<u>Designation</u>	<u>Remuneration (including all perquisites) Rs.</u>	<u>Service Contract</u>
Mr. Ajay Anand	Managing Director	36,00,000/-	5years

No sitting fee was paid to the Managing Director for attending meetings of the Board.

The details of remuneration paid to Non-Executive Directors during the period under review are as follows (The Non-Executive Directors are not entitled to any remuneration, whatsoever, except sitting fees): -

<u>Sr. No.</u>	<u>Name of the Non-Executive Director</u>	<u>Sitting Fees (Rs.)</u>
1.	Mr. G. G. Prabhu	6,000/-
2.	Mr. Rolf Konigs	-
3.	Mr. Kapil Sethi	12,000/-
4.	Mr. R. J. Avadhani	14,000/-
TOTAL		32,000/-

DETAILS OF GENERAL BODY MEETINGS:-

Location and time, where last three AGMs held:

<u>Year</u>	<u>Location</u>	<u>Date</u>	<u>Time</u>
2006-07	Plot no. 146, Waghdhara Village, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	28th December 2007	12.30 PM
2007-08	Plot no. 146, Waghdhara Village, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	11th December 2008	2.00 PM
2008-09	Plot no. 146, Waghdhara Village, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	23rd December 2009	12.00 NOON



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All the resolutions set out in the respective Notices were passed by the members. No postal Ballot was conducted during the year.

The following special resolutions were passed by the members during the previous three Annual General Meetings:

- o The members passed a special resolution at the 12th Annual General Meeting held on 23.12.2009 as below:
 - appointment of Mr. Ajay Anand as Managing Director of the Company and approval of payment of remuneration;
 - payment of remuneration to the managing director of the Company in view of inadequacy of profits during the year 2008-09.
 - appointment of Mr. R. J. Avadhani as Director of the Company.

Other Information:

a) Risk Management Framework:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization. These procedures are periodical reviews to ensure that risk is controlled by the Management through the means of a properly laid-out framework.

The risk management framework and reporting regime enables the Company to proactively assess and demonstrate whether its significant risks are properly identified and controlled and to potentially eliminate unnecessary control related overheads. The programme is built upon the foundation of the existing risk management process and practices of the Company and has evolved a structured approach for risk management to manage significant risks faced by the Company.

b) Code of Conduct:

The Company has laid down a code of conduct for the Board of Directors and Senior Management personnel of the Company. The code of conduct is available on the website of the Company. The declaration of Managing Director is given below:

**To the Shareholders of
AUNDE India Limited**

Sub: Compliances with Code of Conduct

I hereby declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors

Place: Mumbai
Date: 19th November 2010

**Ajay Anand
Managing Director**

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement:

To the Board of Directors of AUNDE India Limited

Dear Sirs,

Sub: CEO/CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of AUNDE India Limited for the year ended June 30th 2010 and that to the best of our knowledge and belief, we state that:-

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.



- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
- (i) significant changes in the internal control over financial reporting during the year, if any;
 - (ii) significant changes in accounting policies made during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Ravindra A. Koli
AVP-Finance

Ajay Anand
Managing Director

Prevention of Insider Trading

The Company has framed a code of conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors / designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

Disclosures:

There are no materially significant transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets.

The Company has been providing the Chairman of the Company with the resources required to implement its role.

The Company has a process in place that meets the objectives of the Whistle blower policy. The Board annually reviews the findings and action taken, if any, on matters initiated through this mode. In the opinion of the Board there are no cases where a person was denied access to the grievance process set up by the Company.

MEANS OF COMMUNICATION: -

The Company regularly intimates un-audited as well as audited financial results to the Stock-Exchange(s), immediately after these are taken on record/approved. The Company publishes its annual, half yearly and the quarterly financial results in the following Newspapers:

- (i) The DNA (English)
- (ii) Divya Bhaskar (Gujarati)

Company's results and official news releases, if any, are also displayed on the Company's website www.aundeindia.com.



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The information required under the Management Discussion and Analysis Report forms part of the Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, internal control systems and its adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said report.

SHAREHOLDERS INFORMATION

13th Annual General Meeting

Date: Saturday 18th December 2010

Time: 10.00 a.m.

Venue: Plot No. 146, Waghdhara Village, Dadra – 396 193,
Union Territory of Dadra & Nagar Haveli

COMPANY'S FINANCIAL YEAR

1st July to 30th June

FINANCIAL CALENDAR FOR 2010-11 (TENTATIVE)

Adoption of Quarterly Results for the Quarter ending:

September 30, 2010	2nd week of November 2010
December 31, 2010	2nd week of February 2011
March 31, 2011	2nd week of May 2011
June 30, 2011	2nd week of August 2011

DATE OF BOOK CLOSURE

From 11th December 2010 till 18th December 2010 (Both days inclusive)

LISTING ON STOCK EXCHANGES

The Bombay Stock Exchange Limited

STOCK CODE

532459 on The Stock Exchange, Mumbai

INTERNATIONAL SECURITIES IDENTIFICATION NO. (ISIN)

INE 207D01017 (with NSDL & CDSL)

REGISTRAR AND TRANSFER AGENT (RTA)

M/s Sharex Dynamic (I) P Ltd,
Unit-1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072,
Telephone Nos. 022- 2851 5606/5644/ 6338

ADDRESS FOR CORRESPONDENCE

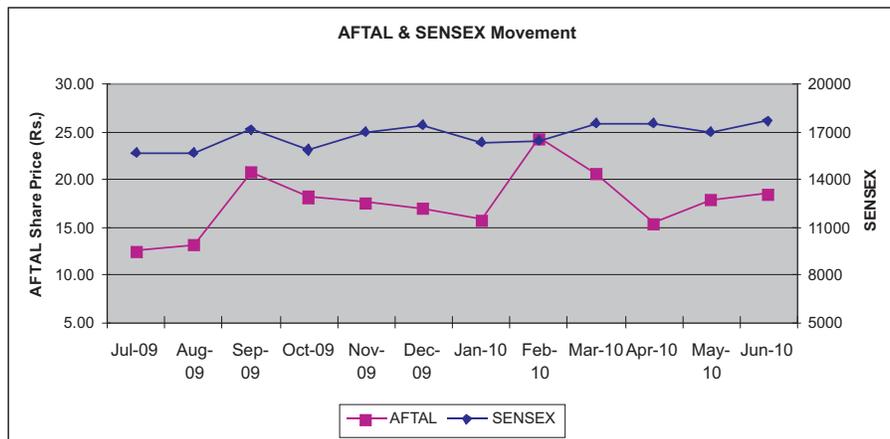
Corporate Office,
AUNDE India Limited,
102, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.
Phone 022 6660 4600

DESIGNATED E-MAIL ID : investors@aundeindia.com



STOCK MARKET INFORMATION

Month	Month's High Price	Month's Low Price	Volume	BSE Sensex High	BSE Sensex Low
July 2009	14.65	11.27	5342	15732.81	13219.99
August 2009	20.79	11.61	120809	16002.46	14684.45
September 2009	21.80	15.90	14792	17142.52	15356.72
October 2009	18.35	15.90	29193	17493.17	15805.20
November 2009	17.00	14.45	4988	17290.48	15330.56
December 2009	17.00	14.85	11649	17530.94	16577.78
January 2010	28.00	16.40	148751	17790.33	15982.08
February 2010	24.75	19.50	16383	16669.25	15651.99
March 2010	21.45	15.50	17468	17793.01	16438.45
April 2010	18.00	15.00	15410	18047.86	17276.80
May 2010	19.50	17.75	38364	17536.86	15960.15
June 2010	20.65	17.15	15365	17919.62	16318.39



Distribution of Shareholding as on June 30th 2010

Sr. No.	No. of Equity Shares held		Shareholders		Shareholding	
	From	To	Nos.	%	Nos.	%
1	Upto	100	295	16.00	18411	0.17
2	101	200	961	52.11	148238	1.38
3	201	500	310	16.81	113182	1.06
4	501	1000	117	6.34	91848	0.86
5	1001	5000	116	6.29	255676	2.38
6	5001	10000	18	0.98	135490	1.26
7	10001	100000	19	1.03	703211	6.56
8	100001 and above		8	0.43	9257151	86.33
TOTAL			1844	100.00	10723207	100.00



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Shareholding Pattern as on June 30th 2010

Category code	Category of Shareholder	Total no. of shares	Percentage of Shareholding
(A)	Promoter and Promoter Group Holding		
1	Indian Promoters	4591200	42.82
	Foreign Promoters	4591200	42.82
	Sub Total (A)	9182400	85.63
(B)	Non-Promoter shareholding		
1	Institutions		
(a)	Mutual Funds/ UTI	150	0.001
(b)	Financial Institutions / Banks	150	0.001
	Sub-Total (B)	300	0.002
(C)	Non-institutions		
(a)	Private Bodies Corporate	442943	4.13
(b)	Individuals	1096464	10.23
(c)	Any Other (Clearing Member)	500	0.004
(d)	NRI	600	0.005
	Sub-Total (C)	1540507	14.37
	GRAND TOTAL (A)+(B)+©	10723207	100

Place: Mumbai
Dated: 19th November , 2010

For and on behalf of the Board

Ajay Anand
Managing Director



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

**To The Members of
AUNDE India Limited**

We have examined the compliance of conditions of corporate governance by AUNDE India Limited as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and that no investor grievance(s) is/ are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For **MAJIBAIL & CO.**
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: November 19, 2010

M. V. RAO
Proprietor
Membership No. 7082



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AUDITORS' REPORT

To
The Members of
AUNDE Faze Three Ltd.
Mumbai

We have audited the attached Balance Sheet of Aunde Faze Three Ltd, as at 30th June 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 30th June, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 30th June, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account read together with the Accounting Policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2010,
 - ii. In the case of Profit and Loss Account, of the Profit for the year ended on that date, and
 - iii. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Place: Mumbai
Dated: 31st August, 2010

MAJIBAIL & CO.
Chartered Accountants

M.V.RAO
Proprietor
Membership No.7082



ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditor' Report of even date to the members of Aunde Faze Three Ltd. On the financial statements for the year ended 30th June, 2010.

- i. In respect of Fixed Assets
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its Fixed Assets.
 - b) As explained to us the major Fixed Assets have been physically verified by the Management at reasonable intervals during the year. As per the information given to us no material discrepancy has been noticed on such verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii. In respect of Inventories
 - a) As informed to us, physical verification of finished goods, stores, spare parts and raw materials have been conducted by the Management at the end of the year.
 - b) Based on the explanations given to us, in our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion, the Company is maintaining proper records of inventories and as explained to us, there were no material discrepancies noticed between the physical stocks and book record.
- iii. In respect of loans, Secured or Unsecured, granted or taken by the Company to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956:
 - a) Based on the audit procedures applied by us and according to the information and explanations given to us, the Company has taken unsecured loan of Rs.594/- Lacs from company listed in a Register maintained under Section 301 of the Companies Act, 1956. The Company has not granted any loan to any companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - b) As per the information and explanations given to us, rate of interest and the terms and conditions of the said loan taken, is not prima facie prejudicial to the interest of the Company.
 - c) As explained to us no amount of principal & interest has become due for payment during the current year.
 - d) In view of our comment in (c) above, Para 4(iii)(d) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



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- v. In respect of transactions covered under Section 301 of the Companies Act, 1956
- In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the Register maintained under section 301 of the Act, have been so entered.
 - In our opinion and according to the information & explanation given to us, the transaction made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sec 58A and 58AA of the Act and the Rules framed there under.
- vii. In our opinion, the Company has an Internal Audit System, which is commensurate with the size and nature of its business.
- viii. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.
- ix. In respect of Statutory dues
- The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income- Tax, Sales-Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 30th June 2010 for a period of more than six months from the date they became payable.
 - According to the information and explanation given to us, the company do not have disputed liability towards the statutory dues including dues of Provident Fund, Income-Tax, Sales-Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities except as given below:

Particulars	Assessment years to which the matter pertains to	Forum where dispute is pending	Amount (Rs. in lakhs)
Excise Duty – AED (T&TA)	2001 to 2004	High Court	30.09
Excise Duty – Textile committee cess	2006 to 2008	Textile Committee	3.63
Service Tax on Royalty	2002 to 2005	Appellate Vapi	0.24
Income Tax	2006-2007	CIT (Appeals)	66.50
Fringe Benefit Tax	2006-2007	CIT (Appeals)	0.41

- x. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions, banks or debenture holders.
- xii. In our opinion and according to the information and explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.



-
- xiii. The Company is engaged in manufacturing activity, and therefore the provisions of para 4(xiii) of the said order relating to a chit fund or a nidhi / mutual benefit fund / society are not applicable to the company.
- xiv. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of para 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loan raised during the year was applied for the purposes for which it was obtained.
- xvii. On the overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, funds raised on short-term basis have not been used for long-term purposes and vice-versa.
- xviii. The Company has not made any preferential allotment of shares or issued debentures or made any public issue during the year, and, accordingly, para 4 (xiii), (xix) and (xx) of the said order are not applicable to the company.
- xix. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the management.

MAJIBAIL & CO.
Chartered Accountants

Place: Mumbai
Dated: 31st August, 2010

M.V.RAO
Proprietor
Membership No.7082



13th Annual Report 2009-2010

BALANCE SHEET as at June 30, 2010	Schedule	As At 30th June, 2010 [Rupees]	As At 30th June, 2009 [Rupees]
I SOURCES OF FUNDS			
1. Shareholder's Funds			
(a) Share Capital	I	107,232,070	107,232,070
(b) Reserves and Surplus	II	171,073,455	156,370,575
2. Loan Funds			
(a) Secured Loans	III	422,056,518	444,711,137
(b) Unsecured Loans	IV	127,518,000	127,518,000
3. Deferred Tax Liabilities		49,760,000	46,575,000
		<u>877,640,043</u>	<u>882,406,782</u>
II APPLICATIONS OF FUNDS			
1. Fixed Assets	V		
(a) Gross Block		717,814,675	565,106,716
(b) Less: Depreciation		207,627,114	176,511,099
(c) Net Block		510,187,561	388,595,617
(d) Capital Work-in-progress Including Advances		11,173,072	149,968,044
2. Current Assets, Loans & Advances	VI		
Inventories		270,326,768	243,616,512
Sundry Debtors		150,469,411	151,472,914
Cash & Bank Balances		3,209,123	4,579,748
Loans & Advances		34,379,829	33,781,693
		458,385,131	433,450,867
Less: Current Liabilities & Provisions	VII		
Sundry Creditors		47,881,735	48,993,431
Less: Current Liabilities & Provisions		54,223,986	40,614,315
		102,105,721	89,607,746
Net Current Assets		356,279,410	343,843,121
TOTAL		<u>877,640,043</u>	<u>882,406,782</u>

NOTES FORMING PART OF ACCOUNTS XVI

SIGNATURES OF THE ACCOUNTS AND SCHEDULES THERE OF

As per our report of even date.

MAJIBAIL & CO.

Chartered Accountants

For and on behalf of the Board

M.V.RAO

Proprietor

Membership No. 7082

Ajay Anand

Managing Director

Kapil Sethi

Director

Place : Mumbai

Dated : 31st August 2010

AUNDE India Limited



AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED June 30, 2010

	Schedule	Current Year 30th June, 2010 [Rupees]	Previous Year 30th June, 2009 [Rupees]
INCOME			
(a) Sales	VIII	561,969,125	373,631,012
(b) Other Income	IX	734,380	2,879,448
(c) Increase / (Decrease) in Stocks	X	15,687,578	74,030,572
TOTAL		<u>578,391,083</u>	<u>450,541,032</u>
EXPENDITURE			
(a) Material Cost	XI	267,694,566	235,475,231
(b) Employees Cost	XII	27,555,767	25,274,199
(c) Operating Expenses	XIII	104,392,191	79,015,539
(d) Admn. & Selling Expenses	XIV	91,309,224	52,199,817
(e) Interest [Net]	XV	34,035,859	31,498,347
(f) Depreciation	V	31,558,171	26,525,934
		<u>556,545,778</u>	<u>449,989,067</u>
PROFIT BEFORE TAX		21,845,305	551,965
Provision for Current Tax		3,957,425	67,750
Provision for Deferred Tax		3,185,000	4,436,000
Provision for Fringe Benefit Tax		-	286,000
PROFIT AFTER TAX		<u>14,702,880</u>	<u>(4,237,785)</u>
Add: Balance Brought Forward from Previous Year		<u>14,676,853</u>	<u>18,914,638</u>
Profit available for appropriation		<u>29,379,733</u>	<u>14,676,853</u>
APPROPRIATIONS :			
Transferred to General Reserve.		12,500,000	-
Balance Carried to Balance Sheet		<u>16,879,733</u>	<u>14,676,853</u>
TOTAL		<u>29,379,733</u>	<u>14,676,853</u>
Earning per Share [Basic & Diluted]		1.37	(0.40)
NOTES FORMING PART OF ACCOUNTS	XVI		

SIGNATURES OF THE ACCOUNTS AND SCHEDULES THERE OF

As per our report of even date.

MAJIBAIL & CO.
Chartered Accountants

For and on behalf of the Board

M.V.RAO
Proprietor
Membership No. 7082

Ajay Anand
Managing Director

Kapil Sethi
Director

Place : Mumbai
Dated : 31st August 2010



13th Annual Report 2009-2010

Cash flow Statement for the year ended 30th June, 2010	Current Year Ended 30th June, 2010 [Rupees]	Previous Year Ended 30th June, 2009 [Rupees]
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	21,845,305	551,965
Adjustments for:		
Depreciation	31,558,171	26,525,934
Interest (Net)	34,035,859	31,498,347
Loss/Profit on sale of assets	141,731	(175,782)
Operating profit before working capital changes	<u>87,581,066</u>	<u>58,400,464</u>
Adjustments for:		
Trade and other receivables	680,719	31,697,122
Inventories	(26,710,256)	(71,675,792)
Trade payables	12,497,977	32,926,441
Cash generated from operations	<u>74,049,504</u>	<u>51,348,235</u>
Interest (Net)	(16,902,299)	(18,379,138)
Direct Taxes Paid	(4,232,777)	(1,838,971)
cash flow before extraordinary items	<u>52,914,430</u>	<u>31,130,126</u>
Net cash flow from operating activities A + B	<u>52,914,430</u>	<u>31,130,126</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital Wip	(14,933,043)	(137,089,974)
Sale of Fixed assets	436,167	1,198,200
Net Cash used in investing activities	<u>(14,496,876)</u>	<u>(135,891,774)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings Net	(22,654,619)	77,703,117
Interest on Term Loans	(17,133,560)	(13,119,209)
Net cash from financing activities	<u>(39,788,179)</u>	<u>64,583,908</u>
D Net Increase / (Decrease) in cash and cash equivalents	[A+B+C]	
	<u>(1,370,627)</u>	<u>40,177,740</u>
E Cash and Cash equivalents [Opening]	as at 30-06-2010	as at 30-06-2009
Cash in hand	499,080	289,169
Cash at Bank	4,080,668	44,468,319
	<u>4,579,748</u>	<u>44,757,488</u>
F Cash and Cash equivalents [Closing]	as at 30-06-2010	as at 30-06-2009
Cash in hand	202,615	499,080
Cash at Bank	3,006,508	4,080,668
	<u>3,209,123</u>	<u>4,579,748</u>
	[D + E]	

{Note: Figures in bracket signifies "Outflow"}
As per our report of even date.

MAJIBAIL & CO.
Chartered Accountants

For and on behalf of the Board

M.V.RAO
Proprietor
Membership No. 7082
Place : Mumbai
Dated : 31st August 2010

Ajay Anand
Managing Director

Kapil Sethi
Director

AUNDE India Limited



SCHEDULES TO THE AUDITED ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2010

As At
30th June, 2010
[Rupees]

As At
30th June, 2009
[Rupees]

SCHEDULE - I

SHARE CAPITAL

Authorised :

110,00,000 (110,00,000) Equity Shares of Rs.10 Each 110,000,000

Issued, Subscribed & Paid up

*1,07,23,207 (10723207) Equity Shares Rs.10 each 107,232,070

TOTAL 107,232,070

* of the above 61,32,000 Equity Shares of Rs.10 each issued at par to the shareholders of Faze Three Ltd. For consideration other than cash pursuant to the scheme of Arrangement.

SCHEDULE - II

RESERVES & SURPLUS

General Reserve :

141,693,722 141,693,722

Add : Transfer from Profit and Loss Account

12,500,000 -

154,193,722 141,693,722

Surplus in Profit & Loss Account

16,879,733 14,676,853

TOTAL 171,073,455 156,370,575

SCHEDULE - III

SECURED LOANS

From Bank :

Cash Credit:

In Rupee

114,393,266 123,248,583

In Foreign Currency (FCLR)

124,271,600 133,639,818

[Secured by hypothecation of Inventory - Raw Material, Semifinished goods & finished goods of Autofabrics including imported laminated & coated material & book debts.as primary security and collateral security by way of EMT of Land & Building]

Other loans [Secured against hypothecation of Vehicles]

300,519 1,420,288

Canara Bank - Rupee Term Loan - 1

25,000,000 25,315,796

(Secured EMT of Land & Building at Dadra and hypothecation of imported and indigeneous plant & machinaries of Rs.728.45 Lacs planned for project)

Canara Bank - Rupee Term Loan - 2

158,091,133 161,086,652

(Secured EMT of Land & Building at Dadra and hypothecation of imported and indigeneous plant & machinaries of Rs.1703.74 Lacs planned for project)

TOTAL 422,056,518 444,711,137

SCHEDULE - IV

UNSECURED LOANS

From a Company [Ref Note No.5]

59,400,000 59,400,000

From Foreign Collaborator

68,118,000 68,118,000

TOTAL 127,518,000 127,518,000



SCHEDULE - V

Particulars	Gross Block			Depreciation			Net Block			
	As at 1-Jul-09	Additions / Adjustments	Disposal / Adjustment	As at 30-Jun-10	As at 1-Jul-09	For the year	Disposal / Adjustment	Up to 30-Jun-10	As at 30-Jun-10	As at 30-Jun-09
Land	22,378,994			22,378,994					22,378,994	22,378,994
Building	90,939,523			90,939,523	22,641,249	2,637,724		25,278,973	65,660,550	68,298,274
Plant & Machinery	395,056,311	153,348,150	678,877	547,725,584	124,330,165	24,465,812	195,353	148,600,624	399,124,960	270,726,146
Furniture & Fixtures	14,080,063	293,700		14,373,763	6,710,329	882,588		7,592,917	6,780,846	7,369,734
Office Equipments	12,207,026	86,165		12,293,191	7,765,726	1,702,473		9,468,199	2,824,992	4,441,300
Electrical Installation	17,557,539			17,557,539	6,571,467	820,014		7,391,481	10,166,058	10,986,072
Vehicles	12,887,260		341,179	12,546,081	8,492,163	1,049,560	246,803	9,294,920	3,251,161	4,395,097
Total	565,106,716	153,728,015	1,020,056	717,814,675	176,511,099	31,558,171	442,156	207,627,114	510,187,561	388,595,617
Previous Year	556,963,213	9,679,701	1,536,198	565,106,716	150,498,945	26,525,934	513,780	176,511,099		
Capital Work in process [Including Capital Advances]									11,173,072	149,968,044
									521,360,634	538,563,661

AUNDE India Limited



SCHEDULES CONTD.

As At
30th June, 2010
[Rupees]

As At
30th June, 2009
[Rupees]

SCHEDULE - VI

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS :

INVENTORIES

[At cost/Estimated cost or at lower of cost or net realisable value (as certified by Director) as the case may be]

Raw Materials	48,231,514	40,714,253
Work in Progress	20,759,235	23,249,688
Finished goods	191,600,788	173,422,757
Stores & Spares	9,735,231	6,229,814
	<u>270,326,768</u>	<u>243,616,512</u>

SUNDRY DEBTORS :

(Unsecured Considered Good) Over Six months

OTHERS :

6,855,574	12,677,332
143,613,836	138,795,582
<u>150,469,411</u>	<u>151,472,914</u>

CASH & BANK BALANCES :

Cash on Hand	202,615	499,080
Balance with Scheduled Bank :		
On Current Account	1,046,443	3,488,068
On Deposit Account	1,960,065	592,600
	<u>3,209,123</u>	<u>4,579,748</u>

LOANS & ADVANCES :

Unsecured - Considered Good		-
Advances recoverable in cash or in kind or for value to be recd.	31,733,215	31,419,931
Deposits	862,864	853,364
Advance Tax [net]	1,783,750	1,508,398
	<u>34,379,829</u>	<u>33,781,693</u>

TOTAL

SCHEDULE - VII

CURRENT LIABILITIES AND PROVISION

CURRENT LIABILITIES

Sundry Creditors	47,881,735	48,993,431
Other Liabilities	54,223,986	40,614,315
	<u>102,105,721</u>	<u>89,607,746</u>

TOTAL

13th Annual Report 2009-2010



SCHEDULES CONTD.	Current Year [Rupees]	Previous Year [Rupees]
SCHEDULE - VIII		
SALES :		
Local	561,315,506	366,621,491
Export	653,619	7,009,521
TOTAL	<u>561,969,125</u>	<u>373,631,012</u>
SCHEDULE - IX		
OTHER INCOME		
Miscellaneous Income :	734,380	2,879,448
TOTAL	<u>734,380</u>	<u>2,879,448</u>
SCHEDULE - X		
INCREASE / DECREASE IN STOCK :		
Closing Stock - Finished Goods	191,600,788	173,422,757
Closing Stock - WIP	20,759,235	23,249,688
	<u>212,360,023</u>	<u>196,672,445</u>
Less : Opening Stock - Finished Goods	173,422,757	95,905,858
Less : Opening Stock - WIP	23,249,688	26,736,015
	<u>196,672,445</u>	<u>122,641,873</u>
TOTAL [Increase / (Decrease)]	<u>15,687,578</u>	<u>74,030,572</u>
SCHEDULE - XI		
MATERIALS		
MATERIALS CONSUMED :		
Opening Stock - Raw Material	40,714,253	43,069,033
Add : Purchases of Raw material	275,211,827	233,120,451
	<u>315,926,080</u>	276,189,484
Less : Closing Stock Raw Material	48,231,514	40,714,253
TOTAL	<u>267,694,566</u>	<u>235,475,231</u>
SCHEDULE - XII		
EMPLOYEES COST		
Salaries & Wages	26,753,778	24,084,796
Contribution to Provident Fund & Other Funds	279,105	722,169
Staff Welfare Expenses	522,884	467,234
TOTAL	<u>27,555,767</u>	<u>25,274,199</u>

AUNDE India Limited



SCHEDULES CONTD.	Current Year [Rupees]	Previous Year [Rupees]
SCHEDULE - XIII		
MANUFACTURING EXPENSES :		
Dyeing Expenses	39,170,223	36,439,213
Processing & Finishing Charges	34,124,287	19,027,555
Repairs & Maintenance :		
Plant & Machinery	1,623,292	677,478
Buildings	264,811	188,065
Others	110,760	136,120
Power and Fuel	10,717,989	10,157,127
Stores & Spares Consumed	6,526,756	6,161,462
Other Mfg. exp.	11,854,073	6,228,519
TOTAL	<u>104,392,191</u>	<u>79,015,539</u>
SCHEDULE - XIV		
ADMINISTRATIVE AND SELLING EXPENSES :		
Excise Duty	47,648,767	21,660,546
Auditors Remuneration :		
Statutory Audit Fees	100,000	71,798
Tax Audit Fees	30,000	33,090
Certification Fees	50,000	33,708
Travelling & Conveyance Expenses	1,407,247	1,692,021
Insurance	842,676	624,859
Miscellaneous Expenses	9,855,235	9,489,938
Rent Rates & Taxes	1,034,548	900,949
Legal & Professional Fees	1,406,297	1,471,536
Packing Material Expenses	3,634,279	2,799,561
Business Promotion Expenses	766,680	428,839
Directors Sitting Fees	32,000	24,000
Selling & Forwarding Expenses	15,586,184	12,667,476
Technical Know-How Fees/Royalty	8,773,580	301,496
Loss on Sale of Assets	141,731	-
TOTAL	<u>91,309,224</u>	<u>52,199,817</u>
SCHEDULE - XV		
INTEREST [NET]		
Interest on Bank Borrowings	20,895,025	22,343,591
Interest - on term loans	9,673,366	1,926,247
Interest - Others	7,460,194	11,192,962
	<u>38,028,585</u>	<u>35,462,800</u>
Less : Interest Received & Accrued	3,992,726	3,964,453
TOTAL	<u>34,035,859</u>	<u>31,498,347</u>



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SCHEDULE XVI NOTES TO ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES:

1 BASIS OF ACCOUNTING

The financial statements are prepared on accrual basis and in accordance with the requirements of the Companies Act, 1956.

2 FIXED ASSETS:

- (a) Fixed Assets are stated at cost less accumulated depreciation. The Company capitalises all costs relating to the acquisitions and installations of fixed assets.
- (b) Capital work in progress includes all costs relating to the capital expenditure incurred on the Projects.

3 DEPRECIATION:

Depreciation on original cost has been provided under the Straight Line Method at the rates provided by Schedule XIV to the Companies Act, 1956. Except in the case of Motor Vehicles, for which the depreciation is charged on W.D.V.

4 INVENTORIES:

- (a) Raw Materials are valued at lower of cost and net realisable value arrived on FIFO basis.
- (b) Finished Products and Work in Process are valued at lower of cost and net realisable value arrived at on FIFO basis.

Cost of finished products and work-in-process includes material cost, labour, direct expenses production overheads and excise duty, where applicable.

5 SALES:

Sales are inclusive of excise duty.

6 FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are translated into Indian Currency at the exchange rate prevailing on the date of transaction. Other monetary assets/ liabilities are valued at the rate prevailing on the date of balance sheet. The gain/ losses resulting from the settlement of these transactions are recognized in the Profit & Loss Account and the exchange difference relating to fixed assets are adjusted in the cost of the asset.

7 EXCISE DUTY:

Excise duty at the applicable rates payable on products is accounted for at the time of despatch of goods but is accrued for stocks held at the close of financial year.

8 RETIREMENT BENEFITS:

Contribution to Provident Fund are charged to Profit & Loss Account.

9 GRATUITY:

No provision for gratuity has been made in the books of accounts.

10 CONTINGENT LIABILITIES:

Liabilities which are of contingent nature are disclosed by way of Notes and such liabilities which are likely to mature are provided for.

11 TAXES ON INCOME :

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



SCHEDULE XVII

NOTES TO THE FINANCIAL STATEMENTS

1 In the absence of taxable income for the year ended on 30-06-2010, the company has made provision for tax under section 115JB of the Income Tax Act (MAT Tax) on book profits of the company.

	2009-2010	2008-2009
	Rupees	Rupees
2 Managerial Remuneration:		
To Managing Director :		
Salaries & Allowances	3,600,000	1,980,000
3 Contingent Liabilities:		
a) Bank Guarantees	1,875,000	1,875,000
b) Foreign Letter of Credits	6,365,224	-
c) Estimated amount of contracts remaining to be executed on capital account not provided for	34,380,288	812,283

4 Additional information pursuant to paragraph 3,4(c) and 4(d) of Part II of Schedule VI of the Companies Act, 1956.

	2009-2010	2008-2009
(A) Details of Registered and Installed Capacities,		
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	2,739,930 mtrs p.a.	2,739,930 mtrs p.a.
Actual Production Autofabric	1,900,352 mtrs	1,321,741 mtrs
Actual Production Others	-	-

(B) Turnover:	2009-2010		2008-2009	
	Quantity (in mtrs.)	Value (Rs.)	Quantity (in mtrs.)	Value (Rs.)
Class of Goods				
Automotive fabrics	1,805,533	540,399,561	1,135,618	351,234,350
Others	-	21,569,564		22,396,662
		<u>561,969,125</u>		<u>373,631,012</u>

(C) Itemwise Breakup of opening & closing stock	As at 30.06.10		As at 30.06.09	
	Quantity (in mtrs.)	Value (Rs.)	Quantity (in mtrs.)	Value (Rs.)
Opening Stock:				
Automotive fabrics	1,060,594	173,422,757	790,371	95,905,858
Other fabrics (for resale)		-	-	
Closing Stock				
Automotive fabrics	1,155,413	191,600,788	1,060,594	173,422,757
Other fabrics (for resale)		-		-
		<u>191,600,788</u>		<u>173,422,757</u>



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(D) Raw Materials Consummed		2009-2010		2008-2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)	
Yarn	Kgs	1,130,387	144,540,187	586,858	77,988,882
Foam	Kgs	305,818	81,152,900	182,027	50,558,112
Tricot	Kgs	127,863	25,544,116	67,274	12,540,316
Semi-finished - Woven fabrics	Mtrs	87,162	16,457,363	43,826	9,151,980
Processed fabrics & Others	Mtrs	-		401,345	85,235,941
			267,694,566		235,475,231
(E) Value of imported and indigenous Raw Materials, Stores & Spares consumed and their percentage to total consumption					
		Value (Rs.)	Per centage	Value (Rs.)	Per centage
1 Raw materials					
Imported		46,892,484	18	55,627,905	24
Indigenous		220,802,082	82	179,847,326	76
2 Stores & Spares					
Imported		2,701,742	41	1,489,321	24
Indigenous		3,825,014	59	4,672,141	76
(F) CIF Value of Imports					
(a) Raw Materials		47,979,223		46,308,291	
(b) Components & Spare Parts		2,701,742		1,489,321	
(c) Capital Goods		-		28,080,097	
(G) Expenditure in Foreign Currency:					
Travelling expenses		237,982		514,786	
Others		8,812,008		-	
(H) Earning in Foreign Currency:					
FOB Value of Exports		457,533		4,876,020	
5 Unsecured Loan of Rs.59,400,000/- from a company is balance consideration payable to Faze Three Ltd. consequent to the implementation of the scheme of arrangement.					
6 Sundry Creditors include Rs. 1,58,603/- (previous year Rs. 8,84,406/-) due to ancillary / small scale industrial undertakings to the extent such parties have been identified from available information. As at 30th June 2010, there were no small scale industrial undertaking to whom the company owes Rs.100,000/- or more and which are outstanding for more than 30 days.					

AUNDE India Limited



7 Company does not have any scheme for leave encashment.

8 Segmental Reporting
The Company has only one segment of activity namely 'Autofabrics'.

9 Related Party Disclosures

a) List of Related Parties and Relationship

Name of the party	Relationship
M/s. Faze Three Ltd	Associate

b) Key Management Personnel

1 Mr. Ajay Anand	Managing Director
------------------	-------------------

c) Related Party transactions

	2009-2010	2008-2009
1 Processing charges & other cost	37,804,315	12,408,574
2 Purchase of woven fabric	12,260,999	4,233,208
3 Interest Expense (NET)	2,042,671	2,075,446
4 Managerial Remuneration	3,600,000	1,980,000

10 Earning per share

Earning per share computed in accordance with Accounting standard 20: Earnings Per Share

Profit after Tax as per Accounts is Rs.	14,702,880	(4,232,635)
Number of Shares issued	10,723,207	10,723,207
Basic EPS (Rs.)	1.37	(0.39)

11 Deffered Tax asset (Net / Liability as on 30-06-2010)

	Deferred Tax Assets / Liability (Rs.in Lacs)	
	as at 30-06-10	as at 30-06-09
Deferred Tax Liabilities		
On timing Difference between Book and Tax Depreciation	707.30	525.26
Deferred Tax Assets		
Carried Forward Losses as per Income Tax Act	209.70	59.51
Net Deferred Tax Liabilities	497.60	465.75

12 Previous year's figures have been regrouped/reclassified wherever necessary.



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13 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS:

CIN	:	L17120DN1997PLC000196
State Code	:	04
Balance Sheet	:	30th June 2010

II CAPITAL RAISED DURING THE YEAR:

(Amount Rs. in Thousands)	:	
Public Issue	:	Nil
Rights Issue	:	Nil
Private Placement	:	Nil
Bonus Issue	:	Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(Amount Rs. in Thousands)	:	
Total Liabilities	:	877,640
Total assets	:	877,640

SOURCES OF FUNDS:

Paid up Capital	:	107,232
Reserves & Surplus	:	171,073
Secured Loans	:	422,057
Unsecured Loans	:	127,518
Deferred Tax Liability	:	49,760
Total	:	<u>877,640</u>

APPLICATION OF FUNDS:

Net Fixed Assets	:	521,361
Investments	:	-
Net Current Assets	:	356,279
Misc. Expenditure	:	-
Accumulated Losses	:	-
Total	:	<u>877,640</u>

IV PERFORMANCE OF THE COMPANY:

(Amount Rs. in Thousands)	:	
Turnover [incl. Other Income]	:	561,969
Total Expenditure	:	540,124
Profit/(Loss) Before Tax	:	21,845
Profit/(Loss) After Tax	:	14,703
Earning Per Share (Rs.)	:	1.37
Dividend Rate	:	-

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY[AS PER MONETARY TERMS]:

Item Code No. [ITC Code]	Product Description
5903.20	Textile fabrics impregnated, coated laminated
5406.10	Woven Fabrics not subject to any process
5406.29	Other Fabrics

SIGNATURES OF THE ACCOUNTS AND SCHEDULES THERE OF

As per our report of even date.

MAJIBAIL & CO.
Chartered Accountants

For and on behalf of the Board

M. V. RAO
Proprietor

Ajay Anand
Managing Director

Kapil Sethi
Director

Place : Mumbai
Dated : 31st August 2010

AUNDE India Limited



AUNDE India Limited

Regd. Office: Plot No. 146, Waghdhara Village, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli

13th Annual General Meeting

ATTENDANCE SLIP

Folio No./
Client ID
No. of Shares:

I certify that I am registered shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 13th Annual General Meeting of AUNDE INDIA LIMITED held on Saturday 18th December 2010 at Plot No. 146, Waghdhara Village, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli at 10.00 A.M.

Full Name of the Member _____
(as registered with the Company)

Full name of the Proxy _____

Regd Folio No. _____ No. of Shares _____

Signature of the Shareholder/Member/Proxy _____

Notes:

1. Shareholders/Joint Shareholders, Proxies are requested to bring the attendance slips with them. Duplicate slips will not be issued at the entrance of the Auditorium.
2. Please bring your copy of the Annual Report to the Meeting venue.
3. Please avoid being accompanied by Non-members and Children.

AUNDE India Limited

Regd. Office: Plot No. 146, Waghdhara Village, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli

PROXY FORM

I/We _____ of _____ being a

member/Members of AUNDE India Limited hereby appoint _____

of _____ or failing him _____ of

_____ or failing him _____ of

_____ as my/our proxy to vote for me/us and on my/our

behalf at the 13th Annual General Meeting of the Company to be held on Saturday 18th December

2010 at Plot No. 146, Waghdhara Village, Dadra – 396 193, Union Territory of Dadra & Nagar

Haveli at 10.00 am and at any adjournment thereof.

Signature: _____

Affix Re. 1/-
Revenue
Stamp

Folio No./
Client ID
No. of Shares:

Dated: _____

Note: The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy need not be a member.

BOOK-POST

To,

If undelivered please return to :

AUNDE India Limited
Corporate Office
102, Shiv Smriti Chambers,
49-A, Dr. Annie Basant Road, Worli,
Mumbai - 400 018.