
AUNDE FAZE THREE Autofab Limited

**22nd Annual Report
2018-19**

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Mr. Ajay Anand	Chairman & Managing Director
Mr. Rolf Konigs	Non-Executive Director (Resigned w.e.f. 21.08.2019)
Mrs. Rashmi Anand	Non-Executive Director (Appointed w.e.f. 21.08.2019)
Mr. Viswanathan Sivakumar	Chief Financial Officer
Mr. Akram Sati	Company Secretary

INDEPENDENT DIRECTORS

Mr. Vinit Rathod	Ms. Shweta Jain (Resigned w.e.f. 21.08.2019)	Mr. Manan Shah
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BANKER

The Saraswat Co-operative Bank Ltd.

ADVOCATES & SOLICITORS

M/s. Vikram Philip & Associates

STATUTORY AUDITORSM/s. Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants, Mumbai.**SECRETARIAL AUDITORS**M/s. Sanjay Dholakia & Associates
Practicing Company Secretary**BOARD COMMITTEES****Audit Committee****Nomination & Remuneration Committee****Stakeholders Relationship Committee**

Mr. Vinit Rathod	<i>Chairman</i>
Mr. Ajay Anand	<i>Member</i>
Mr. Manan Shah	<i>Member</i>

Mr. Vinit Rathod	<i>Chairman</i>
Mr. Manan Shah	<i>Member</i>
Mrs. Rashmi Anand	<i>Member</i>

Mr. Vinit Rathod	<i>Chairman</i>
Mr. Manan Shah	<i>Member</i>
Mr. Ajay Anand	<i>Member</i>

REGISTERED OFFICE

Plot No. 146,
Waghdhara Village Road,
Dadra - 396193
Union Territory of Dadra & Nagar
Haveli.
Ph: 0260 2668539
Fax: 0260 2668501

CORPORATE OFFICE

63-64, Mittal court,
C Wing, Nariman Point,
Mumbai - 400 021
Phone : 022 62421313
/ 4351 4444
Fax : 022 2493 6811
Email: investors@aundeindia.com
Website: www.aundeindia.com

REGISTRAR & TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. 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 FAZE THREE Autofab Limited
(Formerly known as AUNDE India Limited)
22nd ANNUAL REPORT FOR THE PERIOD ENDED 31st MARCH, 2019

1. Date of Annual General Meeting : 30th, September, 2019
2. Time and Venue : 11.30 am. Conference Room,
AUNDE FAZE THREE Autofab Limited
Plot No. 146
Waghdhara Village Road
Dadra – 396 193
UT of Dadra & Nagar Haveli
3. Book Closure : Tuesday, 24th September, 2019
to Monday, 30th September, 2019
(both days inclusive)

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NOTICE is hereby given that the 22nd Annual General Meeting of the Shareholders of AUNDE FAZE THREE Autofab Limited will be held on Monday, 30th September, 2019 at 11.30 AM. at Conference Room, AUNDE FAZE THREE Autofab Limited, Plot No. 146, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli, to transact the following business:

ORDINARY BUSINESS:

No.1 - Adoption of Financial Statements.

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2019, together with the Report of Directors and Auditors thereon and To Consider and if, thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report and Directors' Report thereon be and are hereby received, considered and adopted.”

No.2 - Appointment of a Director in place of Mr. Ajay Anand (DIN: 00373248), who retires by rotation.

To consider Appointment of Director in place of Mr. Ajay Anand (DIN: 00373248), who retires by rotation and being eligible, offer himself for re-appointment and if, thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Ajay Anand (DIN :00373248), who retires by rotation and being eligible, offer himself for re-appointment, be and is hereby re-appointed as Director of the Company.”

SPECIAL BUSINESS:

No.3 - Approval of Related Party Transactions.

To Consider and if, thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Regulation 23 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 approval of the Members be and is hereby accorded to the Material Related Party transactions entered into and proposed to be entered into and carried out in ordinary course of business with Faze Three Ltd. having its Registered office at Survey No. 380/1, Khanvel Silvassa Road, Dapada - 396230, Union Territory of Dadra & Nagar Haveli, a “Related Party” as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2 (1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in financial year 2019-20”

No.4 - Appointment of Mrs. Rashmi Anand as Non-Executive Director liable to retire by rotation.

To Consider and if, thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and other applicable rules and provisions (including any modification and re-enactment thereof), if any, of the Companies Act, 2013, Mrs. Rashmi Anand (DIN: 00366258), who was appointed as an Additional Director with effect from 21st August, 2019, on the Board of the Company and who holds office up to ensuing Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director, be and is hereby appointed as a Non- Executive Director of the company, liable to retire by rotation.”

No.5 - Re-Appointment of Mr. Ajay Anand as Managing Director of the Company liable to retire by rotation.

To Consider and if, thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any modification and re-enactment thereof), if

any, of the Companies Act, 2013 Mr. Ajay Anand (DIN: 00373248), be and is hereby re-appointed as Managing Director of the Company for a period of three (3) years commencing from April 01, 2019 up to March 31, 2022 on such terms and conditions as set out in this resolution and explanatory statement annexed hereto and on payment of such remuneration, as maybe determined by the Board or duly constituted committee thereof from time to time."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Company to give effect to this resolution."

No.6 - Approval to Change the name of the Company from Aunde Faze Three Autofab Limited to Faze Three Autofab Limited

To Consider and if, thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** subject to the approval of the Central Government under Section 13 and other applicable provisions if any of the Companies Act, 2013 and the BSE Limited and such other statutory authorities the name of the company be changed from "Aunde Faze Three Autofab Limited" to "Faze Three Autofab Limited."

"**RESOLVED FURTHER THAT** wherever the name of "Aunde Faze Three Autofab Limited" appears in the Memorandum and Articles of Association of the company or elsewhere, the same be substituted by "Faze Three Autofab Limited."

"**RESOLVED FURTHER THAT** Any Director or Company Secretary of the Company be and is hereby authorised to pursue the matter and to perform all necessary acts, deeds and things to give effect to above resolution."

BY ORDER OF THE BOARD OF DIRECTORS
For AUNDE FAZE THREE Autofab Limited

Date: 21st August, 2019

Place: Mumbai

Akram Sati
Company Secretary

Notes:

1. Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder of the Company.

2. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.
3. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 3 & 6 of the Notice, are also annexed.

4. The Register of member and the Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Monday, 23rd September, 2019 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. , 23rd September, 2019, shall be entitled to avail the facility of remote e-voting or voting in the general meeting.
7. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Members are requested:

- i. To write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2019, so as to enable the Company to keep the information ready.
 - ii. To bring their copy of Attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. To inform to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA. To quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - iv. To approach the R&TA of the Company for consolidation of folios.
 - v. To avail Nomination facility by filing in and forwarding the nomination form to the R&TA, if not already done.
 - vi. To send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikroli (East), Mumbai 400 083, upto the date of book closure.
9. The Company has listed its shares on the BSE Limited. The listing fees till date have been paid.
 10. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
 11.
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The Members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - iv. The e-voting period commences on Friday, 27th September, 2019 (9:00 am) and ends on Sunday, 29th September, 2019 (5:00 pm). During this period, Members' of the Company holding shares either in physical

form or in dematerialized form, as on the cut-off date, Monday, 23rd September, 2019, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently.

The instructions for e-voting are as follows:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 :Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 :Cast your vote electronically on NSDL e-Voting system.

Step 1:

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- f. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - i) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - ii) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - iii) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iv) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - v) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - vi) Now, you will have to click on "Login" button.
 - vii) After you click on the "Login" button, Home page of e-Voting will open.

Step 2:

How to cast your vote electronically on NSDL e-Voting system?

- a. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- c. Select "EVEN" of company for which you wish to cast your vote.
- d. Now you are ready for e-Voting as the Voting page opens.
- e. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- f. Upon confirmation, the message "Vote cast successfully" will be displayed.
- g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in.
 - b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
12. The route map showing directions to reach the venue of the Twenty Second AGM is annexed.
 13. The Company has appointed Mr. Sanjay Dholakia, Practicing Company Secretary (Membership No. FCS- 2655 and CP No.1798) as the Scrutinizer to count the votes cast in favour or against the resolutions proposed from item No. 1 to 6 of the Notice for point No. 11 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
 14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 15. The Scrutinizer shall, after the conclusion of voting at the annual general meeting, first count the votes cast at

the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than two days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

16. The Results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
17. A brief resume of Directors proposed to be appointed/re-appointed at this Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is provided under Explanatory statement:

Name	Mr. Ajay Anand	Mrs. Rashmi Anand
Date of Birth	16/10/1954	24/09/1958
Qualification	Graduate	BA, LLB
Nature of Expertise	Business Management, production, research and development, particularly in Home and Automotive textiles business.	Policy making and strategic decision making, setting up of textile business, social activities.
Experience	More than 30 years	More than 25 years
Disclosure of relationship with Directors inter-se	Husband of Mrs. Rashmi Anand, Non-Executive Director	Wife of Mr. Ajay Anand, Managing Director of the Company
Name of Other Public Companies in which holds Directorship	Faze Three Limited	Faze Three Limited
Shareholding in AUNDE FAZE THREE Autofab Limited	Equity shares - 51,56,451 - 48.09%	Equity shares - 213750 - 1.99%

BY ORDER OF THE BOARD OF DIRECTORS
AUNDE FAZE THREE Autofab Limited

Date: 21st August, 2019
Place: Mumbai

Akram Sati
Company Secretary

Explanatory statement
(Pursuant to Section 102 of the Companies Act, 2013)

No. 3- Approval of Related Party Transactions

M/s. Faze Three Limited is a Public limited Company and Listed on BSE, having its Registered Office and manufacturing facilities at Dadra. The Company is into manufacturing of Home Textile Products like Bathmats, Rugs, Floor Coverings, Blankets, Cushions, Cushion Covers, etc.

Faze Three Limited and AUNDE FAZE THREE Autofab Limited have entered into an exclusive manufacturing and processing agreement under which AUNDE FAZE THREE Autofab Limited is entitled to use Faze Three's dyeing unit at Vapi for dyeing its Automotive Fabrics as per the laid down standards. The agreement also lays down terms for dealing with other units of Faze Three in case of any specific requirement of capacity or technology sharing. The transactions are made in the ordinary course of business and are at arm's length price and requisite approvals have been taken from the Board and Audit Committee.

As per the requirement of Section 188 of the Companies Act, 2013, read with Companies (Amendment) Act, 2015 and SEBI (Listing Obligations and Disclosure Requirements), 2015 all material Related Party Transactions shall require approval of the shareholders through an Ordinary Resolution if the transaction or transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Further as per SEBI (Listing Obligations and Disclosure Requirements), 2015, which were notified on September 2, 2015 and became effective from 1st December, 2015 all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

Faze Three Limited is a Related Party and the transaction as described hereunder would exceed 10% of the annual turnover of the Company (2019-20) as per the audited financial statements of the Company and thus, in terms of the Section, the transactions would require the approval of the members by way of Ordinary Resolution:

Sr. No.	Description	Details		
1.	Name of the related Party	Faze Three Limited		
2.	Name of the Director or KMP who is related	Mr. Ajay Anand		
3.	Nature of relationship	Entity in which Director has Common Control as per Ind AS 24		
4.	Transactions	Year ended	2018-19 (Actual)	2019-20 (estimated)
	Dyeing & Processing Charges		24.61	25.00

None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the said resolution, except for Mr. Ajay Anand.

No.4 - Appointment of Mrs. Rashmi Anand as Non-Executive Director liable to retire by rotation.

The Board of Directors of the Company at their meeting held on 21st August, 2019 has appointed Mrs. Rashmi Anand (DIN: 00366258) as Additional Director of the Company who holds office upto the date of this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice under section 160 of the act in writing from a member proposing her candidature for the office of Director.

Mrs. Rashmi Anand, a Law Graduate, aged 61 years, has vast experience in policy making and strategic decision making. A socially active person, she has been instrumental in contributing towards the society well-being and uplifting through various initiatives. She has adequate expertise of the operations of textile industry and has led a number of assignments related to setting up of textile business independently. She is wife of the Managing Director, Mr. Ajay Anand and a member of promoter group of Aunde Faze Three Autofab Limited.

None of the Directors / KMPs and their respective relatives other than Mrs. Rashmi Anand and Mr. Ajay Anand are anyway concerned or interested in the said resolution.

No.5 - Re-Appointment of Mr. Ajay Anand as Managing Director of the Company liable to retire by rotation.

Mr. Ajay Anand (DIN: 00373248) was appointed as Managing Director of the Company w.e.f. 1st April, 2014 for a period of 5 years at 17th Annual General Meeting of the Company. The present term of Mr. Ajay Anand expired on 31st March, 2019.

The Board, based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, approved re-appointment of Mr. Ajay Anand as Managing Directors of the Company for further period of 3 years.

Mr. Ajay Anand is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. Mr. Ajay Anand satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

A brief profile of Mr. Ajay Anand, including nature of his expertise is provided in note no 17 accompanying notice of 22nd Annual General Meeting of the Company.

The general information as required under Section II, Part II of Schedule V of the Companies Act, 2013 and the disclosure as required in accordance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

Members are informed that Mr. Ajay Anand is also proposed to be re-appointed as the Managing Director of Faze Three Limited, a listed Company having common Promoters, for a period of 3 years. Such re-appointment of Mr. Ajay Anand as Managing Director of both the Companies and the payment of remuneration is/ will be in conformity with Section 196, 197 of the Companies Act and Schedule V of the Companies Act, 2013.

Mr. Ajay Anand shall be provided with payment of fixed monthly salary with the Authority to Board or a committee thereof to fix the salary and annual increments, which would be effective April 1, every year, based on merit and taking into account the Company's performance, incentive remuneration based on certain performance criteria, benefits, perquisites and allowances as per the policy of the Company as may be determined by the Board from time to time.

In case of no profits or inadequacy of profits in any Financial Year, Mr. Ajay Anand shall be paid of Minimum Remuneration during the currency of his tenure as per details mentioned herein below;

Remuneration:

- Salary: Rs 3,75,000/- per month with an annual increase based on recommendation of the Nomination and Remuneration Committee and approval of Board, subject to a maximum of Rs 10,00,000/- per Month;
- Provident Fund: To the extent not taxable under the Income Tax Act, 1961;
- Gratuity & Leaves as per the rules of the Company.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Section II of Part II of Schedule V.

Taking into consideration the above and the terms of appointment and remuneration (including minimum remuneration) agreed with Mr. Ajay Anand, it is proposed to obtain Members approval by way of Special Resolutions, as stated hereinabove, for:

- payment of minimum remuneration, where the Company has no profits or its profits are inadequate, to Mr. Ajay Anand during the three financial years commencing from April 1, 2019.

The Nomination and Remuneration Committee, Audit Committee & the Board of Directors at their respective meetings held on 1st April, 2019, 30th May, 2019 & 30th May, 2019, accorded their approvals to the above and in the interest of the Company have recommended the aforesaid resolutions as set out in this Notice for approval of the Members.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT

I. General Information:

Nature of Industry	The Company is into manufacturing of Automotive Fabrics.
Date or expected date of commencement of commercial production	The Company was incorporated in the year 1997 and the commercial production was commenced in 1998.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

Financial performance:

(Rs. In Lakhs)

Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Total Income	14,156.44	12,800.83	12,416.85
Depreciation	441.00	420.20	415.85
Total Expenses	15,518.45	14,627.36	12,239.72
Net Profit / (Loss)	(1,132.01)	(1,826.53)	177.13
Paid up Capital	1,072.32	1,072.32	1,072.32
Reserve & Surplus	(495.82)	644.41	2,470.26

Foreign Investments or collaborations, if any:

The Company had Joint venture with Aunde Achter & Ebels GmbH, Germany from 2000 to August 2019.

II. Information about the appointee -

Mr. Ajay Anand is the Promoter of the Company and he has been associated with the Company since inception. He is having more than 3 decades of experience in textile and automotive textile industry. He is involved in day to day operations of the Company and place vital role in decision making. In order to provide fillip to the operations and business of the Company at national and international level.

Past Remuneration

Particulars	2018-19	2017-18
Total Salary	45,00,000/-	45,00,000/-

Recognition or awards

None.

Job profile and his suitability

As Managing Director, Mr. Ajay Anand oversees day-to-day functions of the Company. He has a rich and varied background as a self-made industrialist. As a technical expert, he provides solutions to complex problems faced by the Company in manufacturing and research, gives foresight and vision in Marketing and Planning. His insight & experience has largely contributed to the Company's progress in the present competitive environment.

Remuneration proposed

- Salary: Rs 3,75,000/- per month and authority to Board or a Committee thereof to fix the salary and annual increments based on Company's performance upto a maximum salary of Rs. 10,00,000/- per month.
- Benefits, perquisites and allowances as may be determined by the Board from time to time.

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

While approving the above remuneration, the Nomination and Remuneration Committee considered the challenges posed by the growth opportunities in the automotive industry and the availability of experienced and expert managerial personnel to tackle the same. The Committee considered the achievement of the Managing Director and the responsibilities cast upon him for steering the Company in a competitive and growth oriented scenario in the technical textiles sector which justifies the remuneration. The Committee also noted that the profile of the incumbent Managing Director is eminently suited to the overall profile of this position. For the responsibility shouldered by Mr. Ajay Anand, Managing Director of the Company in navigating the business in these challenging times, the Committee and Board of Directors of the Company considers that the remuneration proposed to him is justified and commensurate with other organizations of the similar type, size

and nature.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Apart from receiving managerial remuneration and holding 51,56,451 equity shares representing 48.09% of the total paid up share capital of the Company, Mr. Ajay Anand does not have any other pecuniary relationship with the Company.

III. Other Information -

1. Reasons of loss or inadequacy of profits:

The Company is into manufacturing of automotive textiles specially car seat fabrics. The growth of the Company depends upon the growth of the Indian Automotive Industry. The main raw materials of the company being Polyester Yarn and PU Foam. The prices of both are directly related to price of Crude Oil, USD / INR and Supply Dynamics in China being 65% of world producer / consumer. Owing to over 18% Depreciation of Rupee and increase in crude oil price during April 2018 to Oct 2018 has resulted in increased cost of raw materials for the company. In spite of an increase in revenue, it incurred gross loss in FY 2019 owing to an increase in cost of materials. The industry has also seen a declining trend in the market specially passenger vehicles which has adversely affected Company's growth rate.

2. Steps taken or proposed to be taken for improvement

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. Being established player for more than 2 decades the Company has a dominant position in the automobile seat fabric industry in India with long term relationships with Original Equipment Manufacturers (OEMs) with Maruti Suzuki, Hyundai / KIA, M&M, TATA, VW, Skoda, Honda, Toyota, etc. The Company is utilising its established relationships to improve volumes and reduce costs through innovative and value added products. Further, Company works closely with its existing customers for development of latest designs and regular up-gradation of technologies and know-how of its product to enable it to continuously evolve technologically and remain competitive. The results of these initiatives are likely to be felt from financial year 2019-20.

3. Expected increase in productivity and profits in measurable terms.

Though the Automobile Industry is witnessing a continued slowdown, in anticipation of revival of the overall economy in future, the aforesaid steps taken/to be taken by the Company are expected to improve the Company's performance and profitability. Also the Company is expected to grow at at-least 10% despite the slowdown based on orders on hand from all customers. Profits in the coming year are expected to improve as new product launches comprise a significant component at revised price levels.

The draft agreement, setting out the terms and conditions of the aforementioned re-appointment of Mr. Ajay Anand as Managing Director would be available for inspection by the members of the Company at the Registered Office of the Company on any working day between 11.00 A.M. and 5.00 P.M.

None of the Directors / KMPs and their respective relatives other than Mrs. Rashmi Anand and Mr. Ajay Anand are anyway concerned or interested in the said resolution.

No.6 - Approval to change the name of the Company from Aunde Faze Three Autofab Limited to Faze Three Autofab Limited

The Board of Directors of the Company in the meeting held on 23rd August 2019 considered and proposed the change of name of the Company from Aunde Faze Three Autofab Limited to Faze Three Autofab Limited subject to availability of the name with Registrar of Companies ("RoC") and the approval of the shareholders of the Company.

The above change in name of the Company was considered in view of the following:

- A. M/s. Aunde Achter & Ebels GmbH, Promoter / Joint Venture Partner has transferred their entire holding to Mr. Ajay Anand on 16th August, 2019 and cease to be the Share Holder of the Company. Further, M/s. Aunde Achter & Ebels GmbH vide their letter dated 19th August, 2019 has requested the Company to reclassify them as Non-Promoter entity.
- B. The proposed name change would represent name of the remaining promoter in its name and contained a reference to its key product offerings "Autofabrics".

The Board was further of the view that the proposed change in name will result in additional value and credibility to business of the company and the company will also be able to enjoy the domestic goodwill and reputation that Faze Three group enjoys in India.

It was further noted that the above change shall be subject to availability of the names with the Registrar of Companies (ROC) and subject to the approval of shareholders of the Company and Central Government as prescribed under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), 2015 and any other regulations, guidelines, notifications and circulars issued by any other competent authority.

As per Section 13 and other applicable provisions if any of the Companies Act, 2013, change of name of the Company requires approval of members of the Company by way of Special Resolution and hence this resolution. Your Directors recommend the resolution for approval in the best interest of the company.

None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS
AUNDE FAZE THREE Autofab Limited

Date: 21st August, 2019
Place: Mumbai

Akram Sati
Company Secretary

DIRECTORS' REPORT

To,
The Members of
AUNDE FAZE THREE Autofab Limited

Your Directors are pleased to present the 22nd Annual Report of your Company containing the business performance and the Audited Financial Statements for the year ended on 31st March 2019.

1. FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from operations	14148.26	12782.14
Expenses	(14596.32)	(13769.46)
Other Income	8.18	18.69
Profit before Interest, Tax, Depreciation & Amortization, finance cost and exceptional items	(439.97)	(968.63)
Less:		
Finance Cost/ Interest	481.13	437.71
Depreciation & amortization expenses	441.00	420.20
Profit / (Loss) before taxation	(1362.01)	(1826.53)
Less : Provision for taxation	(230.00)	0.00
Profit / (Loss) for the year carried to Balance Sheet	(1132.01)	(1826.53)

2. KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE

During the year under review, the Company has earned revenue from operations of Rs. 14148.26 lacs as against Rs. 12782.14 lacs in the previous year. The Company incurred Net Loss of Rs. 1132.01 Lacs as against Net Loss of Rs. 1826.53 Lacs.

3. CHANGE IN THE NATURE OF THE BUSINESS

There were no changes in the nature of business during the year under review as prescribed in Rule 8 of the Companies (Accounts) Rules, 2014.

4. DIVIDEND

Due to financial losses, your Board of Directors has not recommended any dividend for the Financial Year. In terms of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, there is no unpaid / unclaimed dividend which are pending to be transferred during the year to the Investor Education and Protection Fund.

5. RESERVES:

The Company has not transferred any amount to reserves in current financial year.

6. DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE:

Aunde Achter & Ebels GmbH, Germany is the Promoter / JV partner of the Company and is holding 42.82% shares of the Company. There are no other Companies which have become or ceased to be its subsidiaries, JV or associate during the year.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form a part of the Notes to Financial Statements provided in this Annual Report.

8. DEPOSITS:

During the year under review, your company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Companies Act, 2013.

9. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2019 and the date of the Directors' report.

10. DIRECTORS & KMP:

During the year under review there were no changes in Directorship & KMP's of the Company.

Mr. Ajay Anand (DIN: 00373248) who was appointed as Managing Director of the Company w.e.f. 1st April, 2014 for a period of 5 years at 17th Annual General Meeting of the Company. The present term of Mr. Ajay Anand expired on 31st March, 2019.

The Board, based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Members have approved re-appointment of Mr. Ajay Anand as Managing Directors of the Company for further period of 3 years w.e.f. 1st April, 2019.

11. DETAILS OF BOARD MEETINGS:

The Board of Directors of your Company met 7 (Seven) times during the Financial Year ended 31st March, 2019. The details of Board Meetings and the attendance of the Directors thereat are provided in the Corporate Governance Report. The intervening time gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief according to the information and explanations obtained by them, Board of Directors of the Company makes the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Financial Statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) that such accounting policies as mentioned in Notes to Financial Statements have been selected and applied consistently and made judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- (iii) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Financial Statements have been prepared on a going concern basis;
- (v) that the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. ANNUAL PERFORMANCE EVALUATION OF BOARD:

Pursuant to the provisions of the Companies Act, 2013, and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations'); the Board of Directors has carried out an annual evaluation of its own performance as a Board, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

The performance of the board was evaluated by the board after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement, the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

14. DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

Pursuant to the SEBI regulations, the company has worked out a Familiarization Programme for the independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of Industry in which the company operates, business model of the Company, etc.

The policy for Familiarization Programme for the Independent Directors is available on the website of the company at <http://aundeindia.com/aunde/investor/files/AUNDEIndependentdirectorfamiliarisationprogramme.pdf>

16. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, details of Remuneration to Directors and Key Managerial Personnel is provided in Form MGT-9 annexed to this Report.

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate, more than Rs 102 Lacs, or (ii) If employed for part of the financial year, was in receipt of remuneration, in aggregate, more than Rs 8.50 Lacs per month. Hence, the information required to

be given pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is not applicable to the Company.

Details as required under the provisions of section 197(12) of the Companies Act, 2013, read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any shareholder on request, as per provisions of section 136(1) of the said Act.

17. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

In compliance with the Regulation 34 read with Schedule V of the Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as **Annexure I**.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

For the financial year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report is Annexed to this report as **Annexure II**.

19. CONTRACTS / ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS:

All transactions entered into with related party during the financial year as defined under Section 188(3) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on Arm's Length Price basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

All Related party Transactions are approved by Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of the transactions which are repetitive in nature. The transactions entered into pursuant to omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements. The Company has proposed to take approval of shareholders regarding related party transactions propose to be enter into with related parties in next financial year through Ordinary Resolution.

The policy on Related Party Transactions as approved by the Board is available on the website of the company. The same can be accessed on <http://aundeindia.com/aunde/investor/files/RelatedPartyTransactionsPolicyAunde.pdf>

20. TRANSACTIONS WITH RELATED PARTIES:

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies(Accounts) Rules, 2014 are given as **Annexure III** in Form AOC-2 to this report.

21. POLICIES OF THE COMPANY:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") mandated the formulation of certain policies for all listed companies. All our Corporate Governance Policies are available on the Company's website, viz., www.aundeindia.com. The Policies are reviewed periodically by the Board and its Committees and are updated based on the need and new compliance requirement.

The key policies that have been adopted by the Company are as follows:	
Related Party Transactions	This Policy is deals with (a) the materiality thresholds for related party

Policy	transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.
Nomination & Remuneration Policy	Your Company has framed Nomination & Remuneration Policy as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for recommendation to the Board of Directors regarding the appointment, removal and remuneration of the directors, key managerial personnel and other employees. It also lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors.
Whistle Blower Policy / Vigil Mechanism	Your Company has a Vigil Mechanism / Whistle Blower Policy which provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to Mr. Vinit Rathod, Chairman of the Audit Committee, in appropriate or exceptional cases.
Code of Conduct for Insider Trading	This Policy sets up an appropriate mechanism to curb Insider Trading. It provides Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
Materiality Policy	This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors and has been framed in compliance with the requirements of the Listing Regulations.
Document Retention and Archival Policy	The purpose of this Policy is to specify the type of document(s) and time period for preservation thereof based on the classification mentioned under Regulation 9 of the Listing Regulations. This Policy covers all business records of the Company, including written, printed and recorded matter and electronic forms of records.
Prevention of Sexual Harassment Policy	The Policy intends to provide protection against sexual harassment of women at workplace and the prevention and redressal of complaints of sexual harassment and matters related to it. The policy applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and associates on contract at its workplace or at client sites.

22. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint during the year.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. & FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings is Annexed to this report as **Annexure IV**.

24. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Company's management is responsible for establishing and maintaining an adequate system of internal financial control over financial reporting. The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, excluding transaction with proper authorization and ensuring compliance of corporate policies. Your Company remains committed to improve the effectiveness of internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations.

25. INDIAN ACCOUNTING STANDARD (IND AS)

The Indian Accounting Standards (IND AS) were notified by the Ministry of Corporate Affairs on February 16, 2015. The Company has adopted all the Ind AS standards Effective April 1, 2016, and the adoption was carried out in accordance with Ind AS 101 'First time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP

26. SIGNIFICANT MATERIAL ORDER PASSED BY COURTS:

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

27. RISK MANAGEMENT POLICY:

The Company has framed a Risk management policy which was approved by the Board pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks faced by the Company. Risks would include significant weakening in demand from core-end markets, inflation uncertainties and any adverse regulatory developments etc. During the period a risk analysis and assessment was conducted and no major risks were noticed.

28. CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR):

The company is not required to comply with section 135 of the Companies Act, 2013 along with rules made in this behalf as the Company does not fulfill any criteria provided under Sub-section 1 of Section 135 of the Companies Act, 2013.

29. STATUTORY AUDITORS:

In terms of the provisions of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Member of the Company has approved appointment of M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N) as the Statutory Auditors for a term of 5 (five) years, to hold office from till the conclusion of 25th (Twenty Fifth) AGM.

30. FRAUD REPORTED BY THE AUDITOR, IF ANY

There is no fraud reported by the Statutory Auditor.

31. COST AUDIT:

Cost Audit is not applicable for the financial year 2018-19.

32. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries to undertake Secretarial Audit. The Report is annexed to this Report as Annexure V.

33. OBSERVATIONS - AUDITOR & SECRETARIAL AUDITOR:

Secretarial Auditor: As, mentioned in the Report, the part of promoters holding was not in dematerialized form throughout the year as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However same has been converted to dematerialization form and entire Promoters holding is under demat form as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Statutory Auditor: there are no observation remarks in statutory auditors report.

34. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form No. MGT -9, as provided under sub-section (3) of Section 92 of the Companies Act, 2013, annexed herewith the Boards' report as Annexure VI.

35. ACKNOWLEDGMENT:

Your Directors wish to place on record their appreciation for the co-operation extended by all the employees, Bankers, Financial Institutions, various State and Central Government authorities and Stakeholders.

On behalf of the Board of Directors

Place : Mumbai
Date: 30thMay, 2019

Ajay Anand
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Keeping with the commitment to the Management, the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance from Management of the Company.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

The Company has an optimum composition of Executive and Non- Executive Directors. As on March 31, 2019, the Company has Five Directors. Of the Five Directors, Four (i.e. 4/5TH) are Non-Executive Directors out of which three (i.e. 3/5TH) are Non-Executive Independent Directors. The profiles of Directors can be found on (<http://aundeindia.com/aunde/investor/1boardofdirectors.html>). The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees. The meetings of the Board of Directors are generally held in Mumbai and also, if necessary, in locations, where the Company operates.

Profile

Mr. Ajay Anand is Managing Director of the Company. He has an illustrious career spanning over three decades in Home Textiles and Technical Textiles Industry. As a promoter & co-founder of the Company, he has made enormous contribution towards business growth & establishing long term relationships with both Domestic & Global OEM's. His leadership and innate ability to work through complexity has helped bring transformational changes in AUNDE FAZE THREE Autofab Limited and become a major supplier in the Automotive fabric market India.

Mr. Rolf Konigs serves as a Non - Executive Director of the Company. He heads AUNDE Group globally as Group Chairman & CEO of Aunde Achter & Ebels GmbH. He has over four decades of experience in Automotive Textiles & Automotive Seating Industry.

The 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.

Composition of Board & Meetings

The Board of Directors consists of 5 Directors as on 31st March, 2019

During the financial year, 7 (Seven) meetings of the Board of Directors of the Company were held on 30th May, 2018, 7th August, 2018, 31st August, 2018, 31st October, 2018, 14th November, 2018, 29th January, 2019, and 13th February, 2019. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The necessary quorum was present for all the meetings.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies (Including AUNDE FAZE THREE Autofab Limited) as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

Name of Director	Category	Attendance		Particulars of Directorship, Committee membership / Chairmanship		
		Board Meeting	Last AGM	Director	Chairman	Member
Mr. Ajay Anand	Promoter, Executive	7	Yes	2	0	4
Mr. Rolf Konigs	Non-Executive & Non-Independent	2	No	1	0	0
Mr. Vinit Rathod	Non-Executive & Independent	7	Yes	2	4	0
Ms. Shweta Jain	Non-Executive & Independent	3	No	2	0	0
Mr. Manan Shah	Non-Executive & Independent	7	No	2	0	4

Matrix setting out the skills/ expertise/ competence of the Directors:

Name of the Director	Industry knowledge	Operations	Management	Interpretation of Financial Statements	Understanding of laws, rules and regulations
Mr. Ajay Anand	Yes	Yes	Yes	Yes	Yes
Mr. Rolf Konigs	Yes	Yes	Yes	Yes	Yes
Mr. Manan Shah	Moderate	Moderate	Yes	Yes	Yes
Ms. Shweta Jain	Yes	Moderate	Moderate	Yes	Yes
Mr. Vinit Rathod	Moderate	Moderate	Yes	Yes	Yes

Details of other Directorship held by the Directors of the Company:

Name of the Director	Name of the Company ¹	Position	Number of Shares held in AUNDE FAZE THREE Autofab Limited
Mr. Ajay Anand	Faze Three Limited	Managing Director	5.27%
Mr. Rolf Konigs	Nil	Nil	Nil
Mr. Vinit Rathod	Faze Three Limited	Independent Director	Nil
Ms. Shweta Jain	Faze Three Limited	Independent Director	Nil
Mr. Manan Shah	Faze Three Limited	Independent Director	Nil

¹Does not include Directorships in Private Companies

During the Financial Year 2018-19, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Terms and Conditions of appointment of the Independent Directors are disclosed on the website of the Company.

During the year, one meeting of the Independent Directors was held on November 15, 2018. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The details of the familiarization Programme of the Independent Directors are available on the website of the Company

COMMITTEES OF THE BOARD

A. Audit committee

The Audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act. The members of the Audit Committee are financially literate and have experience in financial management.

The Committee invites the Managing Director, CFO and President, Statutory Auditor(s) and Internal Auditor to attend the meetings of the Committee.

Company Secretary of the Company acts as Secretary to the Committee. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2019 is detailed below:

Sr. No.	Name of the Member	Status	Category	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Vinit Rathod	Chairman	Non-Executive & Independent	4	4
2.	Mr. Ajay Anand	Member	Executive & Non-Independent	4	4
3.	Mr. Manan Shah	Member	Non-Executive & Independent	4	4

Audit Committee has conducted 4 (Four) Meetings during the year under review, 30th May, 2018, 7th August, 2018, 14th November, 2018 and 13th February, 2019.

The terms of reference of reference of the audit committee:

- Overview of the Company's financial reporting process and the disclosure of its financial information;
- Review with the management of the annual financial statements;
- Review of Related Party Transactions;
- Review of Company's financial and risk management policies;
- Review with the management of performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review with the management of the quarterly financial statements;
- Recommend to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing with the Management, the Annual Financial Statements before submission to the Board;
- Discussion with internal auditors any significant findings and follow up thereon and in particular internal control weaknesses and reviewing the adequacy of internal audit function;
- To review the functioning of the Whistle Blower mechanism;

B. Nomination & Remuneration Committee:

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Act.

There were no meeting of nomination & remuneration committee held during the year.

Functions of Committee

- ❖ The Committee has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes and independence of a Director.
- ❖ Oversee familiarization program for directors.
- ❖ Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- ❖ Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees.
- ❖ Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

The Committee is constituted to formulate and recommend to the Board from time to time, a compensation structure for members of the Board and Key managerial Personnels.

Remuneration Policy

Remuneration policy in the Company is designed to create a high-performance culture. Focus on productivity and pay for performance has been the cornerstones of the Company's reward philosophy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain at par with the market. It enables the Company to attract, retain and motivate employees to achieve results. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

Retention and motivation of top performing talent is enabled through differentiation in salary increments. Fairness, transparency and internal along with external parity continues to remain vital to the reward system at AUNDE FAZE THREE Autofab Limited.

The Nomination and Remuneration Committee recommends to Board for approval of the compensation package for the Executive Directors & Key Managerial Personnel. The compensation structure may include basic salary, perquisites, commission, etc. The compensation packages are in accordance with applicable law & in line with the Company's objectives, shareholders' interests and as per the industry standards.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members & as per limits prescribed under the Companies Act, 2013 and are effective April 1, each year.

C. DIRECTORS REMUNERATION

During the year 2018-19 the Company paid sitting fees of Rs. 5,000 per meeting to its Non-Executive Directors for attending meetings of the Board and Rs. 2,000 per meeting for attending meeting of Audit Committee. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

The details of remuneration paid to Managing Director 2018-19 is given as follows: (No sitting fees paid to the following directors):

(Rs. in Lacs)

Director	Designation	Remuneration (including all perquisites)	Service Contract
Mr. Ajay Anand	Managing Director	45.00	5 years

Apart from sitting fees for the attending Board/ Committee meetings, no other fees / compensation is paid to Non-Executive Directors. Your Company does not have any stock option scheme for its Directors and employees.

Details of Sitting Fees paid:

Sr. No	Name of the Member	Category	Sitting Fees
1.	Mr. Vinit Rathod	Non-Executive & Independent	Rs. 43,000/-
2.	Mr. Rolf Konigs	Non-Executive & Non-Independent	Rs. 10,000/-
3.	Mr. Manan Shah	Non-Executive & Independent	Rs. 43,000/-
4.	Ms. Shweta Jain	Non-Executive & Independent	Rs. 15,000/-

D. Stakeholders' relationship committee:

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

Sr. No.	Name of the Member	Status	Category	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Ajay Anand	Member	Executive & Non-Independent	4	4
2.	Mr. Vinit Rathod	Chairman	Non-Executive & Independent	4	4
3.	Mr. Manan Shah	Member	Non-Executive & Independent	4	4

Details of investor complaints received and redressed during the year 2018-19 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

a. General Body Meetings :

Year	Date	Venue	Time	Special Resolution
2015-16	6 th September 2016	Plot No. 146, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	11.30 am	1. Approve Remuneration payable to Mr. Ajay Anand, Managing Director. 2. Approval to increase Borrowing powers of the Company and creation of Charge/ Providing of Security.
2016-17	27 th September, 2017	Plot No. 146, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	10.30 am	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. 2. Right to convert Loan into Equity Shares.
2017-18	27 th September, 2018	Plot No. 146, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	11.00 am	1. Approval for Changing the name of the Company from Aunde India Limited to Aunde Faze Three Autofab Limited

- No postal Ballot was conducted during the year.
- No Extraordinary General Meeting was held during the year.

b. Means of Communication:

The Company publishes its annual, half yearly and the quarterly financial results in the following Newspapers:

- Indian Express (English) - Gujarat Edition
- Financial Express (Gujarati) - Gujarat Edition

c. General Shareholder Information:

AGM, Date, Time and Venue	Monday, 30 th September, 2019 11.30 AM, Conference Room, AUNDE FAZE THREE Autofab Limited, Plot No. 146, Waghdhara Village Road, Dadra - 396 193 Union Territory of Dadra & Nagar Haveli
Company's Financial Year	1 st April to 31 st March
Financial Calendar for 2019-20 (Tentative) Adoption of Quarterly & Annual Results:	
June 30, 2019	2nd week of August 2019
September 30, 2019	2nd week of November 2019
December 31, 2019	2nd week of February 2020
Audited results for March 31, 2020	2nd week of May 2020
Date of Book Closure	Tuesday, 24 th September, 2019 to Monday, 30 th September, 2019 (both days inclusive)
Listing on Stock Exchanges	The BSE Limited
Stock Code	532459 on Bombay Stock Exchange. The Company has paid the listing fees for the Financial Year 2019-20.
Demat ISIN No. for NSDL and CDSL	INE207D01017

Registrar and Transfer Agents

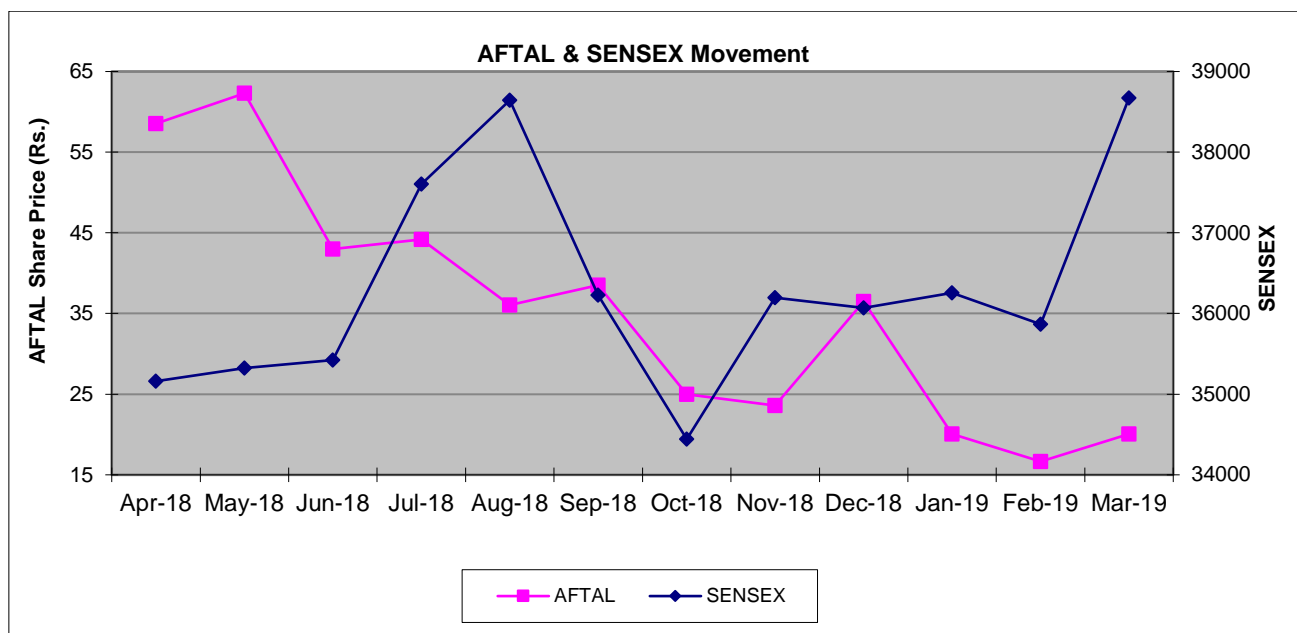
Sharex Dynamic (India) Pvt. Ltd.
C 101, 247 Park, L B S Marg, Vikroli (East),
Mumbai 400 083 Phone: 022 2851 5606 /5644
Website: www.sharexindia.com
Email: Investor@sharexindia.com

Share Transfer System

The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. Sharex Dynamic (India) Pvt. Ltd.

d. Market price data

Monthly high and Low quotations along with the volume of shares traded at Bombay Stock Exchange Ltd during year ended 31st March 2019



e. Monthly high and Low compared with BSE Sensex

Month	On BSE		Volume	BSE Sensex High	BSE Sensex Low
	Month's High Price	Month's Low Price			
Apr-18	60.35	51.60	3,327	35,213.30	32,972.56
May-18	62.45	51.85	7,498	35,993.53	34,302.89
Jun-18	59.20	43.00	43,581	35,877.41	34,784.68
Jul-18	47.40	36.55	29,335	37,644.59	35,106.57
Aug-18	46.35	35.90	9,171	38,989.65	37,128.99
Sep-18	40.55	33.95	2,003	38,934.35	35,985.63
Oct-18	36.60	25.00	4,044	36,616.64	33,291.58
Nov-18	25.00	22.25	10,496	36,389.22	34,303.38
Dec-18	36.50	23.00	11,689	36,554.99	34,426.29

Jan-19	38.40	20.00	8,269	36,701.03	35,375.51
Feb-19	21.05	16.35	3,658	37,172.18	35,287.16
Mar-19	21.10	15.85	2,092	38,748.54	35,926.94

f. Distribution of shares and shareholding as on 31stMarch, 2019

Sr. No.	No. of Equity Shares held		Shareholders		Shareholding	
	From	To	Nos.	%	Nos.	%
1	Upto 100		469	24.44	25942	0.24
2	101	200	829	43.20	128547	1.20
3	201	500	304	15.84	111734	1.04
4	501	1000	151	7.87	120962	1.13
5	1001	5000	121	6.31	285461	2.66
6	5001	10000	23	1.20	158559	1.48
7	10001	100000	12	0.63	439650	4.10
8	100001 and above		10	0.52	9452802	88.15
	TOTAL		1919	100.00	10723207	100.00

g. Shareholding Pattern as on 31stMarch, 2019

Category code	Category of Shareholder	Total no. of shares	%
(A)	Promoter and Promoter Group Holding		
1	Indian Promoters	3423001	31.92
2	Foreign Promoters	4591200	42.82
	Sub Total (A)	8014201	74.74
(B)	Non-Promoter shareholding		
1	Institutions		
(a)	Mutual Funds	150	0.00
(b)	Financial Institutions/ Banks	150	0.00
	Sub-Total (B)	300	0.00
(C)	Non-institutions	-	-
(a)	Private Bodies Corporate	-	-
(b)	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	787897	7.35
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	278680	2.60
(c)	Any Other	1642129	15.31
(d)	NRI	0	0
	Sub-Total (C)	2708706	25.26
	GRAND TOTAL (A)+(B)+(C)	10723207	100.00

h. Plant Location

Plot No. 146, Wagdhara Village Road, Dadra - 396 193 Union Territory of Dadra & Nagar Haveli

i. Corporate office address for correspondence:

AUNDE FAZE THREE Autofab Limited
 63-64, 6th Floor, Mittal Court,
 C Wing, Nariman Point,
 Mumbai - 400 021
 Phone : 022 6660 4600 / 4351 4444
 Fax : 022 2493 6811
 Website: www.aundeindia.com
 Email Id: investors@aunde.com

j. Other disclosures**i. Related party transactions**

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at <http://www.aundeindia.com/aunde/investor/5policies.html>

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2016-17, 2017-18 and 2018-19 respectively: Nil

iii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website at <http://www.aundeindia.com/aunde/investor/5policies.html>

iv. The Company has also adopted Policy on Determination of Materiality for Disclosures and Policy for Preservation of Documents. The said policy has been also put up on the website at <http://www.aundeindia.com/aunde/investor/5policies.html>

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To the Shareholders of AUNDE FAZE THREE Autofab 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.

On behalf of the Board of Directors

Place : Mumbai
 Date: 30thMay, 2019

Ajay Anand
 Managing Director

CEO / CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS 2015

To,
The Board of Directors
AUNDE FAZE THREE Autofab Limited

We have reviewed financial statements and the cash flow statement of AUNDE FAZE THREE Autofab Limited for the year ended 31st March 2019 and to the best of our knowledge and belief:

- A. (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing 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 violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

On behalf of the Board of Directors

Place : Mumbai
Date: 30thMay, 2019

V Sivakumar
Chief Financial Officer

Ajay Anand
Managing Director

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
AUNDE FAZE THREE Autofab Limited

We have examined the compliance of conditions of Corporate Governance by AUNDE FAZE THREE Autofab Limited as stipulated in Regulation 34(3) and Schedule V of the SEBI Listing Regulations.

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except following:

- *Pursuant to Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hundred percent of shareholding of promoter(s) and promoter group must be in dematerialized form; Shareholding of one of the promoter of the company was held in physical form till 22nd February, 2019.*

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.

Place: Mumbai
Date: 30thMay, 2019

For SANJAY DHOLAKIA & ASSOCIATES.

(Sanjay R. Dholakia)
Practicing Company Secretary
Membership No. 2655/ C.P. No. 1798

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC AND BUSINESS OVERVIEW

India is ranked the seventh largest economy and third largest in terms of Purchasing Power Parity (PPP). The Indian economy's GDP is pegged at \$ 2.9 tn. While the single-party majority mandate has set the foundation for a stable central government for another five years however significant headwinds potentially lie ahead in terms of growth slowdown and automotive sector consolidation. Financial year 2018-19 (FY2019) began with an expectation of higher growth as the economy seemed to have overcome the teething troubles of the nation-wide roll out of the Goods and Services Tax (GST). However, a rise in the current account deficit (CAD), concerns relating to rising non-performing assets (NPAs) and decline in liquidity coupled with hardening interest rates become hurdles for higher GDP growth rate. Annual growth for FY2019 was 6.8 percent year over year compared to 7.2 percent year over year in FY2018. Private domestic demand performed even poorly at 6.4 percent year over year, indicating government spending helped boost growth last year.

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in 2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. On the industry side, construction and manufacturing registered better growth than in FY2018, but growth in agriculture and allied activities as well as in mining declined significantly, resulting in poor rural income. Services, the biggest contributor to GDP, grew by 7.5 percent, half a percentage point slower than last year.

Indian banking sector has been dealing with twin balance sheet problem, which refers to stressed, corporate and bank balance sheets. The increase in Non-Performing Assets (NPA) of banks led to stress on balance sheets of banks, with the Public Sector Banks (PSBs) taking in more stress. Consumption has always been a strong and major driver of growth in the economy. Although the share of private consumption in GDP remains high, the pattern of consumption has undergone some changes over time- from essentials to luxuries and from goods to services.

TECHNICAL TEXTILES / AUTOMOTIVE FABRICS

India has the advantage of having a strong raw material (fiber) base - of cotton, manmade fiber, silk, wool and jute. Moreover, India possesses excellence in the entire value chain extending from fiber to fabric to garments. Despite achieving a high growth rate, the per capita consumption of technical textiles in India is 1.7 per kg vis-a-vis 10-12 kg in developed countries. Globally, the technical textiles sector accounts for approximately 27% of the aggregate textile industry, and in some of the advanced nations, the contribution is as high as 50% of the aggregate; however, the share of technical textiles in the aggregate textiles market is low in India (13%). Currently, technical textiles contribute approximately 0.7% to the country's GDP and constitutes nearly 13% of the aggregate textile market in the country.

Technical textiles as a segment is directly proportional to the stage of industrialization and economic growth of any country. Developing countries undergoing large scale industrialization fuel the demand for technical textile products. The usage may range from infrastructure, agriculture, health, defense, automobiles, aerospace, sports, protective clothing, packaging, etc., With transformation of the Indian economy post liberalization in the early 1990s, the demand and consumption of technical textiles products in India has been consistently increasing. The growth of technical textiles has also helped growth and innovation of conventional textile products, owing to significant value addition across the textile value chain. All major players in India have started developing technical textiles products as they provide better margins in comparison to conventional textiles.

It is estimated that Asia would continue to be the leading market for technical textiles in 2019, accounting for approximately 37.8% of the world demand. Within the Asian region, the Chinese market is anticipated to account for 46.4% share, followed by India at 15.5%. The potential industry earnings in the North American and Caribbean region is anticipated to be at nearly US\$ 50 billion, holding nearly 21.1% of the total pie.

The performance automobile industry which supports the steel, chemicals, textiles etc. directly is main driver behind the growth of automotive textile industry and any slowdown will impact the broader economy. In FY19, commercial vehicles recorded the fastest pace of growth in domestic sales at 17.55 per cent year-on-year. It took India around seven years to increase annual production to ~four million vehicles from ~three million including all types of vehicles. However, the next milestone—five million—is expected in less than five years. Indian Automobile makers have concluded 2018-19 on a weaker note as compared to previous year. However, Industry body, the Society of Indian Automobile Manufacturers (SIAM) continues to expect passenger vehicle sales to grow at a high single-digit going forward. The Automotive Fabrics industry is directly linked to the growth in passenger car segment and its consumption of fabrics. Other than Automotive fabrics which are consumed in majority, low cost car variants use Vinyl (PVC) for cost reduction and high end variants use Leather / Leatheriest and value added fabrics, both of the aforesaid segment is estimated to form at least 20-25% of the total consumption and the same is growing by the day. Key aspects of success in this industry are continuous innovation without adding costs, quality performance & timely execution, long term cost competitiveness, capacities, etc. The company operates in the limited area of automotive fabrics only whereas Technical Textiles as such has a wide gamut of applications.

COMPANY OVERVIEW AND OUTLOOK

The Company is engaged in designing, development and manufacturing automotive textiles (specialized in car seat cover fabric). It is also engaged in manufacturing fabrics used in auditoriums and railway coaches (with minimal contribution to revenue). The Company caters to Original Equipment Manufacturers (OEMs) and are largely concentrated in the domestic market. The Company derives more than 90% of its revenue from the domestic market. The Company currently has a market share of over 35-40% in the automotive fabrics business in India and (*as per company estimates*) aims to increase its market share with existing OEMs. The company is also actively looking to grow its exports business.

The company had growth in volume of fabrics supplied during the current year by over 10% from the previous year. Company has an in-house research and development department to develop new designs as per the market trends. Further, Company works closely with its existing customers for development of latest designs and regular upgradation of technologies and knowhow of its product enable it to continuously evolve technologically and remain competitive. The Long term presence in the industry and consistent performance in terms of reliable & innovation helps the company in getting regular orders as a preferred supplier.

The Company has continuously evolved in development planning and execution strategy to align with specific product needs and standardization of processes. There is constant interaction taking place with OEMs to showcase innovative capabilities which are in sync with the themes / vision of the OEM's for the future launches. The other set of factors that drive all new developments towards Aunde is QDS (Quality, Delivery & Service). Quality levels were drastically improved and 100% compliance to delivery schedules followed with all OEMs. Since all OEMs are Just in Time customers, the inventory flow management is key to gain QDS points.

OPPORTUNITIES AND CHALLENGES

Technical textiles is the emerging area for investment in India. The potential of technical textile in India is still untapped. Technical textiles represents a multi-disciplinary field with numerous end use applications. The production of different items of technical textile industry has been slowly but steadily increasing in the country. India accounts for just 3 per cent of global technical textile production. As compared to countries like Germany where technical textile contributes 50-60 per cent, in India, the contribution is only 12 per cent. A recent report by Future Market Insights' projects that the world's largest market for technical textiles will be Asia-Pacific during the forecast period, 2017-2027. While the global market for technical textiles is projected to grow at a value CAGR of 4.6%, the Asia-Pacific market will experience a value CAGR of 6.8%. The demand is likely to be highest in countries such as India and China.

The technical textiles are being promoted at the highest level by the government in order to realise the full potential of the critical segment. The government is also offering subsidy for domestic players, who want to set up machinery. Though the use of Technical textiles is expanding globally, India comprises only fraction of the global technical textiles exports. The technical textiles industry is import-intensive. In the last few years, the industry has witnessed a rise in imports. Though the country currently spends a significant amount on imports, the dependence can eventually be reduced by further investing in technology-heavy products. This presents a huge scope for import substitution. To this extent the inputs in the industry are directly affected by global price trends

which is risk to the industry. Technical textiles is a highly varied subject and comprises of multiple processes to manufacture different products. These processes require different and high level of skill sets from workers which is currently absent in the domestic industry. Majority of the government schemes for manpower training are focused on core textiles such as spinning, weaving & garmenting. There are no such specific curriculum developed for technical textiles. In order to curb this issue, there is an immediate need to organize specific forums for interaction between industry and academia so that specific curriculum could be developed for technical textiles. Also, government can modify their manpower development schemes to align with the requirements of the technical textiles industry. Technical textiles is an innovation intensive field and to excel in it, focus on product research & development is a must. Prospects of the Indian Textile Industry look promising and many efforts are being made by the Government for the progress of the sector as the country still lacks innovations. The automotive fabrics segments faces threat / challenges from the PVS / synthetic leather in terms of cost efficiency and artificial leather in terms of acting as a substitute to the automotive fabrics. Also with growing disruption towards electric vehicles might bring unforeseen challenges to the entire automotive value chain. Furthermore, trend towards low cost fabrics has led to shrinking margins and lesser room for investment in R&D and new initiatives which drive innovation. Also technical textiles suffers from raw material price volatility owing to Crude Oil prices and USD / INR.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Your Company is committed to create an environment of engagement, transparency and meritocracy while also being performance oriented and balanced by responsibility towards the community it impacts. To the Company, its people are a very valuable resource. In an increasingly competitive market for talent, Your Company continues to focus on attracting and retaining right talent. It is committed to provide right opportunities to employees to realise their potential.

Your Company continues to enhance employee experience while listening and acting on feedback received through the employee engagement. Your Company has continued to maintain amicable industrial relations by focusing on increased worker level engagement through formal and informal Communication and training forums.

POLLUTION AND ENVIRONMENTAL CONTROLS

Your Company continue to monitor and ensure the highest standards of environmental, health and safety norms. Ensure compliance with applicable pollution and environmental laws at the Company's works / factories / locations by putting in place effective systems in this regard and review the same periodically.

CAUTIONARY STATEMENT

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

Place : Mumbai
Date: 30th May, 2019

On behalf of the Board of Directors

Ajay Anand
Managing Director

Annexure III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** AUNDE FAZE THREE Autofab Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2018-19. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

S No.	Particulars	
1	Name(s) of the related party and nature of relationship	Faze Three Limited Common Director/ Promoters
2	Nature of contracts / arrangements / transactions	Exclusive manufacturing agreement for using Company's dye-house facilities for dyeing of automotive fabrics.
3	Salient terms of the contracts or arrangements or transactions including the value, if any	Use of Company's dye-house facility for dyeing of fabrics.
4	Date of approval by the Audit Committee, if any	30th May, 2019
5	Amount paid as advances, if any	NIL

On behalf of the Board of Directors

Place : Mumbai
Date: 30thMay, 2019

Ajay Anand
Managing Director

ANNEXURE IV

ANNEXURE TO THE DIRECTORS REPORT

Statement Pursuant to Section 134 (3) of the Companies Act, 2013 read with Rule 8(3) of Chapter IX of Companies (Accounts) Rules, 2014.

A. Steps taken for Conservation of energy:

The Company has undertaken a number of steps for conservation of energy. Some of which are highlighted below:

- i. Installation of LED lightings across all factories consuming less energy
- ii. Regulated compressed air supply in factories
- iii. Introduction of separate regulated air line for machines which has zero % leakage
- iv. Installation of new energy saving equipment's and appliances across all factories

B. Steps taken by the Company for utilizing alternate sources of energy

The Company has started installing solar lights around the factory areas and plans to gradually increase the alternate source of energy in the coming times.

C. Research & Development

(i) Specific area in which R & D is carried out by the Company:

- Introduction of New Products and Improving the Processes of existing products.
- Making new Designs acceptable to international 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 standard in international market.
- Reduction in Cost and Time cycle, better effluent management and utilizing only indigenous products for offering finished products in export market.
- Reduction in Cost and Time cycle, better effluent management.

(iii) Future Plan of Action

- Development of Products for indigenous market.
- Substitute Development of new designs for Export of high value products, which are currently imported.
- Expanding the market by going in for diversification in the home product range.
- Developing new products range to have edge over others with high standards of quality and unique design to compete with other indigenous manufacturers to improve the export turnover base.

D. Foreign exchange earnings and outgo:

Particular	(Rs. In Lakhs)	
	2017-18	2018-19
Total Foreign Exchange used	591.05	601.14
Total Foreign Exchange earned	435.63	913.67

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AUNDE FAZE THREE AUTOFAB LIMITED
CIN: L17120DN1997PLC000196

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AUNDE FAZE THREE AUTOFAB LIMITED (Formerly known as AUNDE India Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; there were no ESOPS issued during the year under review.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; There were no debt securities which are listed on the Stock Exchange.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There were no Buy Back of its Equity shares during the year under review.

Note:

Pursuant to Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hundred percent of shareholding of promoter(s) and promoter group must be in dematerialized form; Shareholding of one of the promoter of the company was held in physical form till 22nd February, 2019.

- (vi) As per Management representation letter following are laws applicable to Company:

1. Factories Act, 1948
2. Industrial Dispute Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation and Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Industrial Employment (Standing Order) Act, 1946
12. The Apprentices Act, 1961
13. The Environment (Protection) Act, 1986 [Read with The Environment (Protection) Rules, 1986]
14. The Hazardous Wastes (Management, Handling And Trans boundary Movement) Rules, 2008
15. The Water (Prevention and Control of Pollution) Act, 1974 [Read with The Water (Prevention And Control Of Pollution) Rules, 1975]
16. The Air (Prevention and Control of Pollution) Act, 1981
17. The Child Labour (Prohibition and Regulation) Act, 1986
18. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
19. The Maharashtra Shops and Establishments Act 1948
20. The Noise Pollution (Regulation and Control) Rules, 2000
21. National Textile Policy, 2000
22. The Textile Committee Act, 1963
23. The Handlooms Act, 1985
24. Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 made effective from 1st December 2015 along with the Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except the following*:

- *Pursuant to Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hundred percent of shareholding of promoter(s) and promoter group must be in dematerialized form; Shareholding of one of the promoter of the company was held in physical form till 22nd February, 2019.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

Date: 30th May, 2019
Place: Mumbai

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Annexure A

To,
The Members,
AUNDE FAZE THREE AUTOFAB LIMITED
CIN: L17120DN1997PLC000196

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SANJAY DHOLAKIA & ASSOCIATES

Date: 30th May, 2019
Place: Mumbai

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Annexure VI

EXTRACT OF ANNUAL RETURN
FORM NO. MGT-9

As on financial year ended 31.03.2019 [Pursuant to Section 92(3) of the Companies Act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS:

CIN:	L17120DN1997PLC000196
Registration Date:	3 rd October, 1997
Name of the Company:	AUNDE FAZE THREE Autofab Limited
Category / Sub-Category of the Company	Company limited by shares / Indian Non - Government Company
Address of the Registered office and contact details:	Plot No.146, Waghdhara Village Road, Dadra -396193, Union Territory of Dadra and Nagar Haveli. Ph:0260 2668539 Fax: 0260 2668501 Email: investors@aundeindia.com Website: www.aundeindia.com
Whether listed company	Yes, Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikroli (East), Mumbai 400 083 Phone: 022 2851 5606 / 5644 Website: www.sharexindia.com Email: sharexindia@vsnl.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business activities contributing 10% or more of the total turnover of the Company;

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
a.	Weaving & finishing of artificial / synthetic textile fabrics on power looms (Automotive Textile)	2476	99%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a.	AUNDE ACHTER & EBELS GMBH	N.A.	Associate	42.82%

D. SHAREHOLDING PATTERN :

(i) Category - wise Share Holding

Category code	Category of Shareholder	Number of shares held at Beginning of the year (01.04.2018)				Number of shares held at the end of the year (31.03.2019)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ HUF	1297726	0	1297726	12.10	1297726	0	1297726	12.10	0.00
(b)	Central / State Govt.	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	2125275	0	2125275	19.82	2125275	0	2125275	19.82	0.00
(d)	FI/ Banks	0	0	0	0	0	0	0	0	0.00
(e)	Any Others	0	0	0	0	0	0	0	0	0.00
	Sub Total(A)(1)	3423001	0.00	3423001	31.92	3423001	0.00	3423001	31.92	0.00
2	Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a	NRI	0	0	0	0.00	0	0	0	0.00	0.00
b	Bodies Corporate	0	4591200	4591200	42.82	4591200	0	4591200	42.82	0.00
c	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d	Any Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	4591200	4591200	42.82	4591200	0	4591200	42.82	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3423001	4591200	8014201	74.74	8014201	0	8014201	74.74	0.00
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	150	0	150	0.00	150	0	150	0.00	0.00
(b)	FI / Banks	0	150	150	0.00	0	150	150	0.00	0.00
(c)	Central / State Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	150	150	300	0.00	150	150	300	0.00	0.00
B 2	Non-institutions									
(a)	Bodies Corporate	1472922	1200	1474122	13.75	1551163	1350	1552513	14.48	0.73
(b)	Individuals									

I	i. Individual shareholders holding nominal share capital up to Rs 2 lakh	707028	114058	821086	7.66	6,77,139	1,10,758	7,87,897	7.35	(0.31)
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	264935	71250	336185	3.14	2,56,180	22,500	2,78,680	2.60	(0.54)
(c)	Any Other (Foreign National)	0	3750	3750	0.03	0	3750	3750	0.03	0.00
(c-i)	Clearing Member	8246	0	8246	0.08	2,110	0	2,110	0.02	(0.06)
(cii)	NRI	65317	0	65317	0.60	83,756	0	83,756	0.78	0.18
	Sub-Total (B)(2)	2518448	190258	2708706	25.26	2570498	138208	2708706	25.26	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	2518598	190408	2709006	25.26	2570498	138208	2708706	25.26	0.00
	TOTAL (A)+(B)	5941599	4781608	10723207	100	10584849	138358	10723207	100	0.00

(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shareholding at the beginning of the year (01/04/2018)			Details of Shareholding at the end of the year (31/03/2019)			% change during the year
		Number of shares held	%	% of shares Pledged/ Encumbered	Number of shares held	%	% of shares Pledged/ Encumbered	
1	AUNDE Achter & Ebels GmbH	4591200	42.82	0	4591200	42.82	0	0.00
2	Instyle Investments Pvt Ltd	2119575	19.77	0	2119575	19.77	0	00.0
3	Ajay Anand	565251	5.27	0	565251	5.27	0	0.00
4	Ajay Anand (HUF)	435000	4.06	0	435000	4.06	0	00.0
5	Rashmi Anand	213750	1.99	0	213750	1.99	0	0.00
6	Sanjay Anand	71100	0.66	0	71100	0.66	0	0.00
7	Rohina Anand	7000	0.07	0	7000	0.07	0	0.00
8	Anadry Investments Pvt Ltd	5700	0.05	0	5700	0.05	0	0.00
9	Vishnu Anand	5625	0.05	0	5625	0.05	0	0.00
	TOTAL	8014201	74.74	0.00	8014201	74.74	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Shareholder's Name	Details of Shareholding at the beginning of the year (01/04/2018)		Details of Shareholding at the end of the year (31/03/2019)	
		No. of Shares	%	No. of Shares	%
	No Change				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the beginning of the year (01-04-2018)	% of total Shares of the company	No. of Shares at end of the year (31-03-2019)	% of total Shares of the company
1	FORESIGHT HOLDINGS PVT. LTD	587256	5.48	824261	7.68
2	MAKARAND EXIM PVT LTD	392150	3.65	387665	3.61
3	CASA SERAI RESORTS PRIVATE LIMITED	199100	1.86	199100	1.86
4	DIPAK KANAYALAL SHAH	110000	1.03	117000	1.09
5	NEERAV HANS	55500	0.51	73939	0.69
6	SALIM PYARLI GOVANI	70000	0.65	69245	0.64
7	RAJIV RAI SACHDEV (HUF)	63750	0.59	63750	0.59
8	RAJIV RAI SACHDEV	48750	0.45	48750	0.45
9	GULSHAN RAI SACHDEV	22500	0.21	22500	0.21
10	NITIN HIMMATLAL MEHTA	21185	0.19	21185	0.19

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AJAY ANAND	565251	5.27	565251	5.27
2	AKRAM SATI	1	0.00	1	0.00
3	V SIVAKUMAR	0	0.00	0	0.00

E. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4544.18	2592.16	0	7136.34
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0
Total (i+ii+iii)	4544.18	2592.16	0	7136.34
Change in Indebtedness during the financial year				
• Addition	218.96	0	0	218.96
• Reduction	(320.24)	0	0	(320.24)
Net Change	(101.28)	0	0	(101.28)
Indebtedness at the end of the financial year				
i) Principal Amount	4442.90	2592.16	0	7035.06
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0
Total (i+ii+iii)	4442.90	2592.16	0	7035.06

F. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sr.No.	Particulars of Remuneration	Name of MD	Total Amount
		Mr. Ajay Anand	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43.80	43.80
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	1.20	1.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	-as % of profit	-	-
	-others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	45.00	45.00

G. Remuneration to other Directors

A. Independent Directors				
	Particulars of Remuneration	Mr. Vinit Rathod	Mr. Manan Shah	Ms. Shweta Jain
	• Fee for attending board / committee meetings	43,000	43,000	15,000
	• Commission	-	-	
	• Others, please specify	-	-	
	Total	43,000/-	43,000/-	15,000/-
B. Other Non-Executive Directors				
	Particulars of Remuneration	Mr. Rolf Konigs		
	• Fee for attending board / committee meetings	10,000/-		
	• Commission	-		
	• Others, please specify	-		
	Total	10,000/-		

H. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(` in Lacs)

	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Total
		V. Sivakumar (CFO)	Akram Sati(CS)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.40	4.50	33.90
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify... Others, please specify	-	-	-
	Total	29.40	4.50	33.90

I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
A. Company					
Penalty	N.A	-	-	-	-
Punishment	N.A	-	-	-	-
Compounding	N.A	-	-	-	-
B. Directors					
Penalty	N.A	-	-	-	-
Punishment	N.A	-	-	-	-
Compounding	N.A	-	-	-	-
C. Other Officers in Default					
Penalty	N.A	-	-	-	-
Punishment	N.A	-	-	-	-
Compounding	N.A	-	-	-	-

Independent Auditors Report

To the Members of
AUNDE FAZE THREE AUTOFAB LIMITED
(Formerly - AUNDE INDIA LIMITED)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of AUNDE FAZE THREE AUTOFAB LIMITED (Formerly - AUNDE INDIA LIMITED) ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

Key Audit Matters	Auditors Response
1. The Company has unutilised Minimum Alternate Tax (MAT) credit of Rs. 3.85 Crores as on 31 st March, 2019.	Our procedures included: Understanding the management's assumptions and basis of estimates of future Profits enabling the company to utilise the Minimum Alternate Tax (MAT) credits held.
2. Minimum Alternate Tax paid in a year is charged to the statement of Profit and Loss as current tax.	Review of external data obtained from industry publications to support the management's estimates and future projections about profitability

	and tax applicable.
3. The Company recognises MAT credit available only to the extent that there is convincing evidence that the company will pay normal income tax during the period for which MAT credit is allowed to be carried forward.	Discussion with tax experts and management on the assumptions and assessing their response.
4. The Company reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period for which MAT credit is allowed to be carried forward.	Considering the practicality and attainability of the management's assumptions and calculations with regard to future Profits and tax liabilities.
5. There is uncertainty in estimating future profitability and the tax applicable thereon and hence we have considered this as a Key Audit Matter.	

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A) As required by Section 143(3) of the Act we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i). As informed to us, the Company does not have any pending litigation which would impact its financial position, as on 31st March, 2019.
 - ii). The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the

Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firms Registration No. 000038N

Place: Mumbai
Date: 30 May 2019

C. V. Parameswar
Partner
Membership No. 11541

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **AUNDE FAZE THREE AUTOFAB LIMITED (Formerly - AUNDE INDIA LIMITED)** on the Ind AS financial statements for the year ended 31st March 2019.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) There is a phased programme for verification of fixed assets, over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations provided to us, title deeds of immovable properties are in the name of the Company.
- 2) The inventory (excluding stock with Third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties these have been confirmed by them. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 3) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub Section (1) of section 148 of the Act, in respect of the activities carried on by the Company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and

Service Tax (GST), Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us, there are no dues to Income-Tax, Sales tax, Service Tax, Goods and Service Tax (GST), Duty of Customs, Duty of Excise, Value added Tax outstanding on account of any dispute.
- 8) According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank or government or dues to debenture holders.
- 9) According to the information and explanation given to us, the terms loans have been applied by the company during the year for the purpose for which they were obtained. The company did not raise money by way of initial public offer or further public offer (including debts instruments) during the year.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firms Registration No. 000038N

Place: Mumbai
Date: 30 May 2019

C. V. Parameswar
Partner
Membership No. 11541

Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements of AUNDE FAZE THREE AUTOFAB LIMITED (Formerly - AUNDE INDIA LIMITED) for the year ended 31st March 2019

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of AUNDE FAZE THREE AUTOFAB LIMITED (Formerly - AUNDE INDIA LIMITED) ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firms Registration No. 000038N

Place: Mumbai
Date: 30 May 2019

C. V. Parameswar
Partner
Membership No. 11541

AUNDE FAZE THREE AUTOFAB LIMITED
(Formerly known as AUNDE India Limited)
Balance Sheet as at 31 March 2019

(Amount in INR lacs, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,770.23	4,557.62
Capital work-in-progress		29.26	230.18
Financial assets			
Other financial assets	6	23.34	19.11
Deffered tax asset (net)	31	157.17	-
Total non-current assets		4,980.00	4,806.91
Current assets			
Inventories	7	1,727.46	1,705.11
Financial assets			
Trade receivables	8	3,519.28	3,256.98
Cash and cash equivalents	9	13.12	12.18
Bank balances other than cash and cash equivalent	10	34.35	2.52
Other financial assets	11	0.21	0.24
Other current assets	12	203.09	149.82
Total current assets		5,497.51	5,126.85
Total assets		10,477.51	9,933.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,072.32	1,072.32
Other equity	14	(495.82)	644.41
Total equity		576.50	1,716.73
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	4,116.58	4,272.53
Employee benefit obligations	16	59.87	61.82
Other non-current liabilities	17	834.10	-
Deffered tax liability (net)	31		72.83
Total non-current liabilities		5,010.55	4,407.18
Current liabilities			
Financial liabilities			
Borrowings	18	2,735.87	2,507.23
Trade payables	19	1,434.13	753.78
Other financial liabilities	20	385.71	331.28
Current tax liabilities (net)	21	82.32	84.22
Other current liabilities	22	242.15	125.85
Employee benefit obligations	16	10.28	7.49
Total current liabilities		4,890.46	3,809.85
Total liabilities		9,901.01	8,217.03
Total equity and liabilities		10,477.51	9,933.76

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For THAKUR VAIDYANATH AIYAR & CO.

Chartered Accountants
Firm Registration No.: 000038N

C.V. PARAMESWAR
Partner
Membership No: 11541

Place: Mumbai
Date: May 30, 2019

For and on behalf of the Board of Directors
AUNDE FAZE THREE AUTOFAB LIMITED
CIN : L17120DN1997PLC000196

AJAY ANAND
Managing Director
DIN : 00373248

VINIT RATHOD
Director
DIN : 07589863

V. SIVAKUMAR

AKRAM SATI

M No: 50020

AUNDE FAZE THREE AUTOFAB LIMITED
(Formerly known as AUNDE India Limited)
Statement of Profit and Loss for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	23	14,148.26	12,782.14
Other income	24	8.18	18.69
Total income		14,156.44	12,800.83
Expenses			
Cost of material consumed	25	9,085.49	7,806.75
Changes in inventories of finished goods and work-in-progress	26	(143.21)	1,517.51
Employee benefits expense	27	851.35	838.00
Finance costs	28	481.13	437.71
Depreciation and amortization expense	29	441.00	420.20
Other expenses	30	4,802.69	3,607.19
Total expenses		15,518.45	4,627.36
Profit/(Loss) before tax		(1,362.01)	(1,826.53)
Tax expense			
Current tax	31	-	-
MAT credit entitlement		-	-
Deferred tax	31	(230.00)	-
Total income tax expense		(230.00)	-
Profit/(Loss) for the year		(1,132.01)	(1,826.53)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(8.22)	0.68
Tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		(8.22)	0.68
Total comprehensive income for the year		(1,140.23)	(1,825.85)
Earnings per share			
Basic (₹/share)	32	(10.56)	(17.03)
Diluted (₹/share)	32	(10.56)	(17.03)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For THAKUR VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

C.V. PARAMESWAR

Partner

Membership No: 11541

Place: Mumbai

Date: May 30, 2019

For and on behalf of the Board of Directors

AUNDE FAZE THREE AUTOFAB LIMITED

CIN : L17120DN1997PLC000196

AJAY ANAND

Managing Director

DIN : 00373248

V. SIVAKUMAR

President & CEO

VINIT RATHOD

Director

DIN : 07589863

AKRAM SATI

Company Secretary

M.F. No. 00020

AUNDE FAZE THREE AUTOFAB LIMITED
(Formerly known as AUNDE India Limited)

Statement of cash flows for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit/ (Loss) before tax	(1,362.01)	(1,826.53)
Other comprehensive income	(8.22)	0.68
Adjustments for:		
Depreciation and amortization expenses	441.00	420.20
Finance cost	481.13	437.71
Interest income	(0.61)	(6.25)
Operating profit/ (loss) before working capital changes	(448.71)	(974.19)
Changes in working capital		
Decrease in trade payables	680.34	(949.14)
(Decrease)/ increase in inventories	(22.36)	1,522.63
(Decrease)/ increase in trade receivables	(262.31)	91.56
(Decrease)/ increase in other current liabilities	119.10	27.40
(Decrease)/ increase in non-current liabilities	832.15	(18.26)
(Decrease)/ increase in current tax liabilities(net)	(1.90)	-
(Increase)/ decrease in other financial liabilities	54.43	184.85
Decrease/ (increase) in other financial assets	(4.20)	11.64
Decrease in other current assets	(53.27)	137.66
Cash generated used in operations	893.27	34.15
Income tax paid	-	-
Net cash flows used in operating activities (A)	893.27	34.15
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(532.78)	(286.16)
Proceeds from sale/ disposal of fixed assets	80.09	105.53
Net proceeds from fixed deposits	(31.83)	33.82
Interest received	0.61	6.25
Net cash flow from investing activities (B)	(483.91)	(140.56)
Cash flow from Financing activities		
Proceeds from long Term borrowings	218.97	151.58
Repayment of long Term borrowings	(374.90)	(302.70)
Proceeds from short-term borrowings	228.64	578.42
Interest paid	(481.13)	(437.71)
Net cash flow from financing activities (C)	(408.42)	(10.41)
Net increase in cash and cash equivalents (A+B+C)	0.94	(116.82)
Cash and cash equivalents at the beginning of the year	12.18	129.00
Cash and cash equivalents at the end of the year	13.12	12.18
Cash and cash equivalents comprise (refer note 9)		
Balances with banks		
On current accounts	5.94	8.66
Cash on hand	7.18	3.52
Total cash and bank balances at end of the year	13.12	12.18

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For THAKUR VAIDYANATH AIYAR & CO.

Chartered Accountants

Firm Registration No.: 000038N

C.V. PARAMESWAR

Partner

Membership No: 11541

Place: Mumbai

Date: May 30, 2019

For and on behalf of the Board of Directors

AUNDE FAZE THREE AUTOFAB LIMITED

CIN : L17120DN1997PLC000196

AJAY ANAND

Managing Director

DIN : 00373248

VINIT RATHOD

Director

DIN : 07589863

V. SIVAKUMAR

President & CFO

AKRAM SATI

Company Secretary

M No: 50020

1. General Information

Aunde Faze Three Autofab Limited (Formerly known as AUNDE India Limited) (the "Company") is a public company domiciled in India and was incorporated on 3 October 1997 under the provisions of the Companies Act, 1956 applicable in India. The Company's equity shares are listed on the Bombay Stock Exchange. Its registered and principal office of business is located at Dadra & Nagar Haveli. The Company is primarily engaged in the manufacturing of Automotive fabrics and is nominated supplier to all the major O.E.M.'s in India viz. Hyundai, Ford, Maruti Suzuki, Honda, Mahindra, Toyota, Renault, Tata, Nissan, Skoda etc

2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements are approved by the Company's Board of Directors and authorised for issue on 30th May, 2019.

These financial statements are presented in Indian National Rupee ('INR') and all values rounded to the nearest lacs, except otherwise indicated.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.2 Property, plant and equipment

Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax / duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes cost of replacing part of plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as

incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at balance sheet date.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

<u>Property, plant and equipment</u>	<u>Useful life in years</u>
Factory Building	30 years
Plant & Machinery	15 years
Laboratory Equipments	10 years
Furniture and Fixtures	10 years
Office Equipment	10 years
Electrical Installations	10 years
Fire Hydrant Systems	15 years
Vehicles	8 years
Computers:	
-Servers	5 years
-End user devices such as, desktops, laptops etc.	3 years

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property, plant and equipment is provided up to the date of processing of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under "Other Income".

2.3 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.4 Foreign Currency Transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised as income or expense in the period in which they arise in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or losses arising of transaction of non-monetary items is recognised in line with the gains or losses of the item that gave arise to the translation difference.

2.5 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer on delivery of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from sale of services is recognised as per terms of the contract with customers when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest Income:

Interest income is recognized on a time proportion basis taking into account outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Rental Income

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight line basis as per the terms of the agreements in the Statement of Profit and Loss.

Export Incentives

Export Incentive from the government is recognised when there is a reasonable assurance that (i) the company will comply with the conditions attached to them and (ii) the incentive will be received.

When the incentive relates to revenue, it is recognised as income on a systematic basis in the statement of profit or loss over the periods necessary to match them with the related income, which they relate to.

2.6 Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

(A) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year-end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(B) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at actual cost incurred up to the date of balance sheet. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

2.8 Trade Receivables

Trade Receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

2.9 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and demand deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and demand deposits.

2.12 Employee Benefits

(A) Short-term employee benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of bonus, ex-gratia, and incentives are recognised in the period during which the employee renders the related service.

(B) Post-employment benefits

(i) Defined contribution plan

Government Provident Scheme is a defined contributed plan. The contribution paid/payable under the scheme is recognised in the Statement of Profit and Loss during the period in which the employee renders the related services.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.13 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year. The number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.14 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lacs as per requirement of Schedule III of the Act, unless otherwise stated.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(A) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 30

(B) Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plans such as gratuity are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32

4. Recent accounting pronouncements

Standards issued but not yet effective:

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transaction. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

Statement of changes in equity for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

(A) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10/- each issued, subscribed and fully paid				
Opening balance	10,723,207	1,072.32	10,723,207	1,072.32
Add: issued during the year	-	-	-	-
Closing balance	10,723,207	1,072.32	10,723,207	1,072.32

(B) Other equity

	Reserve and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2018	1,691.94	(1,047.53)	644.41
Loss for the year	-	(1,132.01)	(1,132.01)
Other comprehensive income	-	(8.22)	(8.22)
Balance as at 31 March 2019	1,691.94	(2,187.76)	(495.82)
	Reserve and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2017	1,691.94	778.32	2,470.26
Loss for the year	-	(1,826.53)	(1,826.53)
Other comprehensive income	-	0.68	0.68
Balance as at 31 March 2018	1,691.94	(1,047.53)	644.41

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Registration No.: 000038N

C.V. PARAMESWAR
Partner
Membership No: 11541

Place: Mumbai
Date: May 30, 2019

For and on behalf of the Board of Directors
AUNDE FAZE THREE AUTOFAB LIMITED
CIN : L17120DN1997PLC000196

AJAY ANAND
Managing Director
DIN : 00373248

V. SIVAKUMAR
President & CFO

VINIT RATHOD
Director
DIN : 07589863

AKRAM SATI
Company Secretary
M No: 50020

Notes forming part of the Financial Statements for the year ended 31 March 2019 (Amount in INR lacs, unless otherwise stated)

5 Property, plant and equipment

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2019	For the year	Deductions/ Adjustments	As at 31 March 2019	As at 31 March 2018
Owned assets								
Freehold Land	387.93	-	-	387.93	-	-	387.93	387.93
Building	981.62	110.09	-	1,091.71	25.95	-	593.73	509.59
Plant and Machinery	7,461.43	590.95	281.33	7,771.05	392.08	217.28	3,652.65	3,517.83
Furniture & Fixtures	172.23	3.08	0.30	175.01	3.74	0.30	25.44	26.10
Vehicles	327.06	19.31	78.25	268.12	12.18	62.21	71.22	80.13
Office Equipment	44.64	1.56	-	46.20	0.67	-	6.43	5.54
Computers	126.95	4.22	-	131.17	3.49	-	6.26	5.53
Electrical Installation	201.02	4.49	-	205.51	2.89	-	26.57	24.97
Total	9,702.88	733.70	359.88	10,076.70	441.00	279.79	4,770.23	4,557.62

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

6 Other financial asset (non-current)	31 March 2019	31 March 2018
"In Fixed deposit accounts with maturity for more than 12 months from balance sheet date."	3.20	3.20
Security deposits	20.14	15.91
Total	23.34	19.11
7 Inventories*	31 March 2019	31 March 2018
Raw material	769.65	887.66
Work in progress	649.60	640.98
Finished goods	280.71	146.12
Store and spares parts including packing material	27.50	30.35
Total	1,727.46	1,705.11
*Hypothecated as charge against short term-borrowings. Refer note 18.		
8 Trade receivable	31 March 2019	31 March 2018
Secured, considered good		
Unsecured		
-Considered good	3,519.28	3,256.98
Total	3,519.28	3,256.98
9 Cash and cash equivalents	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	5.94	8.66
Cash on hand	7.18	3.52
Total	13.12	12.18
10 Bank balances other than Cash and cash equivalent	31 March 2019	31 March 2018
"In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date"	34.35	2.52
Total	34.35	2.52
11 Other financial assets (current)	31 March 2019	31 March 2018
Interest accrued on fixed deposits	0.21	0.24
Total	0.21	0.24
12 Other current assets	31 March 2019	31 March 2018
Export incentive receivable	16.52	12.35
Prepaid Expenses	16.20	25.40
Staff advances	26.90	16.39
Balance with indirect tax authorities	113.08	95.28
Other receivables	30.39	0.40
Total	203.09	149.82

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

13 Share capital

(a) Equity shares	31 March 2019	31 March 2018
Authorized		
(31 March 2019: 1,10,00,000, 31 March 2018: 1,10,00,000)		
Equity Shares of ₹ 10/- each	1,100.00	1,100.00
	<u>1,100.00</u>	<u>1,100.00</u>
Issued, subscribed and paid up		
(31 March 2019: 1,07,23,207, 31 March 2018: 1,07,23,207) equity shares of ₹ 10/- each fully paid	1,072.32	1,072.32
Total	<u>1,072.32</u>	<u>1,072.32</u>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,723,207	1,072.32	10,723,207	1,072.32
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>10,723,207</u>	<u>1,072.32</u>	<u>10,723,207</u>	<u>1,072.32</u>

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR [Face value] each fully paid				
Aunde Achter & Ebels Gmbh	4,591,200	42.82%	4,591,200	42.82%
Ajay Anand	565,251	5.27%	565,251	5.27%
Instyle Investments Pvt Ltd	2,119,575	19.77%	2,119,575	19.77%
Foresight Holdings Pvt. Ltd	824,261	7.69%	587,256	5.48%

- (c) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- (d) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.
- (e) The Company has only one class of Equity shares having a par value of ₹ 10/- per share. All the equity shares rank pari passu in all respect.

14 Other equity

	31 March 2019	31 March 2018
(A) General reserve		
Opening balance	1,691.94	1,691.94
Add/Less: Transfer to reserves	-	-
Closing balance	<u>1,691.94</u>	<u>1,691.94</u>
(B) Retained earning		
Opening balance	(1,047.53)	778.32
Add: Net profit/(loss) for the current year	(1,140.23)	(1,825.85)
Closing balance	<u>(2,187.76)</u>	<u>(1,047.53)</u>
Total	<u>(495.82)</u>	<u>644.41</u>

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

15 Non-current borrowings	31 March 2019	31 March 2018
Secured		
Term loan	1,516.25	1,665.56
Other loan	8.17	14.81
Unsecured		
Loan from related parties	2,592.16	2,592.16
Total	4,116.58	4,272.53

Note: The term loans from Saraswat Bank are secured by way of hypothecation of specific plant and machineries/ fixed assets purchased / installed out of the sanctioned term loans and collaterally secured by way of EMT of land & building at Plot no. 146/145(1)/147/148/1/2, Waghdhara Vilage Road, Dadra-396193, Union Territory of Dadra and Nagar Havelli further charge on entire plant & machineries installed at Plot no. 71, Phase-1, Indl Area, GIDC, Vapi-396195.

Details of Term Loans from Saraswat Bank

Term Loans	Maturity	Installments			Rate of Interest
		Periodicity	Numbers	₹ (in Lacs)	
Term Loan Account Number - 1528	Feb-23	Monthly	47	6.19	PLR -3.75%
Term Loan Account Number - 901290	Nov-22	Monthly	44	20	PLR -3.75%
Term Loan Account Number - 901291	Nov-22	Monthly	44	4	PLR -3.75%

Details of Other Loans

Term Loans	Maturity	Installments			Rate of Interest
		Periodicity	Numbers	₹ (in Lacs)	
Corporation Bank -560761000316709	Sep-20	Monthly	18	0.17	10.30%
Corporation Bank -560761000316751	Jul-21	Monthly	28	0.18	10.20%
Corporation Bank -560771000106437	Jun-21	Monthly	27	0.12	11.90%
Yes Bank -ALN000100314065	Mar-22	Monthly	36	0.14	8.30%

16 Employee benefit obligations	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits (Refer note 33)				
Provision for gratuity	59.87	47.21	10.28	7.49
Provision for leave encashment	-	14.61	-	-
Total	59.87	61.82	10.28	7.49

17 Other non-current liabilities	31 March 2019	31 March 2018
	Other payables	834.10
Total	834.10	0.00

18 Short -term borrowings	31 March 2019	31 March 2018
	Secured, from bank, (Refer foot note)	
-Cash Credit	2,735.87	2,507.23
Total	2,735.87	2,507.23

Terms and conditions of loans

Cash Credit from Saraswat Bank is secured by way of hypothecation of inventories of raw materials, work in progress & finished goods of auto fabrics including imported laminated and coated materials and book debts as primary and collaterally secured by way of EMT of land & building at Plot No. 146/145(1)/147/148/1/2, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli & Plot No.71, Phase 1, Indl Area, GIDC,Vapi-396195. The sanctioned limit by the Bank is ₹ 25.50 Crore and the applicable rate of interest is PLR -3.75%

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

	31 March 2019	31 March 2018
19 Trade payables		
Total outstanding dues of micro enterprises and small enterprises(refer note 40)	5.24	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,428.89	753.78
Total	1,434.13	753.78
20 Other financial liabilities		
Current maturity of term loan	362.28	308.28
Current maturity of other loan	6.19	5.52
Interest accrued but not due on loan	17.24	17.48
Total	385.71	331.28
21 Current tax liabilities (net)		
Current tax liabilities (net)	82.32	84.22
	82.32	84.22
22 Other current liabilities		
Salary & reimbursement payable	29.52	21.97
Expenses payable	186.55	89.89
Statutory due payable	26.08	13.99
Total	242.15	125.85
23 Revenue from operations		
Export sales	926.52	459.08
Domestic sales	13,183.40	12,290.95
Other operating revenues	38.34	32.11
Total	14,148.26	12,782.14
24 Other income		
Rental income	-	2.81
Interest income	0.61	6.25
Miscellaneous income	7.57	0.12
Gain on foreign exchange (net)	-	9.51
Total other income	8.18	18.69
25 Cost of material consumed		
Inventory at the beginning of the year	887.66	904.20
Add: Purchases	8,967.48	7,790.21
Less: Inventory at the end of the year	769.65	887.66
Cost of raw material consumed	9,085.49	7,806.75
26 Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Inventories at the beginning of the year		
- Finished goods	146.12	1,834.36
- Work-in-progress	640.98	470.25
	787.10	2,304.61
Less: Inventories at the end of the year		
- Finished goods	280.71	146.12
- Work-in-progress	649.60	640.98
	930.31	787.10
(Increase) / Decrease in inventories	(143.21)	1,517.51

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
27 Employee benefits expense		
Salaries, wages, bonus and other allowances	787.73	772.02
Contribution to Provident Fund	27.12	26.50
Gratuity (Refer note 33)	12.10	10.78
Staff welfare expenses	24.40	28.70
Total	851.35	838.00
28 Finance costs		
Interest on borrowing	481.13	437.71
Total	481.13	437.71
29 Depreciation and amortization expense		
Depreciation	441.00	420.20
Total	441.00	420.20
30 Other expenses		
Stentering, weaving & other processing charges	2,490.75	1,539.26
Power & fuel	179.09	149.46
Packing material expenses	127.91	111.95
Repairs & maintenance:		
Plant & machinery	23.85	13.10
Building	34.34	4.96
Other	33.09	13.70
Other manufacturing expenses	470.04	376.57
Stores and spares consumed	301.90	188.50
Rent, rates & taxes	73.18	94.56
Travel and conveyance	87.76	84.21
Auditors remuneration*	3.12	3.02
Legal and professional charges	34.90	29.84
Insurance charges	14.10	16.84
Loss on sale/disposal of fixed assets	0.41	0.72
Foreign exchange fluctuation	14.40	-
Miscellaneous expenses	132.71	113.80
Technical knowhow/royalty fees	14.89	44.98
Transportation charges	507.60	389.66
Rebates, discounts & customer claims	258.65	432.06
Total	4,802.69	3,607.19

*Note : The following is the break-up of Auditors remuneration (exclusive of taxes)

	<u>31 March 2019</u>	<u>31 March 2018</u>
As auditor:		
Statutory audit	3.00	3.00
In other capacity:		
Tax audit	-	-
Other matters	-	-
Reimbursement of expenses	0.12	0.02
Total	3.12	3.02

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

31 Income Tax

(A) Deferred tax relates to the following:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Deferred tax assets		
MAT Credit Entitlement	384.85	384.85
	<u>384.85</u>	<u>384.85</u>
Deferred tax liabilities		
On property, plant and equipment	227.68	457.68
	<u>227.68</u>	<u>457.68</u>
Deferred tax asset(liabilities), net	<u>157.17</u>	<u>(72.83)</u>

In absence of reasonable certainty of taxable income in future years, during the year ended 31 March 2019, the Company has created deferred tax asset on unabsorbed depreciation and other items to the extent of deferred tax liability. During the year ended 31 March 2018, the Company had recognized deferred tax asset to the extent of deferred tax liability only.

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	<u>31 March 2019</u>	<u>31 March 2018</u>
Deferred tax asset	384.85	384.85
Deferred tax liabilities	(227.68)	(457.68)
Deferred tax assets/ (liabilities), net	<u>157.17</u>	<u>(72.83)</u>

(C) Reconciliation of deferred tax assets/ (liabilities) (net):

	<u>31 March 2019</u>	<u>31 March 2018</u>
Opening balance as of 1 April	(72.83)	(72.83)
Tax asset recognized in statement of profit and loss	230.00	-
Closing balance as at 31 March	<u>157.17</u>	<u>(72.83)</u>

(D) Tax losses of (31 March 2019: ₹ 2303.07) lacs are available for offsetting for a maximum period of eight years against future taxable profits of the Company.

32 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders by the number of equity shares outstanding during the year plus the number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Profit/ (Loss) attributable to equity holders	(1,132.01)	(1,826.53)
Total number of equity shares for basic EPS	10,723,207	10,723,207
Basic	(10.56)	(17.03)
Diluted	(10.56)	(17.03)

33 Employee benefits**(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

	<u>31 March 2019</u>	<u>31 March 2018</u>
Employers' Contribution to Provident Fund (Refer note 27)	<u>27.12</u>	<u>26.50</u>

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

(B) Defined benefit plans

a) Gratuity payable to employees

i) Actuarial assumptions

	31 March 2019	31 March 2018
Discount rate (per annum)	6.96%	7.35%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	4	4
Attrition rate		
For service 2 years and below	40%	40%
For service 3 years to 4 years	25%	25%
For service 5 years and above	15%	15%

ii) Changes in the present value of defined benefit obligation

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	54.70	47.18
Interest cost	4.02	3.23
Past service cost	-	0.05
Current service cost	8.08	7.72
Benefits paid	(4.87)	(2.80)
Actuarial (gain)/ loss on obligations	8.22	(0.68)
Present value of obligation at the end of the year*	70.15	54.70

*Included in provision for employee benefits (Refer note 27)

iii) Expense recognized in the Statement of Profit and Loss

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Current service cost	8.08	7.72
Past service cost	-	0.05
Interest cost	4.02	3.23
Actuarial (gain) / loss on obligations transferred to OCI	8.22	(0.68)
Total expenses recognized in the Statement Profit and Loss*	20.32	10.32

*Included in Employee benefits expense (Refer Note 27).

iv) Assets and liabilities recognized in the Balance Sheet:

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Present value of unfunded obligation as at the end of the year	70.15	54.70
Unrecognized actuarial (gains)/losses	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	70.15	54.70

*Included in provision for employee benefits (Refer note 16)

v) Expected contribution to the fund in the next year

	31 March 2019	31 March 2018
Gratuity	14.36	12.10

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Impact on defined benefit obligation		
Discount rate		
1% increase	(3.11)	(2.41)
1% decrease	3.44	2.66
Rate of increase in salary		
1% increase	3.47	2.70
1% decrease	(3.19)	(2.48)
Rate of employee turnover		
1% increase	0.20	0.14
1% decrease	(0.24)	(0.18)

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

vii) Maturity profile of defined benefit obligation
YearFrom the Employer
31 March 2019 31 March 2018

1st Following Year	10.28	7.49
2nd Following Year	9.86	7.81
3rd Following Year	9.43	8.10
4th Following Year	8.57	6.85
5th Following Year	7.74	6.17
Sum of Years 6 to 10	28.11	22.33
Sum of Years 11 and above	30.69	24.86

34 Related Party Disclosures: 31 March 2019

(A) Names of related parties and description of relationship as identified and certified by the Company:

Related party where control exists

Name of related party	Relationship
Aunde Achter & Ebels GMBH	Joint Venture partner
Faze Three Limited	Entity in which director has common control
Instyle Investment Pvt. Ltd	Entity in which director has common control
V. R. Woodart Ltd.	Common Promoter

Key Management Personnel (KMP)

Mr. Ajay Anand	Managing Director
Mr. V. Sivakumar	President & CFO
Mr. Akram Sati	Company Secretary

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(i) Faze Three Limited

31 March 2019 31 March 2018

Purchase of Goods & Services	2,461.78	1,320.21
Sale of Goods & Services	47.16	10.80
Lease Rent Expenses	41.66	35.67
Lease Rent Income	-	2.95

(ii) Key Management Personnel (KMP)

Compensation of key management personnel (employee benefit)	78.90	74.96
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(C) Amount due to related party as on:

31 March 2019 31 March 2018

(i) Aunde Achter & Ebels GMBH

Short term borrowing	1,275.36	1,275.36
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(ii) Key Management Personnel (KMP)

Loans from Directors	1,316.80	1,316.80
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(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Segment reporting

The Company has only one segment of activity namely "Automotive Fabrics" and as such there is no separate reportable segment as per Ind AS 108 Operating Segments.

36 Fair values measurement

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets

	<u>31 March 2019</u>	<u>31 March 2018</u>
Level 1 (Quoted price in active markets)	-	-
Level 2		
Financial assets measured at fair value through profit or loss	-	-
Financial liability measured at fair value through profit or loss	-	-
Level 3		
<u>Financial assets measured at amortized cost</u>		
Trade receivables	3,519.28	3,256.98
Security deposits	20.14	15.91
Cash and cash equivalents	13.12	12.18
Bank balances other than cash and cash equivalent	37.55	5.72
Interest accrued on fixed deposits	0.21	0.24
Other current assets	203.09	149.82
<u>Financial liability measured at amortized cost</u>		
Borrowings	7,220.92	7,093.56
Trade payables	1,434.13	753.78
Interest accrued but not due on loan	17.24	17.48
Other current liabilities	242.15	125.85

The carrying amount of assets measured at amortised rate mentioned above is considered to approximate their fair values. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Financial liability measured at amortized cost

Borrowings	7,220.92	7,093.56
Trade payables	1,434.13	753.78
Interest accrued but not due on loan	17.24	17.48
Other current liabilities	242.15	125.85

The carrying amount of liabilities measured at amortised rate mentioned above is considered to approximate their fair values. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

37 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax (₹ in lacs)
2019	25 bps	11.03
2018	25 bps	11.25

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

(ii) Foreign currency risk

The Company is exposed to foreign currency risk arising mainly on export of finished goods and import of raw material. The carrying amounts of Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Trade receivables (unhedged) (INR)	363.22	183.2
Trade receivables (unhedged) (USD)	4.94	2.82
Trade receivables (unhedged) (EURO)	0.28	-
Trade payables (unhedged) (INR)	-	49.77
Trade payables (unhedged) (USD)	-	0.77
The following significant rates have been applied during the year		
	<u>Year end spot rate</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
USD 1	69.17	65.04
EURO 1	77.70	80.62

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in US\$ rate	Effect on profit before tax
2019 (USD/INR)	1%	3.63
2018 (USD/INR)	1%	1.83

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
31 March 2019					
Short term borrowings	2,735.87	-	-	-	2,735.87
Long-term borrowings	-	-	1,524.42	2,592.17	4,116.59
Trade payables	1,434.13	-	-	-	1,434.13
Other financial liabilities	92.02	293.69	-	-	385.71
	<u>4,262.02</u>	<u>293.69</u>	<u>1,524.42</u>	<u>2,592.17</u>	<u>8,672.30</u>
31 March 2018					
Short term borrowings	2,507.23	-	-	-	2,507.23
Long-term borrowings	0.00	-	1,680.38	2,592.16	4,272.54
Trade payables	753.78	-	-	-	753.78
Other financial liabilities	90.87	240.41	-	-	331.28
	<u>3,351.88</u>	<u>240.41</u>	<u>1,680.38</u>	<u>2,592.16</u>	<u>7,864.83</u>

Notes forming part of the Financial Statements for the year ended 31 March 2019

(Amount in INR lacs, unless otherwise stated)

38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		<u>31 March 2019</u>	<u>31 March 2018</u>
Total equity	(i)	576.50	1,716.73
Total debt	(ii)	7,220.92	7,093.56
Overall financing	(iii) = (i) + (ii)	7,797.42	8,810.29
Gearing ratio	(ii) / (iii)	0.93	0.81

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

39. Contingent liability and commitments

- a) Contingent liabilities (to the extent not provided for)
- | | <u>31 March 2019</u> | <u>31 March 2018</u> |
|---------------------------------|----------------------|----------------------|
| Guarantees and Letter of Credit | 360.34 | 39.64 |
| | <u>360.34</u> | <u>39.64</u> |
- b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. "Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts"

40. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

The outstanding dues to small and medium enterprises as defined under MSMED Act, 2006 are as under:

Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006:

	<u>31 March 2019</u>	<u>31 March 2018</u>
(i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	5.24	-
(ii) Interest due on above	-	-
The total of (i) and (ii)	<u>5.24</u>	<u>-</u>

41. Adoption of Ind AS 15- Revenue from contractd with customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in financial statements of the Company.

42. Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For THAKUR VAIDYANATH AIYAR & CO.
 Chartered Accountants
 Firm Registration No.: 000038N

C.V. PARAMESWAR
 Partner
 Membership No: 11541

Place: Mumbai
 Date: May 30, 2019

For and on behalf of the Board of Directors
AUNDE FAZE THREE AUTOFAB LIMITED
 CIN : L17120DN1997PLC000196

AJAY ANAND
 Managing Director
 DIN : 00373248

V. SIVAKUMAR
 President & CFO

VINIT RATHOD
 Director
 DIN : 07589863

AKRAM SATI
 Company Secretary
 M No: 50020

AUNDE FAZE THREE Autofab Limited

(CIN L17120DN1997PLC000196)

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

Ph : +91(0) 260 2668539/ Fax :+91(0) 260 2668501 E-Mail: investors@aundeindia.com Website: www.aundeindia.com

ATTENDANCE SLIP

(To be presented at the entrance)

22nd Annual General Meeting on Monday, 30th September, 2019 at 11.30 a.m.

Folio No.	DP ID No.	Client ID No.
Name of the Member		Signature
Name of the Proxyholder		Signature

1. Only Member / Proxyholder can attend can attend the Meeting.
2. Member / Proxyholder should bring his / her copy of the Annual Report for reference at the Meeting.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L17120DN1997PLC000196
Name of the Company	AUNDE FAZE THREE Autofab Limited
Registered Office	Plot No. 146, Waghdhara Village Road, Dadra-396 193. Union Territory of Dadra & Nagar Haveli.
Name of the Member (s)	
Registered Address	
Email ID	
Folio No / Client Id	

I/We, being the member (s) of shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/o behalf at the Twenty Second Annual General Meeting to be held on Monday, 30th September 2019 at 11.30 AM at Conference Room, Aunde Faze Three Autofab Limited, Plot No. 146, Waghdhara Road, Dadra- 396193, Union Territory of Dadra & Nagar Haveli and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	FOR	AGAINST
1. Adoption of Financial Statements for the year ended 31st March, 2019		
2. Re-Appointment of Director Mr. Ajay Anand - Retiring by rotation		
3. Appointment of Director Mrs. Rashmi Anand		
4. Approval of Related Party Transactions.		
5. Re-Appointment of Mr. Ajay Anand as Managing Director		
6. Approval to Change the name of the Company from Aunde Faze Three Autofab Limited to Faze Three Autofab Limited		

Signed this..... day of..... 2019

Signature of Shareholder: /
Signature of Proxy holder(s):

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.