

FAZE THREE Autofab Limited

**24th Annual Report
2020-2021**

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Mr. Ajay Anand
(DIN: 00373248)
Managing Director

Mr. V Sivakumar
(DIN: 09211111)
Additional Executive Director &
Chief Financial Officer

Mrs. Rashmi Anand
(DIN: 00366258)
Non-Executive Director

Mr. Vinit Rathod
Independent Director
(DIN: 07589863)

Mr. Manan Shah
Independent Director
(DIN: 07589737)

Mr. Kartik Jethwa
Additional Independent Director
(DIN: 08587759)

Mr. Roshan Gupta
Company Secretary
(Appointed w.e.f. 08.03.2021)

Mr. Akram Sati
Company Secretary
(Upto 07.03.2021)

BOARD COMMITTEES

Audit Committee

Vinit Rathod (Chairman)
Ajay Anand
Manan Shah

Nomination & Remuneration Committee

Vinit Rathod (Chairman)
Rashmi Anand
Manan Shah

Stakeholders Relationship Committee

Vinit Rathod (Chairman)
Ajay Anand
Manan Shah

Corporate Social Responsibility Committee

Ajay Anand (Chairman)
Rashmi Anand
Manan Shah

REGISTERED OFFICE

Plot No. 445, Waghdhara Village Road,
Village Dadra, Dadra – 396193,
Union Territory of Dadra & Nagar Haveli.
Ph.: 0260 2668539
Fax: 0260 2668501

CORPORATE OFFICE

63, Mittal Court, Wing C, Nariman Point,
Mumbai – 400 021.
Phone : 022 6660 4600 / 4351 4444
Fax : 022 2493 6811
Email: cs@fazethreeautofab.com
Website: www.fazethreeautofab.com

STATUTORY AUDITORS

M/s. Thakur Vaidyanath Aiyar & Co.,
Chartered Accountants, Mumbai.

SECRETARIAL AUDITORS

M/s. Sanjay Dholakia & Associates,
Practicing Company Secretary

REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai – 400 083.
Phone: 022 - 4918 6270 / 1800 1020 878
Website: <https://linkintime.co.in/>
Email: rnt.helpdesk@linkintime.co.in

BANKERS

Yes Bank Limited
The Saraswat Co-operative Bank Ltd.

FAZE THREE Autofab Limited
(Formerly known as AUNDE FAZE THREE Autofab Limited)
24TH ANNUAL REPORT FOR THE PERIOD ENDED 31ST MARCH, 2021

1. Date of Annual General Meeting : Monday, August 23, 2021
2. Time and Venue : 10.00 a.m.
through Video Conferencing (“VC”)
3. Book Closure : Tuesday, August 17, 2021
to Monday, August 23, 2021
(both days inclusive)

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NOTICE**24th Annual General Meeting of
FAZE THREE Autofab Limited**

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the Shareholders of **FAZE THREE Autofab Limited** will be held on Monday, August 23, 2021 at 10.00 a.m., through Video Conferencing (“VC”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon. - **Ordinary Resolution.**
2. To appoint a Director in place of Mr. Ajay Anand (DIN: 00373248) who retires by rotation and being eligible, offers himself for re-appointment. - **Ordinary Resolution.**

SPECIAL BUSINESS:**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 the provisions of section 188 and other applicable provisions if any, of the Companies Act, 2013 and rules made there under and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), 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 by the Company with Faze Three Limited (CIN: L99999DN1985PLC000197), 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 upto Rs. 25.00 crores (Rupees Twenty Five Crores) in the financial year 2021-2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be considered, necessary, expedient or desirable in order to give effect to this resolution.”

4. Re-appointment of Mr. Ajay Anand (DIN: 00373248) as ‘Managing Director’ of the Company.

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

“RESOLVED THAT pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for the re-appointment of Mr. Ajay Anand (DIN: 00373248), as the ‘Managing Director’ of the Company for a further period of Three (3) years with effect from April 1, 2022 to March 31, 2025, liable to retire by rotation, on the terms and conditions as to remuneration and otherwise as set out, hereunder:

- a. 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;

- b. Provident Fund: To the extent not taxable under the Income Tax Act, 1961;
- c. Gratuity & Leaves as per the rules of the Company.

RESOLVED FURTHER THAT when in any financial year, the Company has no profits or its profits are inadequate during the tenure of services of Mr. Ajay Anand, the remuneration including the perquisites as approved by the Board of Directors (including committees thereof) shall be paid to him in accordance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. Appointment of Mr. Viswanathan Sivakumar (DIN: 09211111) as a Whole-time Director designated as ‘Executive Director & CFO’.

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

“**RESOLVED THAT** in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Viswanathan Sivakumar (DIN : 09211111), who was appointed as an Additional Director (Executive) of the Company with effect from June 25, 2021 pursuant to Section 161 of the Act and who holds office of Director upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the Company be and is hereby accorded for the appointment of Mr. Viswanathan Sivakumar - Chief Financial Officer of the Company, as a Whole time Director, designated as ‘Executive Director & CFO’, for a period of Three (3) years with effect from June 25, 2021, liable to retire by rotation, on the terms and conditions as to remuneration and otherwise as set out, hereunder:

- a. Salary: Rs 2,80,000/- 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 3,50,000/- per month;
- b. Provident Fund as per the rules of the Company;
- c. Gratuity & Leaves as per the rules of the Company.

RESOLVED FURTHER THAT when in any financial year, the Company has no profits or its profits are inadequate during the tenure of services of Mr. Viswanathan Sivakumar, the remuneration including the perquisites as approved by the Board of Directors (including committees thereof) shall be paid to him in accordance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. Appointment of Mr. Kartik Jethwa (DIN: 08587759) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 16, 25 & and other relevant regulations) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Kartik Jethwa (DIN: 08587759), who was appointed as an Additional Director in the category of ‘Non-Executive Independent Director’ with effect from June 25, 2021 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as ‘Non-Executive Independent Director’ of the Company for a period Five (5) years upto June 24, 2026, not liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses as may be permissible under the law from time to time.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. Re-appointment of Mr. Vinit Rathod (DIN: 07589863) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, modifications, variations or re-enactments thereof and on the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Vinit Rathod (DIN:07589863), be and is hereby re-appointed for a second term as ‘Non-Executive Independent Director’ of the Company to hold office for a period of Five (5) years commencing from September 09, 2021 to September 08, 2026 and that he shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses as may be permissible under the law from time to time.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

8. Re-appointment of Mr. Manan Shah (DIN: 07589737) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, modifications, variations or re-enactments thereof and on the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Manan Shah (DIN: 07589737), be and is hereby re-appointed for a second term as ‘Non-Executive Independent Director’ of the Company to hold office for a period of Five (5) years commencing from February 13, 2022 to February 12, 2027 and that he shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses as may be permissible under the law from time to time.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: July 22, 2021

Roshan Gupta
Company Secretary

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the “Act”), in respect of businesses to be transacted at the Annual General Meeting (“AGM”), as set out under Item No(s). 3 to 8 above and the relevant details of the Directors as mentioned under Item No(s). 4 to 8 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. In view of the outbreak of COVID 19 pandemic early in the year 2020 and the restrictions on movement of people and social distancing norms which followed and which are still in place, the Ministry of Corporate Affairs allowed conducting Annual General Meetings (hereinafter referred to as ‘AGM’) through Video Conference (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. The Ministry vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 prescribed the guidelines and manner of conducting the Annual General Meeting through VC/OAVM. Complying with the said circulars, the 24th Annual general meeting (AGM) of the members of the Company is to be held through Video conferencing (VC) where the Members can attend and participate in the AGM through the provided VC facility. The Company has availed the services of National Securities Depository Limited (NSDL) for the VC and E-voting arrangements. The detailed procedure for participating in the meeting through VC is annexed herewith (Serial No. 18).
3. Since the AGM is being conducted through VC, there is no provision for appointment of proxies and hence proxy form and attendance slip are not included in this notice. The members will have to make themselves available at the scheduled time if they wish to attend the meeting. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at www.fazethreeautofab.com, on the website of Stock Exchanges i.e. BSE Limited and on the website of NSDL at www.evoting.nsdl.com.
4. Members will be eligible to participate on first come first serve basis, as participation through VC is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
5. Members who wish to raise queries/ questions shall send an email with the query/ questions at cs@fazethreeautofab.com at least 48 hours before the AGM scheduled time. The same will be addressed to and answered by the Company representative at the AGM.
6. Corporate members are requested to send at rnt.helpdesk@linkintime.co.in or ankitdparekh@adparekh.com before e-voting/ attending Annual General Meeting, a duly certified copy of the Board Resolution authorizing their

representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.

7. The Register of Members and Share transfer books of the Company will remain closed from Tuesday, August 17, 2021 to Monday, August 23, 2021, both days inclusive.
8. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli West, 400 083 (RTA) enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
9. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the RTA, quoting the folio number. The Members updation form is available on the website of the Company.
10. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by SEBI, the Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to rnt.helpdesk@linkintime.co.in or cs@fazethreeautofab.com. Upon receipt of the member updation form, please submit the duly filled and signed member updation form to the abovementioned email ids. Post verification of the Form the email id will be registered with the Company.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cs@fazethreeautofab.com
12. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to the Members to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 16, 2021, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence on Friday, August 20, 2021 at 9.00 A.M. (IST) and will end on Sunday, August 22, 2021 at 17.00 P.M. (IST).
13. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
14. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Friday, August 20, 2021 at 09:00 a.m. and ends on Sunday, August 22, 2021 at 17:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 16, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 16, 2021.

How do I vote electronically using NSDL e-Voting system?





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

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode**

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants.</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.

4. 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***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) 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.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and who’s voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

16. General Guidelines for shareholders:

- a) 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.
- b) In case of any queries, you may refer to 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 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
- c) The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company at www.fazethreeautofab.com.

17. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (cs@fazethreeautofab.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (cs@fazethreeautofab.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:

- a. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC link placed under Join General Meeting menu. The link for VC will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@fazethreeautofab.com). The same will be replied by the company suitably.

19. Others:

- a. Members of the Company had approved the appointment of M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N) as the Statutory Auditors for a period of 5 years from the conclusion of 20th AGM of the Company which is valid till 25th AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
- b. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at cs@fazethreeautofab.com

- c. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
- d. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Link Intime India Pvt. Ltd./ Investor Services Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at cs@fazethreeautofab.com. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
- e. The Members who are eligible and have not casted their votes through remote e-voting can cast their vote at AGM through e-voting system during the AGM. The e-voting at AGM will be closed 15 minutes after conclusion of AGM.
- f. The Scrutinizer shall after the conclusion of e-Voting at the 24th AGM, download the votes cast at the AGM and unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 24th AGM, who shall then countersign and declare the result of the voting forthwith.
- g. Since the AGM will be held through Video Conferencing, route map of venue of the AGM and admission slip is not attached to this Notice.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: July 22, 2021

Roshan Gupta
Company Secretary

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

The following Statement sets out material facts relating to the business under Item No. 3 to Item No. 8 of the Notice.

Item No. 3 – Approval of Related Party Transactions

M/s. Faze Three Limited is a Public Limited Company and listed on BSE Limited, having its Registered Office at Survey No. 380/1, Khanvel Silvassa Road, Dapada, UT of Dadra & Nagar Haveli – 396 230. The Company is into manufacturing and export of Home Textile Products like Bathmats, Rugs, Floor Coverings, Blankets, Cushions, Cushion Covers, etc.

Faze Three Limited and FAZE THREE Autofab Limited have entered into an exclusive manufacturing and processing agreement under which FAZE THREE Autofab Limited is entitled to use Faze Three Ltd.'s dyeing unit at Vapi for dyeing of 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.

Further pursuant to the provisions 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.

Faze Three Limited being a related party and considering the future business projections of the Company, the transactions as described hereunder are expected to exceed 10% of the annual turnover of the Company in the FY 2021-22. Accordingly, in terms of the aforesaid provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, it is proposed to seek the approval of the members by way of Ordinary Resolution for the said transactions:

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 & Mrs. Rashmi Anand	
3.	Nature of relationship	Mr. Ajay Anand and Mrs. Rashmi Anand are interested in Faze Three Limited as Promoters and Directors.	
4.	Material terms/particulars of the contract or arrangements	Exclusive manufacturing agreement for using Faze Three Limited's dye-house facilities for dyeing of Automotive fabrics.	
5.	Transactions	2021-22 (Estimated)	2020-21 (Actuals)
	Dyeing & Processing Charges	25.00 Cr	18.88 Cr

Except Mr. Ajay Anand (Managing Director) and Mrs. Rashmi Anand (Non-Executive Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice, for approval of the Members.

Item No. 4 – Re-appointment of Mr. Ajay Anand (DIN: 00373248) as ‘Managing Director’ of the Company.

The Members at the 22nd Annual General Meeting of the Company held on September 30, 2019 had approved the re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company for a period of Three (3) years commencing from April 01, 2019 to March 31, 2022. Considering the aforementioned, the term of Mr. Ajay Anand as the Managing Director of the Company is near to conclusion on March 31, 2022.

Mr. Ajay Anand is a promoter director, heading the Company since inception. The Board is of a considered view that the Company will be benefitted by his management abilities and vast experience. Accordingly, Board of Directors at its meeting held on June 25, 2021, on the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Ajay Anand as Managing Director of the Company for another term of three (3) years w.e.f April 01, 2022 to March 31, 2025, being liable to retire by rotation, subject to the approval of the Members, as per the terms and payment of such remuneration set out in the resolution. Further, in the absence, or, inadequacy of the profits in any financial year, the remuneration will be paid to him in accordance with the applicable provisions of Schedule V of the Act.

Members are further informed that Mr. Ajay Anand is also the Managing Director of Faze Three Limited, a listed Company having common Promoters. Mr. Ajay Anand’s role as Managing Director of both the Companies and the terms and payment of remuneration is/ will be in conformity with Section 196, 197 and Schedule V of the Companies Act, 2013.

Mr. Ajay Anand is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has also given his consent to act as Director. The Company has also received a notice under Section 160 of the Act from a Member of the Company signifying the candidature of Mr. Ajay Anand as Managing Director of the Company.

A brief resume of Mr. Ajay Anand is provided in the annexure to the Notice.

Except Mr. Ajay Anand (the appointee Director) and Mrs. Rashmi Anand (Non-Executive Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution as set out in Item No. 4 of the Notice, for approval of the Members.

Item No. 5 – Appointment of Mr. Viswanathan Sivakumar (DIN: 09211111) as a Whole-time Director designated as ‘Executive Director & CFO’

The Members are informed that, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on June 25, 2021 had appointed Mr. Viswanathan Sivakumar (DIN: 09211111) – CFO, as an Additional Director (Executive) of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr. Viswanathan Sivakumar (DIN: 09211111) holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting (“AGM”).

Members are hereby further informed that Mr. Viswanathan Sivakumar is having vast experience of more than two decades in the field of Technical Textile industry as a Plant head over the years. He is also involved in managing other day to day operations of the manufacturing unit of the Company located at Dadra. Considering his varied experience and association with the Company for more than a decade, the Board of Directors have proposed appointment of Mr. Viswanathan Sivakumar as a Whole-time Director designated as ‘Executive Director & CFO’ for a term of three (3) years w.e.f. June 25, 2021 to June 24, 2024, being liable to retire by rotation, subject to the approval of the members, as per the terms and payment of such remuneration set out in the resolution.

Mr. Viswanathan Sivakumar is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has also given his consent to act as Director. The Company has also received a notice under Section 160 of the

Act from a Member of the Company signifying the candidature of Mr. Viswanathan Sivakumar as a Whole-Time Director of the Company.

A brief resume of Mr. Viswanathan Sivakumar is provided in the annexure to the Notice.

Except Mr. Viswanathan Sivakumar (the appointee Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, if any in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution as set out in Item No. 5 of the Notice, for approval of the Members.

Statement containing additional information as required under schedule V of the act for Item No 4 & 5:

I. General Information

1. Nature of industry:

FAZE THREE Autofab Limited is engaged in the field of designing, development and manufacturing of automotive textiles (specialized in car seat cover fabric). It is an approved leading supplier of Automotive Fabrics to all Tier-1, Tier-2 of Major OEM's. The company has been established in 1997 and a leading supplier of automotive fabrics to all major OEMs in India. The Company caters to automotive giants like Maruti Suzuki, Hyundai, Mahindra & Mahindra, Ford, Tata Motors, Honda, Skoda, Toyota, Nissan, Renault, GM, etc.

2. Date or expected date of commencement of commercial production:

Not applicable since the Company is established in the year 1997.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

4. Financial performance based on given indicators:

The key highlights of the financial performance of the Company is as stated below:

(in crores)

Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Revenue from Operations	134.14	165.85	141.48
Profit before tax	14.11	8.44	-13.62
Profit for the year	11.11	9.02	-11.32
Total comprehensive income for the year	11.11	8.96	-11.40

5. 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 appointees:

1. Background details:

Mr. Ajay Anand

Mr. Ajay Anand, Indian Inhabitant, aged 65 years, is the founder promoter of the Company and is associated with the Company since its inception. He was re-appointed as Managing Director effective from April 01, 2019 for a period of 3

years. Mr. Ajay Anand is a graduate with expert and specialized knowledge in the field of home and automotive textiles. He has more than 3 decades of experience in in textile and automotive textile industry and has led the Company throughout. His innovate approach and positive outlook has managed the Company to become a leading supplier of automotive fabrics to all major OEMs in India.

Mr. Viswanathan Sivakumar

Mr. Viswanathan Sivakumar has been associated with the Company for more than a decade. He was appointed as CFO of the Company w.e.f. July 15, 2016 and has continued to serve as President and CFO of the Company. He has a rich experience of more than two decades in Automotive Textile Industry. He is B.Tech in Fibre Technology & holds Diploma in Textile Technology. He is presently acting as an Additional Executive Director & CFO of the Company and managing day to day operations of the manufacturing unit of the Company located as Dadra, UT of Dadra & Nagar Haveli & Daman and Diu.

2. Past remuneration:

The remuneration drawn for the financial year 2020-21:

Mr. Ajay Anand - INR 45,00,000 per annum as M.D

Mr. Viswanathan Sivakumar - INR 30,18,000 per annum as CFO

3. Strengths or Awards:

It's in-house manufacturing capabilities backed by continuous improvement and technology up-gradation has given the competitive edge.

4. Job profile and his suitability:

Mr. Ajay Anand:

As a Managing Director, Mr. Ajay Anand has shouldered the responsibilities of the Company throughout the period and overseas day to day functions of the Company. He is entrusted with such duties and powers as have been or may from time to time be entrusted or conferred upon him by the Board. He is a first generation entrepreneur of proven calibre and skill and has a successful experience in business management as a leader. His insight & experience has largely contributed to the Company's progress in the present competitive environment.

Mr. Viswanathan Sivakumar:

Mr. Viswanathan Sivakumar plays a key role in Production, costing and finance alongwith the management of day to today operations at the manufacturing unit located at Dadra, Union Territory of Dadra & Nagar Haveli & Daman and Diu. His educational background and specialization in Textile and Fibre Technology greatly matches the requirements of the profile as handled by him. His experience of over two decades in the textile industry and management skills are considered apt for the role.

5. Remuneration proposed:

As per item no 4 and 5 of the Notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

As the Company operates in a segment which consist of only few players having similar business structure, it is very difficult to compare the remuneration pattern in the industry. However, considering the type of industry, trends in the industry, size of the Company, the responsibilities, the experience, expertise, efforts and capabilities shouldered by Mr. Ajay Anand and Mr. Viswanathan Sivakumar it is believed that the remuneration proposed for them is justified and commensurate with the other organizations of the similar type, size and nature.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Ajay Anand is Husband of Mrs. Rashmi Anand (Promoter & Non-Executive Director) of the Company.
Mr. Viswanathan Sivakumar is not related to any of the Directors or KMP.

Except for receiving remuneration and to the extent of their respective shareholdings, if any Mr. Ajay Anand and Mr. Viswanathan Sivakumar have no other pecuniary relationship with the Company.

III. Other information:**1. Reasons of loss or inadequate profits:**

The Company is making adequate profits as commensurate with the size and type of business activities. The Company expects increase in the turnover and profit margins in the coming years.

2. Steps taken or proposed to be taken for improvement:

The Company is continuously engaged in the development and designing of new products and customized solutions for its customers and looking forward to penetrate and capture the market even further through its existing relations with the OEM's.

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

The Automotive industry continues to witness the continuous impact of Covid-19 Pandemic and resulted lockdowns. The Company expects to achieve revenue growth of around 15% in FY 2021-22 and further increase in revenue ranging 15-20% in FY 2022-23 bearing any negative impact of Covid-19. The profitability and margins are expected to increase in the coming years' due to various cost controlling measures taken by the company over the years.

Item No. 6 – Appointment of Mr. Kartik Jethwa (DIN: 08587759) as an Independent Director of the Company.

The members are informed that, the Board, based on the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Kartik Jethwa (DIN: 08587759) as an Additional Independent Director of the Company with effect from June 25, 2021. Pursuant to the provisions of Section 161(1) of the Act, Mr. Kartik Jethwa holds office of Additional Director up to the date of this Annual General Meeting of the Company, and is eligible for appointment as an Independent Director, subject to approval of members. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member, proposing the candidature of Mr. Kartik Jethwa for the office of Independent Director.

In the opinion of the Board, Mr. Kartik Jethwa's rich experience and expertise in the automotive engineering sector for more than 10 years and his presence on the Board would be of great value to the Company and it is desirable to avail the services of Mr. Kartik Jethwa as an Independent Director. Further, he fulfills the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company.

The Company has received (i) consent in writing from Mr. Kartik Jethwa to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules") as well as , (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The Company hereby seeks the approval of the members for the appointment of Mr. Kartik Jethwa as an Independent Director of the Company for a term of five (5) years w.e.f June 25, 2021 to June 24, 2026 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

A brief resume of Mr. Kartik Jethwa is provided in the annexure to the Notice.

Except Mr. Kartik Jethwa (the appointee Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, if any in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of the Notice, for approval of the Members.

Item No. 7 – Re-Appointment of Mr. Vinit Rathod (DIN: 07589863) as an Independent Director of the Company.

The members at the 20th Annual General Meeting of the Company held on Wednesday, September 27, 2017 had approved the appointment of Mr. Vinit Rathod (DIN: 07589863) as an Independent Director of the Company for a period of 5 (five) consecutive years commencing from September 09, 2016. Accordingly, his first term as an Independent Director is upto September 08, 2021.

Considering the aforementioned, the Board, based on the recommendations of the Nomination and Remuneration Committee, at its meeting held on June 25, 2021, after taking into account the performance evaluation of Mr. Vinit Rathod during his first term and considering his knowledge, acumen, expertise, experience and substantial contribution, has recommended the re-appointment of Mr. Vinit Rathod as an Independent Director, not liable to retire by rotation, for a second term of five years with effect from September 09, 2021 upto September 08, 2026. Also, in the opinion of the Board, Mr. Vinit Rathod fulfils the conditions specified in the Companies Act, 2013 (“Act”) read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), for being re-appointed as an Independent Director of the Company and he is independent of the management.

The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, proposing the candidature of Mr. Vinit Rathod for the office of Independent Director. Mr. Vinit Rathod has provided (a) his consent to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164(2) of the Act and (c) a declaration to the effect that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under SEBI Listing Regulations. Accordingly, it is proposed to reappoint him as an Independent Director of the Company, as per the provisions of Section 149 of the Act and SEBI Listing Regulations and the Special Resolution set out in Item no. 7 of the Notice seeks approval of the Shareholders for the same.

A brief resume of Mr. Vinit Rathod is provided in the annexure to the Notice.

Except Mr. Vinit Rathod (the appointee Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, if any in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution as set out in Item No. 7 of the Notice, for approval of the Members.

Item No. 8 – Re-Appointment of Mr. Manan Shah (DIN: 07589737) as an Independent Director of the Company.

The members at the 20th Annual General Meeting of the Company held on Wednesday, September 27, 2017 had approved the appointment of Mr. Manan Shah (DIN: 07589737) as an Independent Director of the Company for a period of 5 (five) consecutive years commencing from February 13, 2017. Accordingly, his first term as an Independent Director is upto February 12, 2022.

Considering the aforementioned, the Board, based on the recommendations of the Nomination and Remuneration Committee, at its meeting held on June 25, 2021, after taking into account the performance evaluation of Mr. Manan Shah

during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution, recommended the re-appointment of Mr. Manan Shah as an Independent Director, not liable to retire by rotation, for a second term of five years with effect from February 13, 2022 upto February 12, 2027. Also, in the opinion of the Board, Mr. Manan Shah fulfils the conditions specified in the Companies Act, 2013 ("Act") read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), for being re-appointed as an Independent Director of the Company and he is independent of the management.

The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, proposing the candidature of Mr. Manan Shah for the office of Independent Director. Mr. Manan Shah has provided (a) his consent to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164(2) of the Act and (c) a declaration to the effect that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under SEBI Listing Regulations. Accordingly, it is proposed to reappoint him as an Independent Director of the Company, as per the provisions of Section 149 of the Act and SEBI Listing Regulations and the Special Resolution set out in Item no. 8 of the Notice seeks approval of the Shareholders for the same.

A brief resume of Mr. Manan Shah is provided in the annexure to the Notice.

Except Mr. Manan Shah (the appointee Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, if any in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution as set out in Item No. 8 of the Notice, for approval of the Members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: July 22, 2021

Roshan Gupta
Company Secretary

Annexure to the Notice

Details of Directors seeking appointment/reappointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulation 2015) and Secretarial Standard - 2.**Item No: 2, 4 & 5**

Sr. No.	Particulars	Mr. Ajay Anand	Mr. Viswanathan Sivakumar
1.	Director Identification Number	00373248	09211111
2.	Age	67 years	51 years
3.	Qualification	Graduate	B.Tech in Fibre Technology & Diploma in Textile Technology
4.	Brief Resume & Experience/ Expertise	Mr. Ajay Anand is Founder & Promoter of the Company and is currently designated as Managing Director. He has diverse knowledge and experience in textiles and technical textiles and has more than three decades of experience in the industry, Mr. Ajay Anand oversees day-to-day management and administration and plays a vital role in decision making of the Company. Under his continuous leadership, guidance and efforts the Company boasts itself as an established supplier to Original Equipment Manufacturers (OEMs).	Mr. Viswanathan Sivakumar has been associated with the Company for more than a decade. He was also appointed as CFO of the Company w.e.f. July 15, 2016 and currently serves as Additional Executive Director and CFO of the Company. He has rich experience of more than two decades in Automotive Textile Industry. He manages day to day operations at Company's Manufacturing facilities located at Dadra.
5.	Terms and conditions of appointment or re-appointment	Appointment for a period of 3 years commencing from April 01, 2022 to March 31, 2025, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.	Appointment for a period of 3 years commencing from June 25, 2021 to June 24, 2024, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.
6.	Remuneration last drawn	Rs. 45,00,000 p.a.	Rs. 30,18,000 p.a. as CFO
7.	Shareholding in the Company including beneficial ownership	51,76,451	Nil
8.	Date of first appointment on the Board	03/10/1997	25/06/2021
9.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Husband of Mrs. Rashmi Anand (Promoter & Non-Executive Director) of the Company.	Mr. Viswanathan Sivakumar is not related to any of the Promoters, Members of the Promoter Group and Directors of the Company.
10.	The Number of Meetings of the Board attended during the year	7/7	NA
11.	Directorship in other listed entities	Faze Three Limited (Managing Director)	Nil

12.	Memberships/ Chairmanship of Committees of other Companies	Position	Committee	Company	Position	Committee	Company
		Chairman	Corporate Social Responsibility	Faze Three Limited	None	None	NA
		Member	Audit				
Member	Stakeholders Relationship						

Item No: 6

Sr. No.	Particulars	Mr. Kartik Jethwa		
1.	Director Identification Number	08587759		
2.	Age	32 years		
3.	Qualification	Bachelors in Engineering Automotive and Diploma in Mechanical Engineering		
4.	Brief Resume & Experience/ Expertise	Mr. Kartik Jethwa is an Automotive Engineer with accomplished academics and varied experience. He has completed his Bachelors in Engineering-Automotive and Diploma in Mechanical Engineering. He has rich experience of more than 10 years in the field of mechanical engineering mainly in designing, structuring and review of automotive body parts with strong background of product development, Testing and Validation.		
5.	Terms and conditions of appointment or re-appointment	Appointment for a period of 5 years commencing from June 25, 2021 to June 24, 2026, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.		
6.	Remuneration last drawn	NA		
7.	Date of first appointment on the Board	25/06/2021		
8.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Kartik Jethwa is not related to any of the Promoters, Members of the Promoter Group and Directors of the Company.		
9.	The Number of Meetings of the Board attended during the year	NA		
10.	Shareholding in the Company including beneficial ownership	Nil		
11.	Directorship in other listed entities	1. Faze Three Limited (Independent Director) 2. V.R. Woodart Limited (Independent Director)		
12.	Memberships/ Chairmanship of Committees of other Companies	Position	Committee	Company
		Member	Audit	V.R. Woodart Limited
		Member	Stakeholders Relationship	
		Member	Nomination & Remuneration	

Item No: 7 & 8

Sr. No.	Particulars	Mr. Vinit Rathod			Mr. Manan Shah		
1.	Director Identification Number	07589863			07589737		
2.	Age	32 years			29 years		
3.	Qualification	Chartered Accountant			Chartered Accountant		
4.	Brief Resume & Experience/ Expertise	Mr. Vinit Rathod is a Chartered Accountant and has sound exposure of Taxation & Finance and has rich work experience as a professional as well as an entrepreneur. Besides better corporate governance, his association provides valuable insights and perspectives to the Board for deliberation on complex financial matters.			Mr. Manan Shah is a Chartered Accountant and has a comprehensive experience in business management. He has diverse knowledge of Packing Industry from manufacturing to supply chain to sales. His association with the company would help the company to have an independent approach helping it to enhance industry & manufacturing best practices.		
5.	Terms and conditions of appointment or re-appointment	Appointment for a period of 5 years commencing from September 09, 2021 to September 08, 2026, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.			Appointment for a period of 5 years commencing from February 13, 2022 to February 12, 2027, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company.		
6.	Remuneration last drawn	NA			NA		
7.	Date of first appointment on the Board	09/09/2016			13/02/2017		
8.	Shareholding in the Company including beneficial ownership	Nil			Nil		
9.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Vinit Rathod is not related to any of the Promoters, Members of the Promoter Group and Directors of the Company.			Mr. Manan Shah is not related to any of the Promoters, Members of the Promoter Group and Directors of the Company		
10.	The Number of Meetings of the Board attended during the year	7/7			7/7		
11.	Directorship in other listed entities	Faze Three Limited (Independent Director)			Faze Three Limited (Independent Director)		
12.	Memberships/ Chairmanship of Committees of other Companies	Position	Committee	Company Faze Three Limited	Position	Committee	Company Faze Three Limited
		Chairman	Audit		Member	Audit	
		Chairman	Stakeholders Relationship		Member	Stakeholders Relationship	
		Chairman	Nomination & Remuneration		Member	Nomination & Remuneration	
		-		Member	Corporate Social Responsibility		

DIRECTORS' REPORT

To,
The Members of
FAZE THREE Autofab Limited

Your Directors are pleased to present the 24th Annual Report of your Company containing the business performance and the Audited Financial Statements for the year ended on March 31, 2021.

1. FINANCIAL HIGHLIGHTS:

The performance of the Company for the financial year ended March 31, 2021 is summarized below:

(Rs. In Cr.)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue from operations	134.14	165.85
Expenses	(111.54)	(148.94)
Other Income	0.72	0.95
Profit before Interest, Tax, Depreciation & Amortization, finance cost and exceptional items	23.32	17.86
Less:		
Finance Cost/ Interest	4.04	4.64
Depreciation & amortization expense	5.17	4.78
Profit / (Loss) before taxation	14.11	8.44
Less : Provision for taxation	3.00	(0.58)
Profit / (Loss) for the year carried to Balance Sheet	11.11	9.02

2. KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE:

During the year under review, the Company has earned revenue from operations of Rs. 134.14 Cr as against Rs. 165.85 Cr in the previous year. The Company earned Net Profit of Rs. 11.11 Cr as against Rs. 9.02 Cr in the previous year. FTAL was able to sustain its overall business risk profile in F.Y. 2020-21 marked by improvement in operating margin despite drop in revenues of around 19% due to COVID induced lockdown in Q1 F.Y.21.

3. WEB ADDRESS OF ANNUAL RETURN:

The Annual Return of the Company as referred in sub-section (3) of Section 92 has been placed on the Company's website at <http://www.fazethreeautofab.com/aunde/investor/4corporategovernance.html>

4. 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.

5. DIVIDEND:

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 is pending to be transferred during the year to the Investor Education and Protection Fund.

6. RESERVES:

There were no appropriations to reserves/ general reserves during the year under review. The closing balance of the retained earnings of the Company for F.Y. 2020-21 was INR 1.81 Crores.

7. CHANGE IN SHARE CAPITAL:

The Paid up Share Capital as on 31st March, 2021 is INR 10,72,32,070 comprising 1,07,23,207 Equity Shares of Rs.10/- each. There has been no change in the capital structure of the Company during the year.

8. CREDIT RATING:

As per request of the Company and based on No Objection received from Lender of the Company, CRISIL Ratings has withdrawn the rating assigned to our various Bank loan facilities.

The latest outstanding Rating of CRISIL BB+/Stable (Upgraded from 'CRISIL BB/ Stable') for Long Term Rating and rating of CRISIL A4+ (Re-affirmed) for Short Term Rating was assigned on May 31, 2021 by the CRISIL Limited.

9. DISCLOSURE ON ACCOUNTING TREATMENT:

The Company has not used any differential treatment which is not in compliance with accounting standards and the financials of the Company depict a true and fair view of the state of affairs of the Company.

10. DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the composition of the Board of Directors of the Company.

In accordance with Section 152 of the Companies Act 2013 and the rules framed thereunder, Mr. Ajay Anand, Managing Director (DIN: 00373248) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Members of the Company at their 22nd Annual General Meeting had passed special resolution for re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director for a period of three (3) years with effect from April 1, 2019 upto March 31, 2022. The Board of Directors of the Company at its meeting held on June 25, 2021, on the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Ajay Anand as the Managing Director for a period of 3 years commencing from April 01, 2022, subject to approval of members by passing a Special Resolution. Therefore approval of members for the re-appointment of Mr. Ajay Anand is proposed at the ensuing Annual General Meeting of the Company.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, in its meeting held on June 25, 2021 appointed Mr. V Sivakumar, CFO and Mr. Kartik Jethwa as Additional Directors designated as Executive Director and Independent Director respectively, who shall hold office upto the ensuing Annual General Meeting. Their appointments shall be further regularised on such terms and conditions proposed to be put before the members in the forthcoming Annual General Meeting for their approval.

Mr. Vinit Rathod (DIN: 07589863) and Mr. Manan Shah (DIN: 07589737) were appointed as independent directors for the first term of 5 (Five) years effective September 09, 2016 and February 13, 2017 respectively. Their office of directorship is due for retirement on September 08, 2021 and February 12, 2022 respectively. After taking into account their performance evaluation and considering the knowledge, acumen, expertise, experience and the substantial contribution, the Nomination and Remuneration Committee has recommended the re-appointment of Mr. Vinit Rathod and Mr. Manan Shah to the Board for a second term of 5 (Five) years. The Board, at its meeting held on June 25, 2021, approved the re-appointment of Mr. Vinit Rathod and Mr. Manan Shah as independent

directors of the Company for second term of 5 years with effect from September 09, 2021 to September 08, 2026 and February 13, 2022 to February 12, 2027 respectively, whose office shall not be liable to retire by rotation, subject to member's approval. The Board therefore proposes their re-appointment to the Members at the ensuing Annual General Meeting of the Company by passing a Special Resolution.

Mr. Roshan Gupta was appointed as the Company Secretary of the Company in place of Mr. Akram Sati erstwhile Company Secretary of the Company with effect from March 08, 2021.

The following persons have been designated as Key Managerial Personnel of the Company as on March 31, 2021 pursuant to Section 2 (51) and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder:

1. Mr. Ajay Anand – Managing Director
2. Mr. V Sivakumar – Chief Financial Officer
3. Mr. Akram Sati – Company Secretary and Compliance officer (upto 7th March, 2021)
4. Mr. Roshan Gupta – Company Secretary and Compliance Officer (appointed w.e.f. 8th March, 2021)

11. 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.

12. CONFIRMATION AND CERTIFICATION:

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. Sanjay Dholakia & Associates, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

13. FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

Pursuant to the SEBI (LODR) Regulations, the Company has worked out a Familiarisation Programme for the Independent Directors, with a view to familiarise 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 Familiarisation Programme for the Independent Directors is available on the website of the Company at <http://www.fazethreeautofab.com>

14. DETAILS OF BOARD MEETINGS:

The Board of Directors of your Company met 7 (Seven) times during the Financial Year ended 31st March, 2021. 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 were within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations.

15. 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, 2021, 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 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, 2021 and of the profit and 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; and
- (v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vi) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

16. 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 have carried out an annual evaluation of its own performance as a whole, the directors individually as well as the evaluation of the working of its Committees.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

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, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as 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, etc.

The Board of Directors expressed their satisfaction with the evaluation process.

17. 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 for that year, in the aggregate, more than Rs 102 Lacs, or (ii) If employed for part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in aggregate, more than Rs 8.50 Lacs per month. (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. 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(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which forms 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.

18. 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 unauthorised 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.

19. DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES:

As on date the Company does not have any Subsidiary/ Associates/ Joint Venture company.

20. 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.

21. 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.

22. 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, 2021 and the date of the Directors' report.

23. CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR):

The provisions of Section 135 of the Companies Act, 2013 though being applicable to the Company, pursuant to net profits being above Rs. 5 Crores in the previous financial year 2019-20, there was no CSR obligation for the said financial year on account of negative three year average net profits of the Company as mentioned in CSR Annual

Report set out in **Annexure A** of this report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR Policy is available on the Company's website at <http://www.fazethreeautofab.com/aunde/investor/5policies.html>

24. 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 and outgo is annexed to this report as **Annexure B**.

25. RISK MANAGEMENT POLICY:

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 to ensure that risk is controlled by the management through the means of a properly laid-out framework.

26. SIGNIFICANT MATERIAL ORDER PASSED BY REGULATORS/ COURTS/ TRIBUNALS:

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. 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, Members of the Company at its 20th (Twentieth) AGM have approved the appointment of M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N) as the Statutory Auditors of the Company to hold office for a term of 5 (five) years until the conclusion of 25th (Twenty Fifth) AGM to be held for the financial year ended March 31, 2022.

M/s. Thakur Vaidyanath Aiyar & Co. has confirmed that their appointment is within the prescribed limits specified in Section 139 of the Companies Act, 2013.

28. FRAUD REPORTED BY THE AUDITOR, IF ANY:

There is no fraud reported by the Statutory Auditor during the year under review as per Section 143(12) of the Companies Act, 2013.

29. COST RECORDS & COST AUDIT:

The cost records are maintained by the Company however, Cost Audit is not applicable to the Company for the F.Y. 2020-21.

30. 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 had appointed M/s. Sanjay Dholakia & Associates, Practising Company Secretaries to undertake Secretarial Audit for the financial year 2020-21 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made thereunder, SEBI Listing Regulations and other Regulations and Acts applicable to the Company. The Secretarial Audit Report is annexed to

this Report as **Annexure C**.

During the year, the Secretarial Auditor has not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013.

31. OBSERVATIONS – AUDITOR & SECRETARIAL AUDITOR:

Secretarial Auditor: There are no observation or adverse remarks in Secretarial auditors report.

Statutory Auditor: There are no observation or adverse remarks in statutory auditors report.

32. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

In compliance with Regulation 34 read with Schedule V of the Listing Obligations and Disclosure Requirements Regulations, 2015, Company's Corporate Governance Report forms part of this Annual Report as **Annexure D**.

Further all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-21. A declaration to this effect signed by the Managing Director of the Company also forms part of this Annual Report.

A Certificate from Practicing Company Secretary regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations is annexed to this Report.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report in accordance with Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") forms part of this Annual Report as **Annexure E**.

34. PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES :

During the year under review all contracts/arrangement/transactions entered by the Company with related parties were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. All related party transactions entered during the year were on arm's length basis and in the ordinary course of business 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.

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 in **Form AOC-2** and the same forms part of this report as **Annexure F**.

Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements. The Company shall seek shareholders' approval for material related party transactions entered and proposed to be entered during the current year in the forthcoming AGM.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company: <http://www.fazethreeautofab.com/aunde/investor/5policies.html>

35. 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 such Policies are available on the Company’s website, viz., www.fazethreeautofab.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 Policy	This Policy deals with (a) the materiality thresholds for related party 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	This policy sets the criteria for the appointment, removal and remuneration of the directors, key managerial personnel and other employees. It also lays down the evaluation criteria for performance evaluation of Board, its Committees and individual directors.
Whistle Blower Policy / Vigil Mechanism	This policy enables the employees’ direct access to the Chairman of the Audit Committee for notifying anything which in the view of such employee may be suspicious or unusual and may be detrimental to the affairs of the Company. It also ensures adequate safeguards against victimization of such employees who use this mechanism.
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 and monitoring of trading by insiders.
Materiality Policy	This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors upon occurrence of any material event 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 is lays a framework for ensuring protection against sexual harassment of women at workplace and the prevention and redressal of complaints of sexual harassment and matters related thereto.
Policy for Determination of Material Subsidiary	Regulation 16(1)(c) of the Listing Regulations requires every listed Company to formulate a Policy for determining material subsidiary. This Policy provides the criteria for determination of the “Material Subsidiary(ies) of the Company” and to provide the Governance Framework for such Subsidiary(ies).
Corporate Social Responsibility Policy	This policy is framed under the provisions of section 135 of the Companies Act, 2013 for conducting and allocating funds for Corporate Social Responsibility Activities on behalf of the Company. It decides about the Constitution of CSR Committee and its roles and responsibilities and the areas in which the Company shall allocate its funds towards the CSR Activity.

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

Pursuant to sub-rule (x) of rule 8 of the Companies (Accounts) Amendment Rules, 2018, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during the year.

37. 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, is annexed herewith the Boards' report as **Annexure G**.

38. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.

39. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their sincere appreciation for the excellent support provided by Bankers, Government authorities, all stakeholders and business associates. The Board also express its sincere appreciation and support extended by the Shareholders during the year under review and also acknowledges the dedicated efforts put in by the employees at all levels.

Place: Mumbai
Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company : The Company recognises that its business is a part of the community where it operates. The Objective of the Company is to bring about change and create a positive impact/difference in the society in which it operates by making valuable and contributions through its CSR policy. The Company looks forward to achieve greater success in terms of revenue, profits and building brand image in the market in which it operates in the upcoming years and thereby contributing a part from its success to the upliftment of the society in which it operates through its CSR initiatives.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ajay Anand	Chairperson/Executive Director	1	1
2.	Mr. Manan Shah	Member/Independent Director	1	1
3.	Mrs. Rashmi Anand	Member/Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : Committee Composition: <http://www.fazethreeautofab.com/aunde/investor/11boardcommittees.html>
CSR Policy: <http://www.fazethreeautofab.com/aunde/investor/5policies.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

- 6. Average net profit/loss of the company as per section 135(5) : Rs. (7,79,55,182)
- 7. (a) Two percent of average net profit of the company as per section 135(5) : N.A.
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : N.A.
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : Nil
- 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
Not Applicable	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
Not Applicable									

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil

(g) Excess amount for set off, if any : Nil

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	N.A.
(ii)	Total amount spent for the Financial Year	Nil (as Not Applicable)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)** : Not Applicable

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not Applicable

Place: Mumbai
Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

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 is moving towards processes and machines which are more sustainable and reduce energy use. The Company has undertaken a number of steps for conservation of energy. Some of which are highlighted as under:

- 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 and appliances across all factories.
- v. General awareness to keep energy devices switched off when not required.
- vi. Installation of energy efficient motors.

B. STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

The Company plans to gradually increase the alternate source of energy in the coming years. The Company has also converted our unused rooftop real estate into a clean-energy generating asset by installing the rooftop solar at our unit, this 110 KW solar plant will help us in reducing our carbon footprint and being more sustainable. Our solar plant is expected to generate 1,50,000 units annually - saving 106 Metric Tons in CO2 Emissions per annum. This is equivalent to planting 1,754 Trees every year.

C. RESEARCH & DEVELOPMENT

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

- Introduction of new products and improvisation in the processes of existing products.
- Making new designs acceptable to international customers.
- Dedicated designing team for customized solution to clients.

(ii) Benefits derived as a result of R & D activities:

- Product range extension.
- Improvement of quality and yield.
- Cost reduction leading to competitiveness.
- Development of various designs as well as new products, with high standards in international market.
- Reduction in cost and time cycle, better effluent management and utilizing only indigenous products for offering finished products in export market.

(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.
- Developing new product 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. TECHNOLOGY ABSORPTION

- Replacement of lighting systems with LED lights
- Switching to low energy higher illumination light sources for general lighting
- Older machineries are replaced with machines with AC drive system for reduction in power consumption.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. In Lakhs)

Particular	2020-21	2019-20
Total Foreign Exchange used	271.45	456.44
Total Foreign Exchange earned	706.81	1403.65

Place: Mumbai
Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

[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,
FAZE THREE Autofab Limited
(Formerly known as AUNDE FAZE THREE Autofab Limited)
CIN: L17120DN1997PLC000196

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FAZE THREE Autofab Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 of the Company, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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:

We 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, 2021 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 Byelaws 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; Not applicable to the Company during the Audit Period.
- 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, 2018; Not applicable to the Company during the Audit Period
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company during the Audit Period

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company during the Audit Period
 - 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 (Depositories and Participants) Regulations, 2018;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company during the Audit Period.
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable to the Company during the Audit Period.
 - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.
- vi. Laws applicable to the industry to which the Company belongs, as identified by the Management is given as under:

Factories Act, 1948
 Industrial Dispute Act, 1947
 The Payment of Wages Act, 1936
 The Minimum Wages Act, 1948
 Employees' State Insurance Act 1948
 The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 The Payment of Bonus Act, 1965
 The Payment of Gratuity Act, 1972
 The Contract Labour (Regulation and Abolition) Act, 1970
 The Maternity Benefit Act, 1961
 The Industrial Employment (Standing Order) Act, 1946
 The Apprentices Act, 1961
 The Environment (Protection) Act, 1986 [Read with the Environment (Protection) Rules, 1986] The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008 The Water (Prevention and Control of Pollution) Act, 1974 [Read with the Water (Prevention and Control of Pollution) Rules, 1975]
 The Air (Prevention and Control of Pollution) Act, 1981
 The Child Labour (Prohibition and Regulation) Act, 1986
 The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 The Maharashtra Shops and Establishments Act 1948
 The Noise Pollution (Regulation and Control) Rules, 2000
 National Textile Policy, 2000
 The Textile Committee Act, 1963
 The Handlooms (Reservation of Articles for Production) Act, 1985
 Textiles (Development and Regulation) Order, 2001

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

We 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. There were no changes in the composition of the Board of Directors / Committees of Board of Directors that took place during the period under review.

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.

We 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.

Further, We have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 19 across the country. We have relied on the records as made available by the Company through digital mode and also on the Management Representation Letter issued by the Company.

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.

For **Sanjay Dholakia & Associates**

Sanjay R. Dholakia
Practicing Company Secretary
Proprietor
Membership No. FCS 2655 CP 1798
Date: 22nd July, 2021
Place: Mumbai
UDIN: F002655C000684094

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To
The Members
FAZE THREE Autofab Limited
(Formerly known as AUNDE FAZE THREE Autofab Limited)

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, We 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 the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. 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**

Sanjay R. Dholakia
Practising Company Secretary
Proprietor
Membership No. FCS 2655 CP 1798
Date: 22nd July, 2021
Place: Mumbai
UDIN: F002655C000684094

REPORT ON CORPORATE GOVERNANCE

1. 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, we aim at holding a balance between economic and social goals on one hand and individual & collective goals on other. The aim is to best align the interests of individual, Company and society at large. 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 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.

2. BOARD OF DIRECTORS**a) Composition and category of directors:**

The composition of Board of Directors of the Company has an optimum combination of executive and non-executive directors in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

As on March 31, 2021, the Company's Board of Directors comprises of 4 members, out of whom 1 is Managing Director and 3 are Non-Executive Directors (NEDs). Out of these 3 NEDs, 2 are Independent Directors.

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/she is a Director.

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.

b) 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 public limited companies (including FAZE THREE Autofab Limited) as on March 31, 2021 are given herein below:

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
Mrs. Rashmi Anand	Non-Executive & Non-Independent	6	No	3	0	0
Mr. Vinit Rathod	Non-Executive & Independent	7	Yes	2	4	0
Mr. Manan Shah	Non-Executive & Independent	7	Yes	2	0	4

Directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees includes Audit Committee and Stakeholders' Relationship Committee.

The necessary quorum was present for all the meetings.

c) Name of other listed entities where the person is a director and the category of directorship:

Sr. No.	Name of the Directors	Category of Directorship	Names of other listed entities where the person is a director
1.	Mr. Ajay Anand	Managing Director	Faze Three Limited
2.	Mrs. Rashmi Anand	Non-Executive Director	Faze Three Limited
		Additional WTD	V. R. Woodart Limited
3.	Mr. Vinit Rathod	Independent Director	Faze Three Limited
4.	Mr. Manan Shah	Independent Director	Faze Three Limited

d) Number of Board meetings held and dates on which held:

During the financial year, 7 (Seven) meetings of the Board of Directors of the Company were held, each on June 01, 2020, August 20, 2020, September 04, 2020, September 14, 2020, November 12, 2020, February 09, 2021 and March 08, 2021. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

e) Disclosure of relationships between directors inter-se:

No director is, inter se, related to any other director on the Board, except Mrs. Rashmi Anand, who is related to Mr. Ajay Anand, Managing Director of the Company.

f) Number of shares and convertible instruments held by non-executive directors as on March 31, 2021:

Name of the Director	Number of Shares
Mr. Manan Shah – Independent Director	NIL
Mr. Vinit Rathod – Independent Director	NIL
Mrs. Rashmi Anand- Non-Executive Director	2,13,750

g) Web link where details of familiarisation programmes imparted to independent directors is disclosed:

The details of familiarisation programme imparted to independent directors are disclosed on the website of the Company (<http://www.fazethreeautofab.com/aunde/investor/4corporategovernance.html>).

h) 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	High	High	High	High	High
Mrs. Rashmi Anand	High	Moderate	High	High	High
Mr. Manan Shah	Moderate	Moderate	High	High	High
Mr. Vinit Rathod	Moderate	Moderate	High	High	High

i) **Other provisions:**

It is hereby confirmed that in the opinion of the Board of Directors, the independent directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. None of the independent directors have resigned before the expiry of their tenure of appointment.

3. 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, Statutory Auditors and Internal Auditor to attend the meetings of the Committee for meetings/ matters which requires their participation.

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 March 31, 2021 is detailed below:

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

Audit Committee has conducted 4 (Four) Meetings during the year under review on June 01, 2020, September 14, 2020, November 12, 2020 and February 09, 2021.

The terms of reference of the audit committee are as under:

- 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;

4. NOMINATION & REMUNERATION COMMITTEE

a) **Brief description of terms of reference:**

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 Companies Act, 2013. The terms of reference inter alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Identifying 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 of Directors their appointment and removal;
- Specify the manner for effective evaluation of performance of Board of Directors, its committees and individual directors to be carried out either by the Board of Directors or by the nomination and remuneration committee and review its implementation and compliances;
- Recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management.

b) The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended March 31, 2021 is detailed below:

Sr. No.	Name of the Member	Status	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
1.	Mr. Vinit Rathod	Chairman	Non-Executive & Independent	1	1
2.	Mr. Manan Shah	Member	Non-Executive & Independent	1	1
3.	Mrs. Rashmi Anand	Member	Non-Executive & Non-Independent	1	1

c) Meetings and attendance during the year

During the year, 1 (One) meeting of the Nomination and Remuneration Committee was held on March 08, 2021.

d) Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has laid down the evaluation criteria for determining the performance of the independent directors on the Board broadly covering preparedness for board meetings; attendance; application of independent judgement while taking decisions; adherence to Company's code of conduct and corporate governance; effective participation in committee meetings; adequate deliberation on areas of concern; sharing of knowledge and business information; disclosure of interest and related parties in timely manner and avoiding conflict of interest.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Name of non-executive director heading the committee

Mr. Vinit Rathod an independent director of the Company, is the Chairman of the Stakeholders' Relationship Committee. The details of composition of Stakeholders' Relationship Committee with names of members and chairperson are as follows:

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

During the year, 1 (One) meeting of the Stakeholders Relationship Committee was held on February 24, 2021.

b) Name and designation of the Compliance Officer:

Mr. Roshan Gupta was appointed as Company Secretary of the Company w.e.f. March 08, 2021 in place of Mr. Akram Sati and is designated as the Compliance Officer to ensure redressal of all the complaints/queries of the stakeholders of the Company.

c) Number of shareholders' complaints received during the year, number of complaints not solved to the satisfaction of shareholders, number of pending complaints during the year 2020-21 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	3	3	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**a) Terms of reference:**

- i. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy;
- iii. Monitor the CSR Policy;

b) Composition, Meetings and attendance:

There was 1 (One) meeting of the Committee held during the year on March 23, 2021.

Sr. No.	Name of the Member	Status	Category	No. of Meetings Attended
1.	Mr. Ajay Anand	Chairman	Managing Director	1
2.	Mrs. Rashmi Anand	Member	Non-Executive Director	1
3.	Mr. Manan Shah	Member	Independent Director	1

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, the independent directors held a separate meeting on February 24, 2021 and carried out inter alia the performance evaluation of the Chairman and Managing Director of the Company, other non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties, as per the requirement of Schedule IV to the Act read with Regulation 25(3) of the SEBI Listing Regulations. The meeting was attended by all the independent directors.

8. REMUNERATION OF DIRECTORS

During the financial year 2020-21, the Company has paid sitting fees of Rs. 25,000 each to its Non-Executive Directors for attending meetings of the Board and Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Apart from sitting fees for 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 during the year:

Sr. No	Name of the Member	Category	Sitting Fees
1.	Mr. Vinit Rathod	Non-Executive & Independent	Rs. 25,000/-
2.	Mrs. Rashmi Anand	Non-Executive & Non-Independent	Nil
3.	Mr. Manan Shah	Non-Executive & Independent	Rs. 25,000/-

The details of remuneration paid to Managing Director for the F.Y. 2020-21 is given as follows: (No sitting fees are paid to the Managing Director):

(Rs. in Lacs)

Director	Designation	Service Contract	Remuneration (including all perquisites)
Mr. Ajay Anand	Managing Director	3 years from April 01, 2019	45.00

The Company has not issued any stock options to its directors.

9. DETAILS OF GENERAL BODY MEETINGS/ EXTRA-ORDINARY GENERAL MEETINGS HELD BY THE COMPANY

For F.Y.	Type and Date	Venue	Time	Special Resolution
2017-18	AGM 27 th September, 2018	Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli	11.00 a.m.	1. Approval for changing the name of the Company from Aunde India Limited to Aunde Faze Three Autofab Limited.
2018-19	AGM 30 th September, 2019	Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli	11.30 a.m.	1. Re-appointment of Mr. Ajay Anand as Managing Director of the Company liable to retire by rotation. 2. Approval to change the name of the Company from Aunde Faze Three Autofab Limited to Faze Three Autofab Limited.
2018-19	EGM 7 th December, 2019	Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli	10.00 a.m.	No special resolution was passed.
2019-20	AGM 30 th September, 2020	The meeting was conducted through video conferencing	12.00 Noon.	No special resolution was passed

*During the financial year 2020 - 2021 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

10. MEANS OF COMMUNICATION

Company's annual, half yearly and the quarterly financial results are communicated to the Stock Exchanges immediately after the same are considered by the Board. The Company publishes its annual, half yearly and the quarterly financial results in the following Newspapers:

- (i) Indian Express (English) – Gujarat Edition
- (ii) Financial Express (Gujarati) – Gujarat Edition

Also they are uploaded on the company's website www.fazethreeautofab.com. The results are published in accordance with the guidelines of the Stock Exchanges. In line with the exiting provisions of the Listing Agreement, the Company has created a separate e-mail address viz. cs@fazethreeautofab.com to receive complaints and grievances of the investors.

11. GENERAL SHAREHOLDER INFORMATION

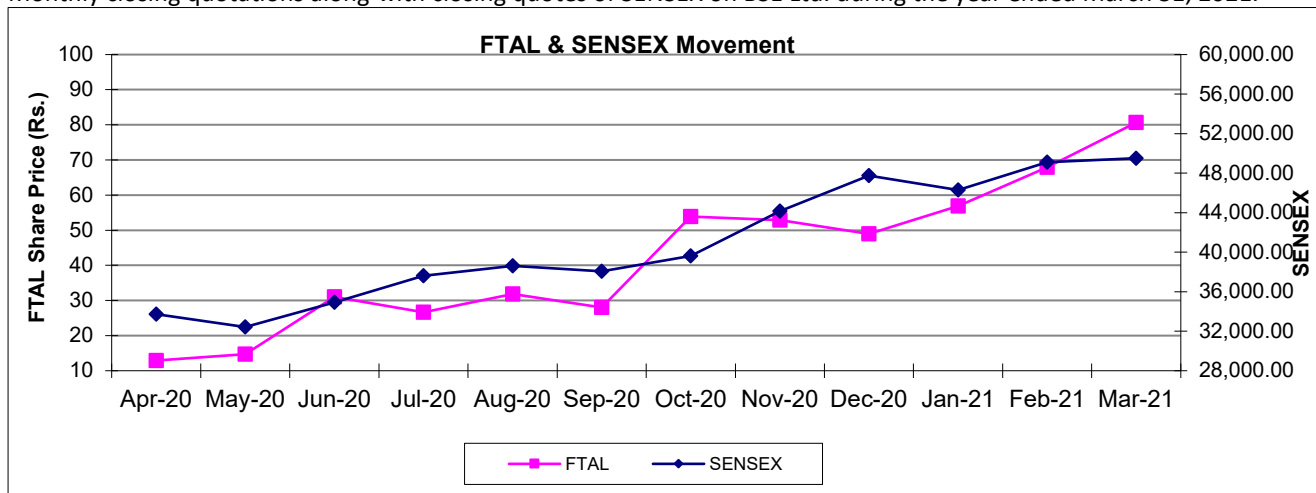
a.	AGM, Date, Time and Venue	Monday, August 23, 2021 at 10.00 a.m., through video conferencing("VC")
b.	Financial year	Financial Year: April 01 to March 31. Quarterly, Half-Yearly and Annual Financial Results of the Company shall be submitted to the Stock Exchange within the time prescribed under Regulation 33 of the SEBI Listing Regulations.
c.	Dividend payment date	No Dividend recommended
d.	the name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Listing Fees for the year 2021-2022 has been paid.
e.	Stock Code	BSE Limited - 532459.
	Demat ISIN No. for NSDL and CDSL	INE207D01017
f.	Market Price data: High, Low during each month in last financial year	Information has been given at the end of clause 11
g.	Stock performance of the Company in comparison to BSE Sensex. (April, 2020 to March, 2021)	Information has been given at the end of clause 11.
h.	Registrar and Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 Phone: 022 - 4918 6270, Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in
i.	Share Transfer System	Pursuant to Regulation 40 of SEBI Listing Regulations, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in dematerialised form with a depository. The shares lodged for dematerialisation are processed within 15 (fifteen) days from the date of their lodgement, if instruments are found valid and complete in all respects. The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. Link Intime India Private Limited
j.	Distribution of Shareholding as on March 31, 2021	Information has been given at the end of clause 11.
k.	Dematerialisation of shares and liquidity	As on 31 st March, 2021, 98.7433% of the Company's paid-up share capital representing 1,05,88,449 ordinary shares were held in dematerialised form.
l.	Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued
m.	Plant Locations	Plot No. 445, Wagdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli.
n.	Address for Correspondence	FAZE THREE Autofab Limited 63, 6 th Floor, Mittal Court, C Wing, Nariman Point,

		Mumbai – 400 021 Phone : 022 6660 4600 / 4351 4444 Website: www.fazethreeautofab.com Email Id: cs@fazethreeautofab.com
o.	List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year.	The Company has obtained Bank Loan Rating from Crisil Limited which is available at the website of the Company http://www.fazethreeautofab.com/aunde/investor/4corporat_egovernance.html
p.	Date of Book Closure	Tuesday, August 17, 2021 to Monday, August 23, 2021 (both days inclusive)

Information in respect of clause 11 (f)

Market Price data: High, Low during each month (April, 2020 to March, 2021) are given in the table below:

Monthly closing quotations along-with closing quotes of SENSEX on BSE Ltd. during the year ended March 31, 2021.



Information in respect of clause 11 (g)

Stock performance of the Company in comparison to BSE Sensex (April, 2020 to March, 2021)

Month	On BSE		Volume (No of shares)	BSE Sensex High	BSE Sensex Low
	Month's High Price	Month's Low Price			
Apr-20	13.75	12.20	1744	33887.25	27500.79
May-20	14.95	12.27	1526	32845.48	29968.45
Jun-20	31.11	14.70	15248	35706.55	32348.10
Jul-20	32.80	25.30	24748	38617.03	34927.20
Aug-20	33.20	22.70	28307	40010.17	36911.23
Sep-20	33.35	25.60	25017	39359.51	36495.98
Oct-20	54.05	27.00	133303	41048.05	38410.20
Nov-20	62.25	46.05	85170	44825.37	39334.92
Dec-20	54.90	43.40	32516	47896.97	44118.10
Jan-21	60.70	47.30	75041	50184.01	46160.46
Feb-21	73.70	53.10	78950	52516.76	46433.65
Mar-21	85.25	62.00	115902	51821.84	48236.35

Information in respect of clause 11 (j)**Distribution of Shareholding as on March 31, 2021:**

Sr. No.	No. of Equity Shares held		Shareholders		Shareholding	
	From	To	Nos.	%	Nos.	%
1	Upto 100		631	31.11	28,418	0.27
2	101	200	804	39.65	1,24,456	1.16
3	201	500	308	15.19	1,09,523	1.02
4	501	1000	127	6.26	1,00,340	0.94
5	1001	5000	119	5.87	2,82,677	2.64
6	5001	10000	17	0.84	1,18,372	1.10
7	10001	100000	13	0.64	5,15,619	4.80
8	100001 and above		9	0.44	94,43,802	88.07
	TOTAL		2,028	100	1,07,23,207	100

Shareholding Pattern as on March 31, 2021

Category code	Category of Shareholder	Total no. of shares	%
(A)	Promoter and Promoter Group Holding		
1	Indian Promoters	80,34,201	74.92
2	Foreign Promoters	0	0.00
	Sub Total (A)	80,34,201	74.92
(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	14,71,320	13.72
(b)	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	6,82,854	6.37
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	3,48,241	3.25
(c)	Any Other	102534	0.96
(d)	NRI	83,757	0.78
	Sub-Total (C)	26,88,706	25.08
	GRAND TOTAL (A)+(B)+(C)	1,07,23,207	100.00

Shareholding Summary

Particulars	No of Shares	%
NSDL	75,06,579	70.00
CDSL	30,81,870	28.74
Physical	1,34,758	1.26
Total	1,07,23,207	100.00

12. OTHER DISCLOSURES

- a. 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://fazethreeautofab.com/aunde/investor/5policies.html>
- b. 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 2018-19, 2019-20 and 2020-21 respectively: Nil
- c. 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://fazethreeautofab.com/aunde/investor/5policies.html>
- d. 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://fazethreeautofab.com/aunde/investor/5policies.html>
- e. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations. In respect of compliance with the non-mandatory requirements, the internal auditor reports directly to the Audit Committee as well as the Board of Directors.
- f. The Company has also adopted Policy on determining material subsidiaries and the same is hosted on the website of the Company at <http://www.fazethreeautofab.com/aunde/investor/5policies.html>
- g. On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Sanjay Dholakia & Associates, Practising Company Secretary (CP No.1798), under Regulation 34(3) and Schedule V Para C Clause (10) (i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority.
- h. Total fees for all the services paid by the Company to the statutory auditor are available in the notes to financial statements which forms an integral part of this report.
- i. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. number of complaints filed during the financial year : Nil
 - b. number of complaints disposed of during the financial year: NA
 - c. number of complaints pending as on end of the financial year: NA
- j. The disclosure with respect to demat suspense account/unclaimed suspense account is not applicable to the Company.
- k. The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under the Companies Act, 2013 and the Listing Regulations along with a confirmation that they have been registered under the database of Independent Directors and comply with sub-rule (1) and sub-rule (2) of rule 6 of Companies (Appointment and qualification of Directors) fifth amendment Rules, 2019.

-
- i. The requirement of reporting of details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) is not applicable to the Company.
- m. Compliance Certificate as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 obtained from Practicing Company Secretary, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure to this Report.

13. CEO AND CFO CERTIFICATION

Mr. Ajay Anand, Managing Director and Mr. Viswanathan Sivakumar, Chief Financial Officer of the Company provide compliance certificate to the Board of Directors, in terms of Regulation 17(8) of the SEBI Listing Regulations.

14. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

Place: Mumbai

Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

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

To,
The Shareholders of
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: May 15, 2021

Ajay Anand
Managing Director

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

To,
The Board of Directors
 FAZE THREE Autofab Limited
 (Formerly known as AUNDE FAZE THREE Autofab Limited)

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (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 their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

On behalf of the Board of Directors

Place: Mumbai
Date: May 15, 2021

V Sivakumar **Ajay Anand**
Chief Financial Officer **Managing Director**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), as amended

To,

The Members of

FAZE THREE AUTOFAB LIMITED

(Formerly known as AUNDE FAZE THREE Autofab Limited)

Registered Office: Plot No. 445, Waghdhara Village Road,

Village Dadra, Dadra – 396 193, UT of D&NH and D&D

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FAZE THREE AUTOFAB LIMITED** having CIN: **L17120DN1997PLC000196** and having registered office at Plot No. 445, Waghdhara Village Road, Village Dadra, Dadra – 396 193, UT of D&NH and D&D (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Ajay Anand	00373248	01/04/2009
2	Rashmi Ajay Anand	00366258	21/08/2019
3	Manan Manoj Shah	07589737	13/02/2017
4	Vinit Arvind Rathod	07589863	09/09/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Further we have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 19 across the country. We have relied on the records as made available by the Company through digital mode and also on the Management Representation Letter issued by the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)

Practising Company Secretary

Proprietor

Place: Mumbai

Date: 22nd July, 2021

Membership No. FCS 2655 CP 1798

UDIN: F002655C000684041

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
FAZE THREE Autofab Limited
(Formerly known as AUNDE FAZE THREE Autofab Limited)

We have examined the compliance of conditions of Corporate Governance by FAZE THREE Autofab Limited as stipulated in Regulation 34(3) and Schedule V of the SEBI Listing Regulations for the year ended 31st March, 2021.

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.

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.

Further, we have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 19 across the country. We have relied on the records as made available by the Company through digital mode and also on the Management Representation Letter issued by the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
Place: Mumbai
Date: 22nd July, 2021
Membership No. FCS 2655 CP 1798
UDIN: F002655C000684050

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMIC AND BUSINESS OVERVIEW****Economy and Outlook**

India's GDP is rebounding in FY 22 from contraction in FY 21 due to COVID crises. The sectoral recovery story is not uniform, overall, FY 22 is expected to be much better than FY 21 for all sectors. The Export sector catering to the USA, UK & Europe did very well in H2 of FY 21 owing to pent up demand and supply chain disruption from China. Western Governments and Central banks have coordinated fiscal and monetary measures of unprecedented magnitude to ensure that demand is not destroyed and businesses are not shut down. Also unemployment benefits have been generous. The aforesaid has contributed to robust exports demand and the trend is accelerating in FY 22. Domestically agriculture, infrastructure and essential goods have grown with support from the government. Commodity prices viz. Steel, Crude, Cement, Cotton, etc. are at multi-year highs posing risk to pace of recovery. RBI has been at the forefront to support the economy & ensure that both retail and corporate credit is adequately supplied so that both demand and supply side is not affected. The moratorium has helped many however, full recovery from the scars of the pandemic is still away on levered individuals / firms. Indian economy by and large has been robust except for the travel, tourism, hospitality, etc. sector which has acute stress and needs urgent attention. Availability of labor / talent is back to normal as vaccination rate improves. Last 12-15 months have seen huge foreign inflows in new generation technology businesses and manufacturing set ups. China plus One initiative has accelerated a tangible move across the sectors in India. Global companies have preferred India over other South Asian peers owing to a stable government, size of economy, availability of talent, incentives / policies, lower income tax rates, etc. Government has been proactive in announcing PLI schemes to capture the manufacturing movement from aforesaid.

India is seeing a paradigm shift in business moving from the informal sector to the formal sector on the supply side. This shift comes with its share of stress in the informal sector as India has for long relied on its informal economy however one can expect this shift to be long term structurally positive for the economy.

The equity markets have been buoyant tracking its global peers. The increase in retail participation across the globe has grown ~2-3x of pre-covid times. Banking credit has been adequate and timely with support from governments aiding businesses. However, going forward Businesses should budget a higher rate and tighter credit given the inflation risk on the horizon.

Overall India is in a bright spot to benefit from global recovery and enjoys patronage from global investors and companies as a preferred partner. Local demand is picking up and a stable government in its second term is expected to accelerate growth while keeping worries on fiscal and inflation as second priorities. The Reserve bank under the current governor has done a phenomenal navigation under this crisis on Financial Stability, Interest Rates, Policies and exchange. India's exchange reserves are over \$ 600 Bn and provide confidence to Western governments / investors on India's stability.

A high degree of uncertainty surrounds these projections, with many possible downside and upside risks. Much still depends on the race between the virus and vaccines. Nonetheless, the outlook presents daunting challenges related to divergences in the speed of recovery both across and within countries and the potential for persistent economic damage from the crisis.

TECHNICAL TEXTILES / AUTOMOTIVE FABRICS

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. India's strengths have already been defined in traditional textiles and natural fibres globally. It is the second largest producer of polyester in the world and is now emerging as a key player in the technical textiles industry contributing to a market size of \$ 19 Bn. Technical textiles is a fast-growing sub-segment that finds its usage in an array of sectors.

The end use application of technical textiles is widespread and seen in industries such as agriculture, automotive, construction, sports apparel, healthcare etc.

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. India's leap towards modernization and its manufacturing competitiveness are some of the key contributors to the growth of this segment. India has the advantage of having a strong raw material (fiber) base – of cotton, man-made 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. Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%. However, rising awareness regarding the benefits of technical textile is projected to propel its demand across various end-use industries.

The automotive industry pumped the brakes hard in the early months of the global COVID-19 pandemic. The effects began in China, where sales plunged 71 percent in February 2020; by April, sales had dropped 47 percent in the United States and divide 80 percent in Europe. Having endured and managed to recover from the disruptions induced by a once-in-a-century event, the Indian auto sector is cautiously looking forward to 2021 with hopes of putting up a better show in the post-COVID-19 world, although a lot will hinge on how the economy grows. The industry's engines never stopped running, and two wheelers and cars have come roaring back. The third and fourth quarter of FY 2020-21 have seen rapid (and in some cases, record) levels of production.

COMPANY OVERVIEW AND OUTLOOK

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 45% in the automotive fabrics business in India and (as per company estimates) aims to increase its market share with existing OEMs. The company has grown its Export business during the last few years and is actively looking to grow it further.

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 know-how of its product enable it to continuously evolve technologically and remain competitive. The Long-term presence in the industry and its consistent performance in the terms of reliable & innovation, helps the company in getting regular orders as a preferred supplier. The Company believes that it will continue to benefit from its long presence in the automotive fabric industry and established relations with OEMs over the medium term.

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 FTAL 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.

The Company was able to sustain its overall business risk profile in the financial year 2020-21, marked by the significant improvement in its operating margin around 16.85% from 10.75% in Financial year 2019-20; despite a drop in revenues of around 19% due to COVID induced lockdown in Q1FY21. The improvement in margin has been driven primarily by subdued prices of key raw materials and efficiency enhancement as compared to previous financial year. Further, healthy accretions to reserves in financial year 2020-21 has resulted in improvement in the capital structure, with total outside liabilities to adjusted net worth at approximately 1.6 times as on March 31, 2021 from 2.2 times as on March 31, 2020.

The company expects its annual revenue to surpass FY 2020 levels in FY 2022 regardless of growth % of the overall automotive industry owing to a wide base of customers in the automotive fabric segment and new product developments under technical textile segments which are expected to get new orders in FY 22/23. Also, the company will actively pursue to grow its exports market across all geographies since the earlier joint venture commitment with global partners constrained the company to pursue certain specific accounts. The Net profit % to Revenue would depend on the trend in raw materials prices while they are dependent on crude and demand/supply dynamics. However, the company expects to maintain the average NP% trend of last 2 years going forward unless there is abnormally high rise in RM prices.

OPPORTUNITIES AND THREATS/CHALLENGES

Opportunities

The Company operates in the Automotive Technical Textile Sector and its performance is directly linked to the performance of the automotive sector. Last year, after the first lockdown, sales of passenger vehicles (PV) and two-wheelers rose at a brisk pace. As per wholesale data by the Society of Indian Automobile Manufacturers (SIAM), from August to October 2020, auto sales were higher compared to the same period in 2019.

The shift from shared mobility to personal, low interest rates, discounts and sharp rural recovery led to that sales spike. In addition, higher government spending in the infrastructure space gave a push to the commercial vehicle (CV) segment (goods carriers). A positive monsoon, strong rural demand and the availability of finance were all indicators of a good economic recovery and buoyant demand, going forward. The new vehicle scrappage policy is also said to help boost demand for new vehicles after removing old unfit vehicles currently playing on Indian roads. Further, announcements with regards increased spend on road infrastructure, voluntary scrappage policy, Research & Development and PLI among others, augur well for the automotive sector.

In June 2021, from two wheelers, Passenger Vehicles, Commercial Vehicles in all categories were up on YOY basis, passenger vehicles maintained to see good demand as customers continued to show keenness in vehicles for observing social distancing and safety of their families. Two-wheeler category though in green has witnessed a softer recovery as the rural market is taking time to get back from the post second wave. Commercial vehicle segment has seen a staggering growth over last year, though on a very low base as there were product shortages due to BS-VI transition.

Threats and Challenges

The main raw materials for the company are Polyester yarn, PU Form and Dyes. These products are procured from the local market however their prices are benchmarked against the Crude Prices. Prices of polyester yarn and its key input, purified terephthalic acid (PTA), fell after the onset of the pandemic. But they rebounded in September 2020-January 2021, with the price of yarn rising faster than PTA. The overall yarn prices have increased because of a sharp rebound in demand in the second half of the fiscal year 2020-21. Globally, too, prices have recovered more than 50 percent since they slumped in March-April 2020.

Indian automakers have been struggling for long, reeling first under the economic slowdown, which in turn got exacerbated by the Covid-19-induced national lockdown. The lockdown had sent a shockwave through the auto industry, throttling consumer demand, and subsequently, affecting automobile sales. In the Second half of FY 2020-21 automakers had seen a spike in prices due to the industry's transition to stricter BS-VI emission norms as well as higher commodity prices. The rise in commodity prices this time is, similarly, expected to hit the customer as well. The decision by automakers to pass on higher commodity prices onto the customers along-with the adverse economic climate wrought by the pandemic can again come back to bite the automakers.

The second wave of the pandemic unfolded with predictions of a third wave in the offing poses a major threat due to lockdown like restrictions & supply chain disruptions. Government restrictions on account of the COVID-19 pandemic could affect smooth operation of business activities. People are anticipating a third wave. Covid-19 spread

into tier-2 cities this time leading to lesser savings for people in urban and rural India, there is a major economic impact at the bottom of the pyramid which is expected to affect the sales of entry-level cars up to INR 4 lakhs and two-wheelers.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are properly authorized, recorded and reported correctly. Further, the internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets.

Further, the adequacy of Internal Control Systems has also been mentioned in the Auditors' Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Operational Performance

During the year under review, your company reported a profit of Rs. 14.11 Crores before tax adjustments as compared to profit of Rs. 8.40 Crores in the previous year. Revenue from operations were reported at 134.14 Crores for FY 2020-21 against 165.85 Crores in the previous financial year, however, the Net Profit after Tax figures have been considerably up on YOY basis.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Our utmost priority has been health, safety and well-being of the people. The Company has initiated a vaccination drive for its employees. We have been proactive and swift in ensuring safe working conditions, strict standards of social distancing, necessary infrastructure and equipment across all our operations.

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.

Company's talent acquisition strategy is to hire candidates with the right competencies required by the business at the right time. In an increasingly competitive market for talent, Your Company continues to focus on attracting and retaining the right talent. It is committed to provide the 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

The Company is moving towards processes and machines which are more sustainable and reduce energy use. Your Company continues to monitor and ensure the highest standards of environmental, health and safety norms. The Company has also taken various steps to conserve energy such as Installation of Low KwH LED lights across the unit. The Company has recently invested and installed a 110 kWh solar power plant at one of its unit in Dadra, further contributing towards the growth of clean energy.

All the emissions / waste generated by your Company are generally within the permissible limits given by respective state Pollution Control Boards (PCBs). 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 STATEMENTS

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

Place: Mumbai
Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

Annexure F

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: 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 F.Y. 2020-21. 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 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 during FY 2020-21:**

Sr. No.	Particulars	
1.	Name(s) of the related party and nature of relationship	Faze Three Limited (Common Directors/Promoters)
2.	Nature of contracts / arrangements / transactions	Exclusive manufacturing agreement for using Faze Three Limited's dye-house facilities for dyeing of automotive fabrics.
3.	Duration of the contracts / arrangements/transactions	---
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Use of Faze Three Limited's dye-house facility for dyeing of fabrics.
5.	Date of approval by the Audit Committee, if any	June 01, 2020
6.	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 22, 2021

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

FORM NO. MGT-9
Extract of Annual Return

as on financial year ended March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS:

CIN:	L17120DN1997PLC000196
Registration Date:	October 03, 1997
Name of the Company:	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. 445, Waghdhara Village Road, Dadra -396193, Union Territory of Dadra and Nagar Haveli. Ph.: 0260 2668539 Email: cs@fazethreeautofab.com Website: www.fazethreeautofab.com
Whether listed company	Yes, Listed on BSE Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 Phone: 022 - 4918 6270 / 1800 1020 878 Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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 of textiles (Automotive Textile)	1312	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
		N.A.		

D. SHAREHOLDING PATTERN:

(i) Category - wise Share Holding

Category code	Category of Shareholders	Number of shares held at Beginning of the year (01.04.2020)				Number of shares held at the end of the year (31.03.2021)				% 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	58,88,926	0	58,88,926	54.92	59,08,926	0	59,08,926	55.10	0.18
(b)	Central / State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	21,25,275	0	21,25,275	19.82	21,25,275	0	21,25,275	19.82	0.00
(d)	FI/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(1)	80,14,201	0.00	80,14,201	74.74	80,34,201	0.00	80,34,201	74.92	0.18
2	Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a	NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
d	Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	80,14,201	0.00	80,14,201	74.74	80,34,201	0.00	80,34,201	74.92	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	80,14,201	0	80,14,201	74.74	80,34,201	0.00	80,34,201	74.92	0.18
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	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 (specify)	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	11,62,142	1,200	11,63,342	10.85	14,70,120	1,200	14,71,320	13.72	2.87
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to Rs 2 lakhs	6,62,472	1,09,258	7,71,730	7.20	5,75,846	1,07,008	6,82,854	6.37	(0.83)
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	2,64,483	22,500	2,86,983	2.68	3,25,741	22,500	3,48,241	3.25	0.57
(c)	Any Other (Foreign National)	0	3,750	3,750	0.03	0	3,750	3,750	0.03	0.00
(c-i)	Clearing Member	2,99,966	0	2,99,966	2.80	7,436	0	7,436	0.07	(2.73)
(cii)	NRI	83,856	0	83,856	0.78	83,757	0	83,757	0.78	0.00
(ciii)	HUF	98,929	150	99,079	0.92	91,198	150	91,348	0.85	(0.07)
	Sub-Total (B)(2)	25,71,848	1,36,858	27,08,706	25.26	25,54,098	1,34,608	26,88,706	25.07	(0.19)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	25,71,998	1,37,008	27,09,006	25.26	25,54,248	1,34,758	26,89,006	25.08	(0.18)
	TOTAL (A)+(B)	1,05,86,199	1,37,008	1,07,23,207	100	1,05,88,449	1,34,758	1,07,23,207	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 (01/04/2020)			Details of Shareholding at the end of the year (31/03/2021)			% change during the year
		Number of shares held	%	% of shares Pledged/ Encumbered	Number of shares held	%	% of shares Pledged/ Encumbered	
1	Instyle Investments Pvt. Ltd.	21,19,575	19.77	0	21,19,575	19.77	0	0.00
2	Ajay Anand	51,56,451	48.09	0	51,76,451	48.27	0	0.18
3	Ajay Anand (HUF)	4,35,000	4.06	0	4,35,000	4.06	0	0.00
4	Rashmi Anand	2,13,750	1.99	0	2,13,750	1.99	0	0.00
5	Sanjay Anand	71,100	0.66	0	71,100	0.66	0	0.00
6	Rohina Anand	7,000	0.07	0	7,000	0.07	0	0.00
7	Anadry Investments Pvt Ltd	5,700	0.05	0	5,700	0.05	0	0.00
8	Vishnu Anand	5,625	0.05	0	5,625	0.05	0	0.00
TOTAL		80,14,201	74.74	0.00	80,34,201	74.92	0.00	0.18

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

Sr. No.	Name of shareholder	Shareholding		Date	Increase/ (Decrease) in share holding	Reason	Cumulative shareholding during the year	
		No of shares as on 01.04.2020/ 31.03.2021	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Ajay Anand	51,56,451	48.09	01.04.2020		Market Purchase		48.09
				03.03.2021	20,000		51,76,451	48.27
		51,76,451	48.27	31.03.2021				48.27
2	Instyle Investments Pvt. Ltd.	21,19,575	19.77	01.04.2020	No Change	N.A.		19.77
		21,19,575	19.77	31.03.2021				19.77
3	Ajay Anand (HUF)	4,35,000	4.06	01.04.2020	No Change	N.A.		4.06
		4,35,000	4.06	31.03.2021				4.06
4	Rashmi Anand	2,13,750	1.99	01.04.2020	No Change	N.A.		1.99
		2,13,750	1.99	31.03.2021				1.99
5	Sanjay Anand	71,100	0.66	01.04.2020	No Change	N.A.		0.66
		71,100	0.66	31.03.2021				0.66
6	Rohina Anand	7,000	0.07	01.04.2020	No Change	N.A.		0.07
		7,000	0.07	31.03.2021				0.07
7	Anadry Investments Pvt. Ltd.	5,700	0.05	01.04.2020	No Change	N.A.		0.05
		5,700	0.05	31.03.2021				0.05
8	Vishnu Anand	5,625	0.05	01.04.2020	No Change	N.A.		0.05
		5,625	0.05	31.03.2021				0.05

- (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 (01/04/2020)	% of total Shares of the company	No. of Shares at end of the year (31/03/2021)	% of total Shares of the company
1	Foresight Holdings Pvt. Ltd.	5,27,900	4.92	8,24,261	7.69
2	Unirhythm Trading Pvt. Ltd.	3,87,665	3.62	3,87,665	3.62
3	Casa Serai Resorts Pvt. Ltd.	1,99,100	1.86	1,99,100	1.86
4	Dipak Kanayalal Shah	1,20,000	1.11	1,08,000	1.00
5	Neerav Hans	73,939	0.69	73,939	0.69
6	Rajeev Jawahar	0	0	73,258	0.68

7	Salim Pyarli Govani	54,245	0.51	54,245	0.51
8	Rajiv Rai Sachdev (Huf)	63,750	0.59	63,750	0.59
9	Rajiv Rai Sachdev	48,750	0.45	48,750	0.45
10	Gulshan Rai Sachdev	22,500	0.21	22,500	0.21

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2020		Cumulative Shareholding during the year 31/03/2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ajay Anand – MD	51,56,451	48.09	51,76,451	48.27
2	Rashmi Anand	2,13,750	1.99	2,13,750	1.99
3	Vinit Rathod	0	0.00	0	0.00
4	Manan Shah	0	0.00	0	0.00
5	V Sivakumar – CFO	0	0.00	0	0.00
6	Akram Sati * CS	1	0.00	1	0.00
7	Roshan Gupta ** CS	0	0.00	0	0.00

* Upto March 07, 2021.

**W.e.f. March 08, 2021.

E. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4519.35	1316.80	0	5836.15
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4519.35	1316.80	0	5836.15
Change in Indebtedness during the financial year				
• Addition	1112.85	2000.00	0	3112.85
• Reduction	-1075.33	0	0	-1075.33
Net Change	-37.52	2000.00	0	1962.48
Indebtedness at the end of the financial year				
i) Principal Amount	4481.83	3316.80	0	7798.63
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4481.83	3316.80	0	7798.63

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:

(Rs.in Lacs)

A. Independent Directors			
Particulars of Remuneration	Mr. Vinit Rathod	Mr. Manan Shah	Total Amount
• Fee for attending board / committee meetings	25,000	25,000	50,000
• Commission	-	-	-
• Others, please specify	-	-	-
Total	25,000	25,000	50,000
B. Other Non-Executive Directors			
Particulars of Remuneration	Mrs. Rashmi Anand		Total
• Fee for attending board / committee meetings	Nil		Nil
• Commission	-		-
• Others, please specify	-		-
Total	Nil		Nil

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

(Rs.in Lacs)

Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Key Managerial Personnel	Total	
	V. Sivakumar (CFO)	Akram Sati(CS)	Roshan Gupta(CS)		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	30.18	4.34	0.41	34.93
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of profit -others, specify... Others, please specify	-	-	-	-
Total	30.18	4.34	0.41	34.93	

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.

Place: Mumbai
Date: July 22, 2021

For and on behalf of the Board of Directors

Ajay Anand
Managing Director
DIN: 00373248

Rashmi Anand
Director
DIN: 00366258

Independent Auditor's Report

**To the Members of
FAZE THREE AUTOFAB LIMITED
(Formerly – AUNDE FAZE THREE AUTOFAB LIMITED)**

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of **FAZE THREE AUTOFAB LIMITED (Formerly – AUNDE FAZE THREE AUTOFAB LIMITED)** ('the Company'), which comprise the balance sheet as at 31st March 2021, 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 2021, its Profit (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 (ICAI) 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.

Emphasis of Matter

We draw attention to Note 40 of the Ind AS Financial Statements, which states the impact of Coronavirus (COVID-19) on the operations of the Company.

Our opinion is not modified in respect of this matter.

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:

Sr. No.	Key Audit Matters	Auditors Response
1	<p>The Company has unutilized Minimum Alternate Tax (MAT) credit of Rs. 3.15 Crores as on 31st March, 2021. Minimum Alternate Tax (MAT) credit is recognized only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.</p> <p>There is inherent uncertainty and management estimation involved in forecasting future taxable profits, which determines the extent to which MAT credit asset is recognized and carried forward.</p>	<p>Our procedures included:</p> <p>Evaluated whether the controls over management assumptions and key estimates for utilization of MAT credit in the future years are appropriately designed, implemented and operating effectively by performing combination of procedures involving enquiry, re performance and verification of evidences.</p> <p>Evaluated management's assumptions and key estimates with respect to the projections supporting sufficient future taxable profit in order to support the carry forward of MAT credit asset.</p>

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 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, profit 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 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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, 2021.
 - 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.

Place: Mumbai
Date: 15th May 2021

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

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 21011541AAAABP2514

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **FAZE THREE AUTOFAB LIMITED (Formerly – AUNDE FAZE THREE AUTOFAB LIMITED)** on the Ind AS financial statements for the year ended 31st March 2021.

- 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, 2021 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 of 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: 15th May 2021

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 21011541AAAABP2514

Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements FAZE THREE AUTOFAB LIMITED (Formerly – AUNDE FAZE THREE AUTOFAB LIMITED) for the year ended 31st March 2021

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 **FAZE THREE AUTOFAB LIMITED (Formerly – AUNDE FAZE THREE AUTOFAB LIMITED)** ("the Company") as of 31st March, 2021 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, 2021, 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: 15th May 2021

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 21011541AAAABP2514

Balance Sheet as at March 31, 2021

(Amount in INR crores, unless otherwise stated)

	Notes	As At 31 March 2021	As At 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	49.32	52.39
Capital work-in-progress		-	0.14
Financial assets			
Other financial assets	4	0.84	0.22
Deferred tax asset (net)	30	-	0.97
Total non-current assets		50.16	53.72
Current assets			
Inventories	5	19.64	16.97
Financial assets			
Trade receivables	6	48.01	40.48
Cash and cash equivalents	7	0.05	0.32
Bank balances other than cash and cash equivalent	8	0.04	0.04
Other financial assets	9	0.00	0.00
Current tax assets (net)	10	-	0.36
Other current assets	11	2.43	2.13
Total current assets		70.17	60.30
Total assets		120.33	114.02
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10.72	10.72
Other equity	13	25.93	14.82
Total equity		36.65	25.54
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	21.05	28.22
Employee benefit obligations	15	0.81	0.75
Other non-current liabilities	16	1.20	9.10
Deferred tax liability (net)	30	0.32	-
Total non-current liabilities		23.38	38.07
Current liabilities			
Financial liabilities			
Borrowings	17	34.39	24.02
Trade payables	18	15.47	16.94
Other financial liabilities	19	6.69	4.82
Current tax liabilities (net)	20	0.14	-
Other current liabilities	21	3.47	4.51
Employee benefit obligations	15	0.14	0.12
Total current liabilities		60.30	50.41
Total liabilities		83.68	88.48
Total equity and liabilities		120.33	114.02

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 15, 2021

For and on behalf of Board of Directors of
Faze Three Autofab Limited
CIN: L17120DN1997PLC000196

Ajay Anand
Managing Director
DIN: 00373248
V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258
Roshan Gupta
Company Secretary
Membership No: 61123

Statement of Profit and Loss for the year ended 31 March 2021

(Amount in INR crores, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	22	134.14	165.85
Other income	23	0.72	0.95
Total income		134.86	166.80
Expenses			
Cost of material consumed	24	63.50	82.54
Changes in inventories of finished goods and work-in-progress	25	(3.93)	(1.04)
Employee benefits expense	26	9.34	9.45
Finance costs	27	4.04	4.64
Depreciation and amortization expense	28	5.17	4.78
Other expenses	29	42.63	57.99
Total expenses		120.75	158.36
Profit /(Loss) before tax		14.11	8.44
Tax expense			
Current tax (MAT)	30	1.71	(1.18)
Less: Mat Credit Entitlement		(1.71)	-
Deferred tax	30	3.00	0.60
Total income tax expense		3.00	(0.58)
Profit/(Loss) for the year		11.11	9.02
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 (net of taxes)		(0.00)	(0.06)
Other comprehensive income for the year, net of tax		(0.00)	(0.06)
Total comprehensive income for the year		11.11	8.96
Earnings ₹ per share			
Basic (₹/share)	31	10.36	8.41
Diluted (₹/share)	31	10.36	8.41

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 15, 2021

For and on behalf of Board of Directors of
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Managing Director
DIN: 00373248
V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258
Roshan Gupta
Company Secretary
Membership No: 61123

Statement of Cash Flows for the year ended 31 March, 2021 (Amount in INR crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit/ (Loss) before tax	14.11	8.44
Adjustments for:		
Other comprehensive income	(0.00)	(0.06)
Depreciation and amortization expenses	5.17	4.78
Finance cost	4.04	4.64
Interest income	(0.01)	(0.02)
Operating profit/ (loss) before working capital changes	23.31	17.78
Changes in working capital		
Decrease in trade payables	(1.47)	2.60
(Decrease)/ increase in inventories	(2.66)	0.30
(Decrease)/ increase in trade receivables	(7.53)	(5.29)
(Decrease)/ increase in other current liabilities	(1.02)	2.11
(Decrease)/ increase in non-current liabilities	(7.84)	0.90
(Decrease)/ increase in current tax liabilities(net)	(1.57)	0.36
(Increase)/ decrease in other financial liabilities	1.87	0.96
Decrease/ (increase) in other financial assets	(0.62)	(0.00)
Decrease in other current assets	(1.14)	(0.45)
Cash generated used in operations	1.32	19.29
Income tax paid	(1.20)	-
Net cash flows used in operating activities (A)	2.53	19.29
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(1.96)	(9.43)
Proceeds from sale/ disposal of fixed assets	-	0.12
Net proceeds from fixed deposits	-	0.32
Interest received	0.01	0.02
Net cash flow from investing activities (B)	(1.95)	(8.97)
Cash flow from Financing activities		
Proceeds / (Repayment) of long term borrowings	(7.17)	(2.14)
Proceeds / (Repayment) of short-term borrowings	10.36	(3.35)
Interest paid	(4.04)	(4.64)
Net cash flow from financing activities (c)	(0.85)	(10.13)
Net increase in cash and cash equivalents (A+B+C)	(0.27)	0.19
Cash and cash equivalents at the beginning of the year	0.32	0.13
Cash and cash equivalents at the end of the period	0.05	0.32
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	0.04	0.13
Cash on hand	0.01	0.19
Total cash and bank balances at end of the period	0.05	0.32

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 15, 2021

For and on behalf of Board of Directors of
Faze Three Autofab Limited
CIN: L17120DN1997PLC000196

Ajay Anand
Managing Director
DIN: 00373248
V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258
Roshan Gupta
Company Secretary
Membership No: 61123

1. General Information

Faze Three Autofab Limited (Formerly known as Aunde Faze Three Autofab 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 15th May, 2021.

These financial statements are presented in Indian National Rupee ('INR') and all values rounded to the nearest crores, 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:

Property, plant and equipment	Useful life in years
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

With effect from 1st April 2018 on adoption of Ind-AS 115:

Revenue from sales of goods is measured based on the consideration received or receivable from the customer. The Company recognizes revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Company's premises. Revenue is reported net of taxes and duties as applicable.

Receivable is recognized when the goods are dispatched from Company's premises as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Revenue in respect of interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

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

1. All amounts disclosed in financial statements and notes have been rounded off to the nearest crores as per requirement of Schedule III of the Act, unless otherwise stated. Amounts represented by '0' (zero) construes value less than Rupees fifty thousand.

Statement of change in equity for the year ended 31 March, 2021 (Amount in INR crores, unless otherwise stated)

(A) Equity share capital	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid				
Opening balance	10,723,207	10.72	10,723,207	10.72
Add: issue during the year	-	-	-	-
Closing balance	10,723,207	10.72	10,723,207	10.72

(B) Other equity

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2020	27.74	(12.92)	14.82
Profit for the year	-	11.11	11.11
Addition during the year	-	-	-
Other comprehensive income	-	(0.00)	(0.00)
Balance as at 31 March 2021	27.74	(1.81)	25.93

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2019	16.92	(21.88)	(4.96)
Profit for the year	-	9.02	9.02
Addition during the year	10.82	-	10.82
Other comprehensive income	-	(0.06)	(0.06)
Balance as at 31 March 2020	27.74	(12.92)	14.82

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 15, 2021

For and on behalf of Board of Directors of
Faze Three Autofab Limited
CIN: L17120DN1997PLC000196

Ajay Anand
Managing Director
DIN: 00373248

V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258

Roshan Gupta
Company Secretary
Membership No: 61123

Notes forming part of the Financial Statements for the year ended 31 March 2021 (Amount in INR crores., unless otherwise stated)

3 Property, plant and equipment

Particulars	Gross block			Depreciation			Net block		
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	31 March 2020
Owned assets									
Freehold Land	3.88	-	-	3.88	-	-	-	-	3.88
Building	11.44	0.02	-	11.46	5.27	0.29	-	5.56	6.17
Plant and Machinery	84.70	1.97	-	86.67	43.81	4.63	-	48.44	40.89
Furniture & Fixtures	1.77	0.00	-	1.77	1.53	0.03	-	1.56	0.24
Vehicles	2.81	-	-	2.81	2.10	0.13	-	2.23	0.71
Office Equipment	0.54	0.07	-	0.61	0.41	0.02	-	0.43	0.13
Computers	1.33	0.04	-	1.37	1.27	0.03	-	1.30	0.06
Electrical Installation	2.13	-	-	2.13	1.82	0.04	-	1.86	0.31
Total	108.60	2.10	-	110.70	56.21	5.17	-	61.38	52.39

Particulars	Gross block			Depreciation			Net block		
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	31 March 2019
Owned assets									
Freehold Land	3.88	-	-	3.88	-	-	-	-	3.88
Building	10.92	0.52	-	11.44	4.98	0.29	-	5.27	5.94
Plant and Machinery	77.71	8.75	1.76	84.70	41.19	4.26	1.64	43.81	36.52
Furniture & Fixtures	1.75	0.02	-	1.77	1.50	0.03	-	1.53	0.25
Vehicles	2.68	0.13	-	2.81	1.97	0.13	-	2.10	0.71
Office Equipment	0.47	0.07	-	0.54	0.40	0.01	-	0.41	0.07
Computers	1.31	0.02	-	1.33	1.24	0.03	-	1.27	0.07
Electrical Installation	2.05	0.08	-	2.13	1.79	0.03	-	1.82	0.26
Total	100.77	9.59	1.76	108.60	53.07	4.78	1.64	56.21	47.70

Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR crores, unless otherwise stated)

4	Other financial assets (non-current)	31 March 2021	31 March 2020
	In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	0.02	0.02
	Security deposits	0.82	0.20
	Total	0.84	0.22

5	Inventories *	31 March 2021	31 March 2020
	Raw material	4.97	6.37
	Work in progress	10.08	7.42
	Finished goods	4.19	2.93
	Store and spares parts including packing material	0.40	0.25
	Total	19.64	16.97

*Hypothecated as charge against short term-borrowings. Refer note 17.

6	Trade receivables	31 March 2021	31 March 2020
	Unsecured		
	-Considered good	48.01	40.48
	Total	48.01	40.48

7	Cash and cash equivalents	31 March 2021	31 March 2020
	Balances with banks:		
	In current accounts	0.04	0.13
	Cash on hand	0.01	0.19
	Total	0.05	0.32

8	Bank balances other than cash and cash equivalent	31 March 2021	31 March 2020
	In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	0.04	0.04
	Total	0.04	0.04

9	Other financial assets (current)	31 March 2021	31 March 2020
	Interest accrued on fixed deposits	0.00	0.00
	Total	0.00	0.00

10	Current tax assets	31 March 2021	31 March 2020
	Advance income tax (net of provisions)	-	0.36
	Total	-	0.36

Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR crores, unless otherwise stated)

11	Other current assets	31 March 2021	31 March 2020
	Export incentive receivable	0.24	0.27
	Prepaid Expenses	0.17	0.23
	Staff advances	0.21	0.24
	Balance with indirect tax authorities	0.82	0.18
	Other receivables	0.99	1.21
	Total	2.43	2.13

12	Equity share capital	31 March 2021	31 March 2020
	Authorized		
	(31 March 2021: 1,10,00,000, 31 March 2020: 1,10,00,000) Equity Shares of ₹ 10/- each	11.00	11.00
		11.00	11.00
	Issued, subscribed and paid up		
	(31 March 2021: 1,07,23,207, 31 March 2020: 1,07,23,207) equity shares of ₹ 10/- each fully paid	10.72	10.72
	Total	10.72	10.72

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

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,723,207	10.72	10,723,207	10.72
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,723,207	10.72	10,723,207	10.72

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

Name of Shareholder	31 March 2021		31 March 2020	
	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				
Ajay Anand	5,176,451	48.27%	5,156,451	48.09%
Instyle Investments Pvt Ltd	2,119,575	19.77%	2,119,575	19.77%
Foresight Holdings Pvt. Ltd	824,261	7.69%	824,261	7.69%

(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.

Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR crores, unless otherwise stated)

13	Other equity	31 March 2021	31 March 2020
	(A) General reserve		
	Opening balance	27.74	16.92
	Add/Less: Transfer to reserves	-	10.82
	Closing balance	27.74	27.74
	(B) Retained earning		
	Opening balance	(12.92)	(21.88)
	Add: Net profit/(loss) for the current year	11.11	8.96
	Closing balance	(1.81)	(12.92)
	Total	25.93	14.82

14	Non-current borrowings	31 March 2021	31 March 2020
	<u>Secured</u>		
	Term loan	7.88	15.03
	Other loan	-	0.02
	<u>Unsecured</u>		
	Loan from related parties	13.17	13.17
	Total	21.05	28.22

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 Haveli 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 crores)	
Term Loan Account Number - 1528	Feb-23	Monthly	23	0.06	9.25% to 9.50%
Term Loan Account Number - 901290	Oct-22	Monthly	19	0.28	9.25% to 9.50%
Term Loan Account Number - 901291	Oct-22	Monthly	19	0.04	9.25% to 9.50%
Term Loan Account Number - 1857	Jan-26	Monthly	58	0.03	9.25% to 9.50%
Term Loan Account Number - 1717	Oct-28	Monthly	72	0.05	9.25% to 9.50%

Details of Other Loans

Term Loans	Maturity	Installments			Rate of Interest
		Periodicity	Numbers	₹ (in crores)	
Yes Bank - ALN000100314065	Mar-22	Monthly	12	0.0014	8.30%

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

15	Employee benefit obligations	Non-current		Current	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Provision for employee benefits (Refer note 32)				
	Provision for gratuity	0.81	0.75	0.14	0.12
	Total	0.81	0.75	0.14	0.12

16	Other non-current liabilities	31 March 2021	31 March 2020
	Other payables	1.20	9.10
	Total	1.20	9.10

17	Short -term borrowings	31 March 2021	31 March 2020
	<u>Secured</u>		
	Secured, from bank, (Refer footnote)		
	-Cash Credit	14.39	24.02
	<u>Unsecured</u>		
	Loan from other parties	20.00	-
	Total	34.39	24.02

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 between 9.25% to 9.50%

PC/PS facility from Saraswat Bank carry interest rate @ 9.50%. Packing Credit is secured by way of hypothecation of raw materials, work-in-progress, finished goods, spares & stores and goods meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Fixed Assets of the Company.

18	Trade payables	31 March 2021	31 March 2020
	Total outstanding dues of micro enterprises and small enterprises (refer note 39)	0.22	0.03
	Total outstanding dues of creditors other than micro enterprises and small enterprises	15.25	16.91
	Total	15.47	16.94

19	Other financial liabilities	31 March 2020	31 March 2019
	Current maturity of term loan	6.42	4.63
	Current maturity of other loan	0.02	0.01
	Interest accrued and due on loan	0.25	0.18
	Total	6.69	4.82

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

20	Current tax liabilities (net)	31 March 2021	31 March 2020
	Current tax liabilities (net)	0.14	-
	Total	0.14	-
21	Other current liabilities	31 March 2021	31 March 2020
	Salary & reimbursement payable	0.31	0.27
	Expenses payable	2.93	4.12
	Statutory due payable	0.19	0.12
	GST Payable	0.04	-
Total	3.47	4.51	
22	Revenue from operations	31 March 2021	31 March 2020
	Domestic sales	126.16	150.53
	Export sales	7.62	14.77
	Other operating revenues	0.36	0.55
Total	134.14	165.85	
23	Other income	31 March 2021	31 March 2020
	Interest income	0.01	0.02
	Miscellaneous income	0.30	0.23
	Gain on foreign exchange (net)	0.41	0.70
Total other income	0.72	0.95	
24	Cost of material consumed	31 March 2021	31 March 2020
	Inventory at the beginning of the year	6.37	7.70
	Add: Purchases	62.10	81.21
	Less: Inventory at the end of the year	4.97	6.37
Cost of raw material consumed	63.50	82.54	
25	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2021	31 March 2020
	Inventories at the beginning of the year		
	-Finished goods	2.92	2.81
	-Work-in-progress	7.42	6.49
		10.34	9.30
	Less: Inventories at the end of the year		
	-Finished goods	4.19	2.92
	-Work-in-progress	10.08	7.42
		14.27	10.34
	(Increase) / Decrease in inventories	(3.93)	(1.04)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

26	Employee benefits expense	31 March 2021	31 March 2020
	Salaries, wages, bonus and other allowances	8.65	8.80
	Contribution to Provident Fund	0.29	0.30
	Gratuity (Refer note 32)	0.17	0.14
	Staff welfare expenses	0.24	0.21
	Total	9.34	9.45
27	Finance costs	31 March 2021	31 March 2020
	Interest on borrowing	4.04	4.64
	Total	4.04	4.64
28	Depreciation and amortization expense	31 March 2021	31 March 2020
	Depreciation	5.17	4.78
	Total	5.17	4.78
29	Other expenses	31 March 2021	31 March 2020
	Stentering, weaving & other processing charges	24.75	28.36
	Power & fuel	2.00	2.18
	Packing material expenses	1.15	1.54
	Repairs & maintenance:		
	Plant & machinery	0.16	0.25
	Building	1.16	0.77
	Other	0.19	0.21
	Other manufacturing expenses	3.45	5.50
	Stores and spares consumed	2.29	3.00
	Rent, rates & taxes	0.47	1.03
	Travel and conveyance	0.20	0.68
	Auditors remuneration*	0.03	0.04
	Legal and professional charges	0.33	0.52
	Insurance charges	0.32	0.31
	Loss on sale/disposal of fixed assets	-	0.00
	Foreign exchange fluctuation	0.83	-
	Miscellaneous expenses	0.81	1.64
	Technical knowhow/royalty fees	0.01	0.11
	Transportation charges	2.98	7.41
	Rebates, discounts & customer claims	1.50	4.44
	Total	42.63	57.99

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

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

	31 March 2021	31 March 2020
As auditor:		
Statutory audit	0.03	0.04
In other capacity:		
Reimbursement of expenses	0.00	0.00
Total	0.03	0.04

30 Income Tax

(A) Deferred tax relates to the following:	31 March 2021	31 March 2020
Deferred tax assets		
MAT Credit Entitlement	5.56	3.85
	5.56	3.85
Deferred tax liabilities		
On property, plant and equipment	5.88	2.88
	5.88	2.88
Deferred tax asset(liabilities), net	(0.32)	0.97

In absence of reasonable certainty of taxable income in future years, during the year ended 31 March 2021, the Company has created deferred tax liability on unabsorbed depreciation and other items to the extent of deferred tax asset. During the year ended 31 March 2020, 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	31 March 2021	31 March 2020
Deferred tax asset	5.56	3.85
Deferred tax liabilities	(5.88)	(2.88)
Deferred tax assets/ (liabilities), net	(0.32)	0.97

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

	31 March 2021	31 March 2020
Opening balance as of 1 April	0.97	1.58
Tax liability recognized in Statement of Profit and Loss	(3.00)	(0.61)
Tax liability recognized in OCI	-	-
Tax asset recognized in statement of profit and loss	1.71	-
Closing balance as at 31 March	(0.32)	0.97

(D) Tax losses of (31 March 2021: ₹ 8.77) Crores are available for offsetting for a maximum period of eight years against future taxable profits of the Company.

31 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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

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

	31 March 2021	31 March 2020
Profit/ (Loss) attributable to equity holders	11.11	9.02
Total number of equity shares for basic EPS	10,723,207.00	10,723,207.00
Basic	10.36	8.41
Diluted	10.36	8.41

32 Employee benefits

(A) Defined Contribution Plans	31 March 2021	31 March 2020
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss		
Employers' Contribution to Provident Fund (Refer note 26)	0.29	0.30
(B) Defined benefit plans		
a) Gratuity payable to employees		
i) Actuarial assumptions		
Discount rate (per annum)	5.58%	6.96%
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	
Present value of obligation at the beginning of the year	0.87	0.70
Interest cost	0.05	0.05
Past service cost	-	-
Current service cost	0.11	0.09
Benefits paid	(0.09)	(0.03)
Actuarial (gain)/ loss on obligations	0.01	0.06
Present value of obligation at the end of the year*	0.95	0.87
*Included in provision for employee benefits refer note 26		
iii) Expense recognized in the Statement of Profit and Loss	Employee's gratuity fund	
Current service cost	0.11	0.09
Interest cost	0.05	0.05
Actuarial (gain) / loss on obligations transferred to OCI	0.01	0.06
Total expenses recognized in the Statement Profit and Loss*	0.17	0.21

*Included in Employee benefits expense (Refer Note 26).

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

iv) Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
	31 March 2021	31 March 2020
Present value of unfunded obligation as at the end of the year	0.95	0.87
Unfunded net asset / (liability) recognized in Balance Sheet*	0.95	0.87
*Included in provision for employee benefits (Refer note 15)		
	31 March 2021	31 March 2020
v) Expected contribution to the fund in the next year		
Gratuity	0.17	0.16
vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:		
Impact on defined benefit obligation	Employee's gratuity fund	
Discount rate		
1% increase	(0.04)	(0.04)
1% decrease	0.05	0.05
Rate of increase in salary		
1% increase	0.05	0.04
1% decrease	(0.04)	(0.04)
Rate of employee turnover		
1% increase	0.00	0.00
1% decrease	0.00	(0.00)
vii) Maturity profile of defined benefit obligation	From the Employer	
Year	31 March 2021	31 March 2020
1st Following Year	0.14	0.12
2nd Following Year	0.13	0.12
3rd Following Year	0.12	0.11
4th Following Year	0.11	0.10
5th Following Year	0.10	0.09
Sum of Years 6 to 10	0.37	0.32
Sum of Years 11 and above	0.34	0.35

33 Related Party Disclosures:

(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**

Faze Three Limited

Instyle Investment Pvt. Ltd

V. R. Woodart Ltd.

Anadry Investmenst Private Limited

Mamata Finvest Private Limited

Key Management Personnel (KMP)

Mr. Ajay Anand

Mr. V. Sivakumar

Mr. Akram Sati (Resigned on 07.03.2021)

Mr. Roshan Gupta (Appointed on 08.03.2021)

Relationship

Entity in which director has common control

Entity in which director has common control

Common Promoter

WOS of Instyle Investments Private Limited

WOS of Instyle Investments Private Limited

Managing Director

President & CFO

Company Secretary

Company Secretary

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

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

(i) Faze Three Limited	31 March 2021	31 March 2020
Purchase of Goods & Services	19.39	23.01
Sale of Goods & Services	0.13	0.92
Lease Rent Expenses	0.31	0.71
(ii) Key Management Personnel (KMP)		
Compensation of key management personnel (employee benefit)	0.79	0.75
(C) Amount due to related party as on	31 March 2021	31 March 2020
(i) Key Management Personnel (KMP)		
Loan from Directors	13.17	13.17

(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 2021, 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.

34 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.

35 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).
- 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:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

Fair value measurement hierarchy of assets

	31 March 2021	31 March 2020
Level 3:		
Financial assets measured at amortized cost		
Trade receivables	48.01	40.48
Security deposits	0.82	0.20
Cash and cash equivalents	0.05	0.32
Bank balances other than cash and cash equivalent	0.06	0.06
Interest accrued on fixed deposits	0.00	0.00
Other current assets	2.43	2.13
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	41.88	56.88
Trade payables	15.47	16.94
Interest accrued but not due on loan	0.25	0.18
Other current liabilities	3.47	4.51

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.

36 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 Crs)
FY 2020-21	25 bps	0.07
FY 2019-20	25 bps	0.11

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, 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:

	31 March 2021	31 March 2020
Trade receivables (unhedged) (INR)	6.71	6.17
Trade receivables (unhedged) (USD)	0.09	0.08
Trade receivables (unhedged) (EURO)	-	-

The following significant rate have been applied during the year	Year End Spot Rate	
	31 March 2021	31 March 2020
USD 1	73.50	75.39
EURO 1	86.10	83.05

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 USD \$ rate	Effect on profit before tax
2021 (USD/INR)	1.00%	0.07
2020 (USD/INR)	1.00%	0.06

(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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

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

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2021					
Short term borrowings	34.39	-	-	-	34.39
Long-term borrowings	-	-	7.88	13.17	21.05
Trade payables	15.47	-	-	-	15.47
Other financial liabilities	1.61	5.08	-	-	6.69
Total	51.47	5.08	7.88	13.17	77.60
31 March 2020					
Short term borrowings	24.02	-	-	-	24.02
Long-term borrowings	-	-	15.05	13.17	28.22
Trade payables	16.94	-	-	-	16.94
Other financial liabilities	0.92	3.90	-	-	4.82
Total	41.88	3.90	15.05	13.17	74.00

37 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.

Particulars		31 March 2021	31 March 2020
Total equity	(i)	36.65	25.54
Total debt	(ii)	61.88	56.88
Overall financing	(iii) = (i) + (ii)	98.53	82.42
Gearing ratio	(ii)/ (iii)	0.63	0.69

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

38 Contingent Liability and commitments

Contingent liabilities (to the extent not provided for)	31 March 2021	31 March 2020
Guarantees and Letter of Credit	0.41	0.46
	0.41	0.46

39 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:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in crores, unless otherwise stated)

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	0.22	0.03
Interest due on above	-	-
Total	0.22	0.03

- 40** The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the financial year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. However, the Company shall continue to closely monitor any material developments in the external business environment and future economic conditions which may have significant impact on its business.
- 41** The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has opted to continue with the old tax regime for the current financial year.
- 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 15, 2021

**For and on behalf of Board of Directors of
Faze Three Autofab Limited**
CIN: L17120DN1997PLC000196

Ajay Anand
Managing Director
DIN: 00373248

V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258

Roshan Gupta
Company Secretary
Membership No: 61123