

FAZE THREE Autofab Limited

(Formerly known as AUNDE FAZE THREE Autofab Limited and AUNDE India Limited)

(CIN: L17120DN1997PLC000196)

Corporate Office : 63, 6th Floor, Mittal Court, C Wing, Nariman Point, Mumbai – 400 021, India

Tel :91 (22) 6242 1313/ 4351 4444 Fax:91 (22) 2287 2637 E-mail : info@fazethreeautofab.com Website: www.fazethreeautofab.com

September 07, 2020

Corporate Relationship Department
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001.

Dear Sirs,

Sub: Submission of Annual Report for the financial year 2019-20 and Notice of 23rd Annual General Meeting
Ref: FAZE THREE Autofab Limited (STOCK CODE: 532459)

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2019-20 along with the Notice of 23rd Annual General Meeting of the Company to be held on Wednesday, September 30, 2020.

The said Annual Report along with the Notice of 23rd Annual General Meeting is also available on our website of the Company i.e.: www.fazethreeautofab.com.

You are requested to kindly take the same on record and bring it to the notice of your constituents.

Thanking you,

Yours Faithfully,

For **Faze Three Autofab Limited**


AKRAM SATI
COMPANY SECRETARY
M. No.: 50020



Encl. A/a

Regd. Office: Plot No. 146, Waghdhara Village Road, Dadra – 396 193, UT of D&NH

Ph: +91 260 2668539 Fax: +91 260 2668501

FAZE THREE

Autofab Limited

23rd Annual Report
2019-20

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Mr. Ajay Anand	Chairman & Managing Director
Mrs. Rashmi Anand	Non-Executive Director
Mr. Viswanathan Sivakumar	Chief Financial Officer
Mr. Akram Sati	Company Secretary

INDEPENDENT DIRECTORS

Mr. Vinit Rathod	Mr. Manan Shah
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BANKER

The Saraswat Co-operative Bank Ltd.

ADVOCATES & SOLICITORS

M/s. Vikram Philip & Associates

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

BOARD COMMITTEES**Audit Committee**

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

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
C- 101, 247 Park,
LBS Marg,
Vikroli (West)
Mumbai - 400 083.
Phone: 022 2851 5606 / 5644
Website: www.sharexindia.com
Email: support@sharexindia.com

FAZE THREE Autofab Limited
(Formerly known as AUNDE FAZE THREE Autofab Limited and AUNDE India Limited) 23RD ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

1. Date of Annual General Meeting : 30th September, 2020
2. Time and Venue : 12.00 Noon.
through Video Conferencing (“VC”)
3. Book Closure : Thursday, 24th September, 2020
to Wednesday, 30th September, 2020
(both days inclusive)

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NOTICE is hereby given that the 23rd Annual General Meeting of the Shareholders of Faze Three Autofab Limited will be held on Wednesday 30th September, 2020 at 12.00 Noon. through Video Conferencing (“VC”) to transact the following business:

ORDINARY BUSINESS:

No.1 - Adoption of Financial Statements.

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2020, together with the Report of Auditors and Directors thereon and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors’ Report and Directors’ Report thereon be and are hereby received, considered and adopted.”

No.2 - Appointment of a Director in place of Mrs. Rashmi Anand (DIN: 00366258), who retires by rotation.

To consider appointment of Director in place of Mrs. Rashmi Anand (DIN: 00366258), who retires by rotation and being eligible, offers herself for re-appointment and if, thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mrs. Rashmi Anand (DIN : 00366258), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as Director of the Company.”

SPECIAL BUSINESS:

No.3 - Approval of Related Party Transactions.

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

“**RESOLVED THAT** pursuant to provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 and the rules framed thereunder, approval of the Members be and is hereby accorded to the Material Related Party transactions entered into and proposed to be entered into and carried out in ordinary course of business with Faze Three 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 in financial year 2020-2021”

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

Date: 04th September, 2020
Place: Mumbai

Akram Sati
Company Secretary

Notes:

1. In view of the outbreak of COVID 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 2020. 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, prescribed the guidelines and manner of conducting the Annual General Meeting through VC/OAVM. Complying with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 23rd Annual general meeting (AGM) of the members of the Company is to be held through Video Conference (VC) where the Members can attend and participate in the AGM through the provided VC facility. National Securities Depositories Limited (‘NSDL’) will be providing facility for voting

through remote e-voting, for participation in the AGM through VC facility and e-voting during the AGM. The detailed procedure for participating in the meeting through AVM is annexed herewith (Refer serial no. 19) and available at the Company's website at www.fazethreeautofab.com. The deemed venue for the 23rd AGM shall be the Registered Office of the Company.

2. The helpline number regarding any query/assistance for participation in the AGM through VC is 1800- 222- 990.
3. As the AGM shall be conducted through VC, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The Notice of AGM along with Annual Report for the financial year 2019-20, 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. However, the participation of large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 23rd AGM without any restriction on account of first-come first- served principle. 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. Participation is restricted upto 1000 members only. 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.
5. Members can raise questions during the meeting or in advance at investors@fazethreeautofab.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.
6. Corporate members are requested to send at support@sharexindia.com or sanjayrd65@gmail.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. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
8. The Register of Members and Share transfer books of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
9. 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 Sharex Dynamic (India) Private Limited, C 101, 247 Park, LBS Marg, Vikhroli West, 400083 (RTA) enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. 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 forms a part of the Annual Report and is available on the website of the Company.
11. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016('The Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more are to be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account. As on the date of this notice, the Company has no such shares on which dividend has not been claimed or paid for a consecutive period of seven years.
12. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of

Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM 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 support@sharexindia.com or investors@fazethreeautofab.com. Please submit duly filled and signed member updation form to the abovementioned email. Upon verification of the Form the email will be registered with the Company.

13. 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 investors@fazethreeautofab.com
14. 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 Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 23rd September, 2020, 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 at 9.00 Hours (IST) on Sunday, 27th September, 2020 and will end at 17.00 Hours (IST) on Tuesday, 29th September, 2020. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM (Refer Serial no. 16 for detailed procedure to vote through e-voting). The Company has appointed Mr. Sanjay Dholakia -Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given at Serial no.16. Members 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 are requested to refer the instructions provided at Serial no. 18.
15. 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. **Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.**
16. **The details of the process and manner for remote e-voting before and during the AGM are explained herein below:**

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

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

Details on Step 1 are mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

Manner of holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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*****
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*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example: if EVEN is 101456 and folio number is 001*** then your user ID is 101456001***

5. Your password details 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.
- 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, **click 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.

Details on Step 2 are mentioned below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. **Click on e-voting. Then, click on Active Voting Cycles.**
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select ‘EVEN’ of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
9. Only those Members/ shareholders, who will be present in the meeting through AVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
10. Members who have cast their vote through remote e-voting prior to 23rd AGM may also participate in the 23rd AGM through VC facility but shall not be entitled to cast vote again.

17. 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.: 1800-222-990 or send a request at www.evoting.nsdl.com.
 - 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.
18. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:
- a) In case shares are held in physical mode please provide the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member, Folio No. and scanned copy of the share certificate (front and back) by email to investors@fazethreeautofab.com or support@sharexindia.com.
 - b) In case shares are held in dematerialised mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested copy of the PAN card, self-attested copy of any document (e.g.: Driving License, Election Identity

Card, Passport) in support of the address of the Member to investors@fazethreeautofab.com or support@sharexindia.com.

- c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

19. The details of the process and manner for participating in Annual General Meeting through Video conferencing are explained herein below:

- a) Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVEN of Company will be displayed.
- b) 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 at point no. 16 in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
- c) Members who need assistance before or during the AGM with use of technology, can: - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or
- d) Institutional Members are encouraged to attend and vote at the AGM through VC. In case any Institutional Members, facing issues for participating in AGM can write to www.fazethreeautofab.com.
- e) Members can participate in AGM through smart phone/laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.
- f) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- g) 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.
- h) For ease of conduct, members who would like to ask questions / express their views may send their questions in advance atleast 48 hours before the start of AGM mentioning their name demat account number/folio number, email id, mobile number at investors@fazethreeautofab.com. The same will be replied by the Company suitably. The Company reserves the right to restrict the number of questions as appropriate for smooth conduct of the AGM.

20. 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) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 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.
- c) The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 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 sharex Dynamic (India) Private Limited / 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 investors@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.

- d) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 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 investors@fazethreeautofab.com.
- e) During the 23rd AGM, the Chairman shall, after response to the questions raised by the Members in advance at the 23rd AGM, formally propose to the Members participating through VC Facility to vote on the resolutions as set out in the Notice of the 23rd AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 23rd AGM.
- f) The Scrutinizer shall after the conclusion of e-Voting at the 23rd AGM, first download the votes cast at the AGM and thereafter 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 23rd AGM, who shall then countersign and declare the result of the voting forthwith.
1. Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the required details of the Directors proposed to be appointed/ re-appointed and the terms of proposed remuneration of the Directors are given herein below:

Sr. No.	Particulars	Mrs. Rashmi Anand
1.	Director Identification Number	00366258
2.	Age	61
3.	Date of Appointment on Board	August 21, 2019
4.	Qualifications	BA, LLB
5.	Experience/Nature of expertise in functional areas	More than 25 years of experience in policy making and strategic decision making, setting up of textile business, social activities.
6.	Terms and Conditions of Appointment or re-appointment along with remuneration	Mrs. Rashmi Anand (DIN: 00366258) appointed as Additional Director with effect from 21 st August, 2019 and designated as Non-Executive Director on 30 th September 2019 whose office shall be liable to retire by rotation. She shall not be paid any remuneration by the Board during her entire tenure.
7.	The last drawn remuneration	NIL
8.	Shareholding in the Company	Equity shares - 213750 - 1.99%
9.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Rashmi Anand is wife of Mr. Ajay Anand, Managing Director of the Company
10.	The Number of Meetings of the Board attended during the year	4
11.	Other Directorships	Faze Three Limited
12.	Memberships/Chairmanship of Committees of other companies	Member of Nomination and Remuneration Committee of Faze Three Limited
13.	Brief Profile	Mrs. Rashmi Anand, a Law Graduate is designated as Non-Executive Non-Independent Director. She has vast experience in policy making and strategic decision making. A socially active person, she has been instrumental in

		contributing towards the society well-being and uplifting through various initiatives. She has adequate expertise of the operations of textile industry and has led a number of assignments related to setting up of textile business independently. She is wife of the Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Autofab Limited.
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Date: 04th September, 2020
Place: Mumbai

BY ORDER OF THE BOARD OF DIRECTORS
FAZE THREE Autofab Limited

Akram Sati
Company Secretary

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

No. 1 - Approval of Related Party Transactions

M/s. Faze Three Limited is a Public Limited Company and listed on BSE, having its Registered Office at Survey No. 380/1, Khanvel Silvassa Road, Dapada, UT of Dadra & Nagar Haveli - 396230. 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'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.

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

Faze Three Limited is a Related Party and the transaction as described hereunder is expected to exceed 10% of the annual turnover of the Company in the FY 2020-21. Thus, 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	Year ended	2019-20 (Actual)	2020-21 (estimated)
	Dyeing & Processing Charges		24.63	25.00

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

BY ORDER OF THE BOARD OF DIRECTORS
FAZE THREE Autofab Limited

Date: 04th September, 2020
Place: Mumbai

Akram Sati
Company Secretary

DIRECTORS' REPORT

To,
The Members of
FAZE THREE Autofab Limited

Your Directors are pleased to present the 23rd Annual Report of your Company containing the business performance and the Audited Financial Statements for the year ended on 31st March 2020.

1. FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended 31st March, 2020 is summarized below:

(Rs. In Cr.)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from operations	165.85	141.48
Expenses	(148.94)	(145.96)
Other Income	0.95	0.08
Profit before Interest, Tax, Depreciation & Amortization, finance cost and exceptional items	17.85	(4.39)
Less:		
Finance Cost/ Interest	4.64	4.81
Depreciation & amortization expense	4.78	4.41
Profit / (Loss) before taxation	8.44	(13.62)
Less : Provision for taxation	(0.58)	(2.30)
Profit / (Loss) for the year carried to Balance Sheet	9.02	(11.32)

2. KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE

During the year under review, the Company has earned revenue from operations of Rs. 165.85 Cr as against Rs. 141.48 Cr in the previous year. The Company earned Net Profit of Rs. 9.02 Cr as against Net Loss of Rs. 11.32 Cr in the previous year.

3. CHANGE IN THE NATURE OF THE BUSINESS

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

4. DIVIDEND

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

5. RESERVES:

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

6. CHANGE IN SHARE CAPITAL:

There has been no change in the capital structure of the Company.

7. CREDIT RATING:

The Company has obtained its credit rating from CRISIL Limited. CRISIL has allotted "CRISIL BB/Stable" for Long Term and "CRISIL A4+" for Short Term bank facilities of the Company vide its report dtd. 27th February

2020. The rating rationale for the same is available on the website of the company at www.fazethreeautofab.com.

8. 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.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review Mr. Ajay Anand (DIN: 00373248) was re-appointed as Managing Director of the Company for further period of 3 years w.e.f. 1st April, 2019.

Mrs. Rashmi Anand (DIN: 00366258) was appointed as Non-Executive Director of the Company w.e.f. 21st August, 2019.

The above appointment/ re-appointment were approved by the members at 22nd Annual General Meeting of the Company held on 30th September, 2019.

Ms. Shweta Jain (DIN: 07589768), Independent Director and Mr. Rolf Konigs (DIN: 06500166), Non-Executive Director tendered their resignation w.e.f. 21st August, 2019 respectively. Further, upon their resignation, in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 they have confirmed that there is no material reason other than stated in their resignation letter.

The following persons have been designated as Key Managerial Personnel of the Company 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

10. 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.

11. 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 Director of the Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

12. 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 www.fazethreeautofab.com.

13. DETAILS OF BOARD MEETINGS:

The Board of Directors of your Company met 7 (Seven) times during the Financial Year ended 31st March, 2020. The details of Board Meetings and the attendance of the Directors thereat are provided in the

Corporate Governance Report. The intervening time gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations.

14. 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, 2020, 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, 2020 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.

15. 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 Board, the Directors individually as well as the evaluation of the working of its Committees.

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

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

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

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

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

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

As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time,

details of Remuneration to Directors and Key Managerial Personnel is provided in Form MGT-9 annexed to this Report.

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration 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. 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; (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.

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

17. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

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

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

M/s. Aunde Achter & Ebels GmbH, Germany was the Promoter / JV partner of the Company has transferred their entire stake of 42.82% shares of the Company to Mr. Ajay Anand, Promoter through Inter-se Transfer between the promoter and thereafter vide approval dated 5th February, 2020 by BSE Limited M/s. Aunde Achter & Ebels GmbH has ceased to be Promoter / JV partner during the year.

19. 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.

20. 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.

21. 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, 2020 and the date of the Directors' report.

22. CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR):

The Company has met the criteria provided of Section 135 of the Companies Act, 2013 in F.Y. 2019-20 as the Company as earned net profit of Rs. 9.02 crores. In terms with the applicable provisions, the Company has constituted the CSR Committee on 5th June, 2020 who shall be entrusted with the role and responsibilities to carry out the CSR activities of the Company.

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

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

24. 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.

25. 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.

26. 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 in the 20th AGM have approved appointment of M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N) as the Statutory Auditors for a term of 5 (five) years, to hold office till the conclusion of 25th (Twenty Fifth) AGM.

27. FRAUD REPORTED BY THE AUDITOR, IF ANY:

There is no fraud reported by the Statutory Auditor during the year.

28. COST AUDIT:

Pursuant to the provisions of the Companies (Cost Audit and Record) Rules, 2014 as amended from time to time, the Company is not required to conduct a Cost Audit for the year ending March 31, 2020.

29. SECRETARIAL AUDIT:

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

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.

30. 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.

31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

In compliance with the Regulation 34 read with Schedule V of the Listing Obligations and Disclosure Requirements) Regulations, 2015 A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as **Annexure I**.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

For the financial year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, Management Discussion and Analysis Report is Annexed to this report as **Annexure II**.

33. CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES :

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

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

Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements. The Company 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. The same can be accessed on www.fazethreeautofab.com. Information on transactions with related parties are given as Annexure III in Form AOC-2 to this report.

34. 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 Companies Act 2013, 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).
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35. 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.

36. EXTRACT OF ANNUAL RETURN:

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

37. 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.

38. ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Place: Mumbai

Date: 04th September, 2020

Ajay Anand
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

BOARD OF DIRECTORS

The Company has an optimum composition of Executive and Non- Executive Directors. As on March 31, 2020, the Company has 4 (four) Directors. Of the four Directors, 3 (three) are Non-Executive Directors out of which 2 (two) are Non-Executive Independent Directors. The profiles of Directors can be found on (<http://fazethreeautofab.com/>). The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with Rules issued thereunder.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other, Except Mr. Ajay Anand and Mrs. Rashmi Anand.

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

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

Profile

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

Mrs. Rashmi Anand serves as a Non-Executive Director of the Company. She plays an immense role in Policy making and strategic decision making, setting up of textile business, social activities. She has over three decades of experience in Textile Industry. She is wife of Mr. Ajay Anand, Managing Director and a member of promoter group of Faze Three Autofab Limited.

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

Composition of Board & Meetings

The Board of Directors consists of 4 Directors as on 31st March, 2020.

During the financial year, 7 (Seven) meetings of the Board of Directors of the Company were held, each on 30th May, 2019, 14th August, 2019, 21st August, 2019, 19th October, 2019, 05th November, 2019, 24th January, 2020, and 6th March, 2020. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The necessary quorum was present for all the meetings.

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, 2020 are given herein below. 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.

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	4	Yes	2	0	0
Mr. Vinit Rathod	Non-Executive & Independent	7	No	2	4	0
Mr. Manan Shah	Non-Executive & Independent	7	No	2	0	4
Mr. Rolf Konigs**	Non-Executive & Non-Independent	0	No	0	0	0
Ms. Shweta Jain**	Non-Executive & Independent	2	No	0	0	0

*Appointed w.e.f. 21st August, 2019

**Resigned w.e.f. 21st August, 2019

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	High	High	High	High
Mr. Manan Shah	Moderate	Moderate	High	High	High
Mr. Vinit Rathod	Moderate	Moderate	High	High	High

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

Name of the Director	Name of the Company ¹	Position	% of Shares held in FAZE THREE Autofab Limited
Mr. Ajay Anand	Faze Three Limited	Managing Director	48.09%
Mrs. Rashmi Anand	Faze Three Limited	Non-Executive & Non Independent Director	1.99%
Mr. Vinit Rathod	Faze Three Limited	Independent Director	Nil
Mr. Manan Shah	Faze Three Limited	Independent Director	Nil

¹Does not include Directorships in Private Companies

During the Financial Year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Terms and Conditions of appointment of the Independent Directors are disclosed on the website of the Company and can be accessed at www.fazethreeautofab.com.

During the year, one meeting of the Independent Directors was held on November 5, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

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

The details of the familiarization programme of the Independent Directors are available on the website of the Company and can be accessed at www.fazethreeautofab.com.

COMMITTEES OF THE BOARD

A. Audit committee

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

The Committee invites the Managing Director, CFO, Statutory Auditor 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 31st March, 2020 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, 30th May, 2019, 14th August, 2019, 5th November, 2019 and 24th January, 2020.

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.

B. Nomination & Remuneration Committee:

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

Company Secretary of the Company acts as Secretary to the Committee. 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 31st March, 2020 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	2	2
2.	Mr. Manan Shah	Member	Non-Executive & Independent	2	2
3.	Mrs. Rashmi Anand	Member	Non-Executive & Non-Independent	0	0
4.	Ms. Shweta Jain*	Member	Non-Executive & Independent	2	2

* Resigned on 21st August 2019

The nomination and remuneration has conducted two (2) Meetings during the year under review, 1st April, 2019, 20th August, 2019.

Functions of Committee

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

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

Remuneration Policy

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

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

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

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

April 1, each year.

A. DIRECTORS REMUNERATION

During the year 2019-20 the Company has paid sitting fees of Rs. 5,000 per meeting to its Non-Executive Directors for attending meetings of the Board and Rs. 2,000 per meeting for attending meeting of Audit Committee. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The details of remuneration paid to Managing Director 2019-20 is given as follows: (No sitting fees paid to the following directors):

(Rs. in Lacs)

Director	Designation	Remuneration (including all perquisites)	Service Contract
Mr. Ajay Anand	Managing Director	45.00	3 years

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/-
4.	Ms. Shweta Jain	Non-Executive & Independent	Rs. 10,000/-
5.	Mr. Rolf Konigs	Non-Executive & Non-Independent	Nil

B. Stakeholders' relationship committee:

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

Sr.No.	Name of the Member	Status	Category	No. of Meetings Held	No. of Meetings Attended
1.	Mr. 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

Details of investor complaints received and redressed during the year 2019-20 are as follows:

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

a. Details of General Body Meetings/ Extra-Ordinary General Meetings held by the Company:

Year	Type and Date	Venue	Time	Special Resolution
2016-17	AGM 27 th September, 2017	Plot No. 146, Waghdhara Village Road, Dadra - 396 193, Union Territory of Dadra & Nagar Haveli	10.30 a.m.	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. 2. Right to convert Loan into Equity Shares.

2017-18	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. 2. Approval for changing 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.

- No postal Ballot was conducted during the year.
- All the Resolutions set out in the Notices were passed by the Shareholders.

b. 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:

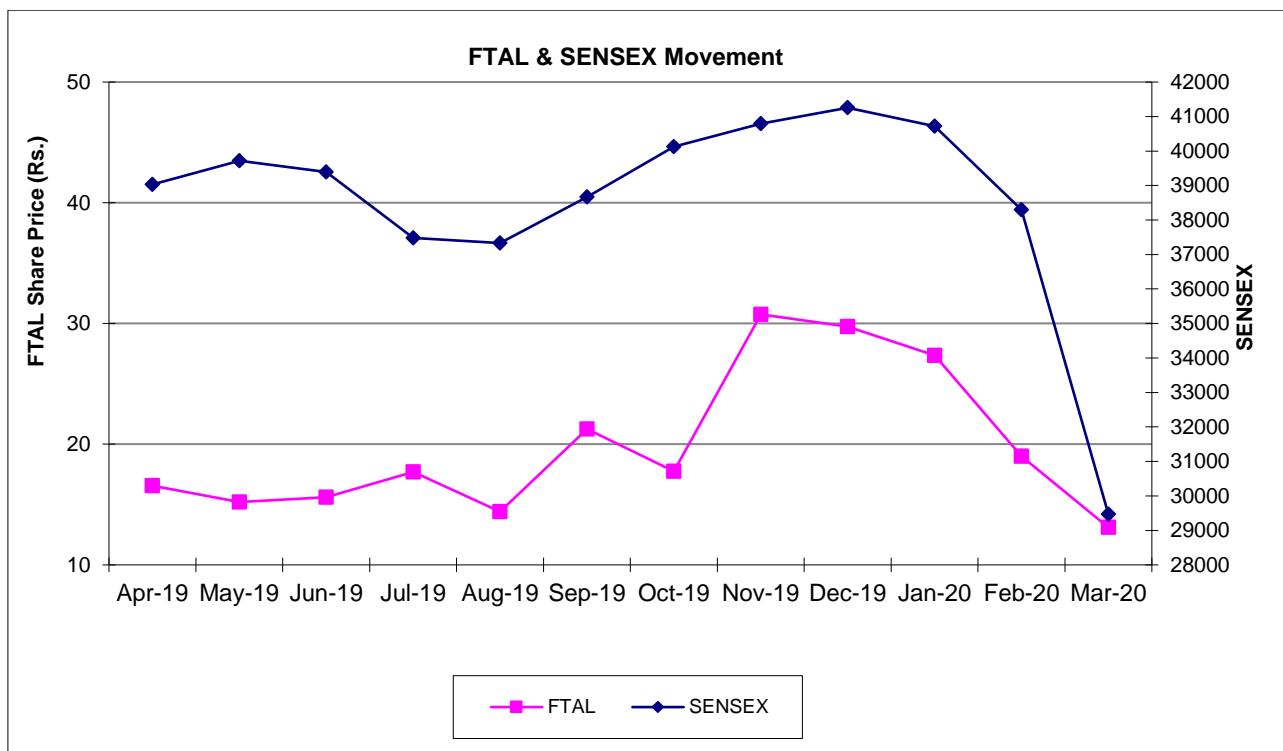
- Indian Express (English) - Gujarat Edition
- Financial Express (Gujarati) - Gujarat Edition

c. General Shareholder Information:

AGM, Date, Time and Venue	Wednesday, 30 th September, 2020. 12.00 Noon, through Video Conferencing ("VC")
Company's Financial Year	1 st April to 31 st March
Financial Calendar for 2020-21 (Tentative)	
Adoption of Quarterly & Annual Results:	
June 30, 2020	2nd week of September 2020
September 30, 2020	2nd week of November 2020
December 31, 2020	2nd week of February 2021
Audited results for March 31, 2021	4th week of May 2021
Date of Book Closure	Thursday, 24 th September, 2020 to Wednesday, 30 th September, 2020 (both days inclusive)
Listing on Stock Exchanges	Listed on BSE Limited
Stock Code	BSE Limited - 532459. The Company has paid the listing fees for the Financial Year 2020-21.
Demat ISIN No. for NSDL and CDSL	INE207D01017
Registrar and Transfer Agents	Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Phone: 022 2851 5606 /5644 Website: www.sharexindia.com Email: support@sharexindia.com
Share Transfer System	The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. Sharex Dynamic (India) Pvt. Ltd.

d. Market price data:

Monthly closing quotations along-with closing quotes of SENSEX on Bombay Stock Exchange Ltd. during the year ended 31st March 2020.



e. Monthly high and Low compared with BSE Sensex with the Volume of Shares Traded:

Month	On BSE		Volume	BSE Sensex High	BSE Sensex Low
	Month's High Price	Month's Low Price			
Apr-19	21.05	15.15	14,915	39,487.45	38,460.25
May-19	18.10	14.05	4,455	40,124.96	36,956.10
Jun-19	16.50	15.25	4,003	40,312.07	38,870.96
Jul-19	20.90	15.50	6,264	40,032.41	37,128.26
Aug-19	17.10	11.80	6,853	37,807.55	36,102.35
Sep-19	21.24	15.12	1,640	39,441.12	35,987.8
Oct-19	23.40	16.15	26,799	40,392.22	37,415.83
Nov-19	33.25	18.60	29,863	41,163.79	40,014.23
Dec-19	30.15	27.00	16,041	41,809.96	40,135.37
Jan-20	29.80	26.05	8,197	42,273.87	40,476.55
Feb-20	29.50	19.00	2,492	41,709.30	38,219.97
Mar-20	19.30	13.10	9,538	39,083.17	25,638.90

f. Distribution of shares and shareholding as on 31st March, 2020:

Sr. No.	No. of Equity Shares held		Shareholders		Shareholding	
	From	To	Nos.	%	Nos.	%
1	Upto 100		456	24.32	24,002	0.22
2	101	200	806	42.99	1,24,765	1.16
3	201	500	300	16.00	1,10,140	1.03
4	501	1000	142	7.57	1,13,724	1.06
5	1001	5000	125	6.67	2,97,551	2.77
6	5001	10000	26	1.39	1,81,045	1.69
7	10001	100000	11	0.59	4,16,178	3.88
8	100001 and above		9	0.48	94,55,802	88.18
	TOTAL		1,875	100	1,07,23,207	100

g. Shareholding Pattern as on 31st March, 2020:

Category code	Category of Shareholder	Total no. of shares	%
(A)	Promoter and Promoter Group Holding		
1	Indian Promoters	80,14,201	74.74
2	Foreign Promoters	0	0.00
	Sub Total (A)	80,14,201	74.74
(B)	Non-Promoter shareholding		
1	Institutions		
(a)	Mutual Funds	150	0.00
(b)	Financial Institutions/ Banks	150	0.00
	Sub-Total (B)	300	0.00
(C)	Non-institutions		
(a)	Private Bodies Corporate	-	-
(b)	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	7,87,897	7.35
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	2,78,680	2.60
(c)	Any Other	16,42,129	15.31
(d)	NRI	83,756	0.78
	Sub-Total (C)	2708706	25.26
	GRAND TOTAL (A)+(B)+(C)	1,07,23,207	100.00

h. Shareholding Summary:

Particulars	No of Shares	%
NSDL	75,09,640	70.03
CDSL	30,76,559	28.69
Physical	1,37,008	1.28
Total	1,07,23,207	100.00

i. Plant Location:

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

j. Corporate office address for correspondence:

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

k. Other disclosures:**i. Related party transactions**

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

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2017-18, 2018-19 and 2019-20 respectively: Nil

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

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

v. During the year ended 31st March 2020, the Company does not have any material listed/ unlisted subsidiary Company as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website at <http://fazethreeautofab.com/aunde/investor/5policies.html>.

vi. 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.

vii. The disclosure with respect to demat suspense account/unclaimed suspense account is not applicable to the Company.

viii. 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.

xi. The Company has paid the Annual Custody Fee to NSDL & CDSL for the Financial Year 2020-21.

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: 1st June 2020

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 and AUNDE India Limited)

We have reviewed financial statements and the cash flow statement of FAZE THREE Autofab Limited for the year ended 31st March 2020 and to the best of our knowledge and belief:

- A. (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

On behalf of the Board of Directors

Place : Mumbai
 Date: 1st June, 2020

V Sivakumar
 Chief Financial Officer

Ajay Anand
 Managing Director

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2019 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.

Place: Mumbai
Date: 4th September, 2020

(Sanjay R. Dholakia)
Practicing Company Secretary
Membership No. 2655/ C.P. No. 1798
UDIN: F002655B000660721

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMIC AND BUSINESS OVERVIEW**

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. In the last quarter of financial year 2019-20, we have seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis, lockdown across many countries and a significant economic fallout. Around the world, growth has decelerated markedly. In India, the economic impact of COVID-19 is trickling in on the backdrop of an already challenging macro-economic environment. Global trade dynamics, volatile commodity cycles and climate concerns continue to increase the uncertainty further. Conditions like these create challenges for companies and categories across the spectrum.

There are various estimates for India's GDP growth from 1.9% in F.Y. 21 to recover to 7.4% path in F.Y. 2021-22 as per International Monetary Fund. The Country will still be the fastest growing large economy this financial year. Moody's slashed India's GDP growth rate at Zero for the current fiscal 2020-21. However, on a positive note, it has forecast India's GDP growth rate to bounce back to 6.6 per cent in F.Y. 2021-22. The World Bank expects India's economy to contract 3.2% in the current fiscal year, a sharp downgrade from its April projection of 1.5% - 2.8% growth, citing stringent lockdown and spill overs from weaker global growth. A number of firms including Goldman Sachs and Nomura have projected a contraction of as much as 5% for India in F.Y. 21. However, the projection is not low comparatively, given the fact that the global economy is projected to contract 3 per cent against a growth of 3.3 per cent expected earlier.

India moving up by 14 positions to 63rd rank in 2019 World Bank's Ease of Doing Business 2020 Report, has among others, contributed to the increase in global confidence in Indian economy. India has emerged as an important player in the world on the back of announcement/implementation of critical measures in the current year and last few years. The measures announced/implemented in 2019-20 include- hike in minimum support price of agricultural crops for 2019-20; reduction in corporate tax rate; policy initiatives for development of textiles & handicrafts and electric vehicles; outreach programme for growth, expansion and facilitation of micro, small and medium enterprises; incentives for start-ups in India.

Government has initiated various measures to boost the economy including direct benefit transfer, increased allocations to key sectors like infrastructure, agriculture, MSMEs etc. Reserve Bank of India has cut repo rate by 185 bps on a cumulative basis this year to support the aggregate demand and private investment as well as ease liquidity given the COVID-19 situation. The reduction in corporate tax rate is a big boost to the industry; it makes India much more competitive globally and should accelerate investments in the economy. The slew of policy measures and announcements are welcome and signal the Government's strong commitment to arrest and reverse the slowdown.

TECHNICAL TEXTILES / AUTOMOTIVE FABRICS

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

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

The global technical textile market size was estimated at USD 176.6 billion in 2019, growing at a compound annual growth rate (CAGR) of 4.5% from 2020 to 2027. Rising awareness regarding the benefits of technical textile is projected to propel its demand across various end-use industries including agriculture, construction, aerospace, medical, and packaging.

The Indian technical textiles sector, which was touted as the next sunrise sector, is finally getting its due, thanks to the rising awareness for medical textiles and other nonwoven products like masks, gloves, etc. due to Covid-19. The emergence of Covid-19 has brought the world to a standstill. While companies across industries felt the impact of Covid 19, the technical textiles sector, as an exception, rose to the occasion and delivered millions of personal protective equipment (PPE) suits and masks to fight Covid-19 pandemic.

The global demand for technical textiles has also expanded. It is an emerging field of advanced technology that is steadily gaining ground in India. Furthermore, investments in industry sectors such as automotive, infrastructure, among others drove the consumption as well. So today, the growing sectors within the technical textile industry are mainly the medical, protective, agricultural textiles as well as geotextiles due to a rising demand.

COMPANY OVERVIEW AND OUTLOOK

The Company is engaged in designing, development and manufacturing automotive textiles (specialized in car seat cover fabric). It is also engaged in manufacturing fabrics used in auditoriums and railway coaches (with minimal contribution to revenue). The Company caters to Original Equipment Manufacturers (OEMs) and are largely concentrated in the domestic market. The Company derives more than 90% of its revenue from the domestic market. The Company currently has a market share of over 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 last few years and actively looking to grow it further.

The Company's Revenue has grown to ~Rs 165 Crs in FY 20 from Rs ~125 Crs in FY 18. The growth in volume of fabrics supplied was due to gain in market share and being part of most of the new car launches during the year adding to volumes. 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 consistent performance in 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 the Company is QDS (Quality, Delivery & Service). Quality levels were drastically improved and 100% compliance to delivery schedules followed with all OEMs. Since all OEMs are Just in Time customers, the inventory flow management is key to gain QDS points.

OPPORTUNITIES AND CHALLENGES

In the Indian market, the life of customers revolves around pure economics. Basically the money spent to seal the transaction and sweet deals. So in the times of the coronavirus pandemic, the purchase done by potential customers would surely be downsized. So a larger number of customers would be looking at smaller cars with lower price points. Indian customers would be looking at affordable mobility with safer means to travel. The impact of coronavirus on car market will enhance demand for good hatchbacks while quality compacts would make a killing. On a larger scale, it could lead to the return of the 'entry-level cars' like Alto, Kwid, Celerio, Santro, WagonR, Tiago and few other badges.

Personal mobility modes will make a strong comeback. The demand for micro-mobility solutions, in particular, will surge. Micro-mobility solutions are easy-to-use and ideal in congested city environments. As customer preferences might go for a toss with regard to prices and transaction cost, there is a high probability that big SUV & MPV might lose lustre and face a big challenge on consumer's future choices. Indian customers would be looking at affordable mobility with safer means to travel. The cost would supersede brands and categories across the market.

The coronavirus outbreak has heavily impacted the manufacturing industry. OEMs and parts suppliers have yet to return to full production capacity. Consequent delays in delivery might impact the market at multiple levels from postponed new car model launches, shattered supply chains, financially drained SMEs, and dampened vehicle sales in Q1, of the F.Y. 2020. The effects will spill over into Q2 as well, with unfulfilled order deliveries due to ongoing production slowdowns. This situation is set to exacerbate the numerous challenges already facing the auto industry, including tougher CO² emissions standards and higher investments in new technologies.

During last 3-4 years your Company has continued to invest in enhancing our capabilities and offerings that enable our clients to embrace new offering for their business. For fiscal 2021, we will continue to execute our strategy along the same dimensions. The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the economy. We believe in the investments we have made, and continue to make, in our strategy will enable us to advise and help our clients as they tackle these market conditions.

For F.Y. 2021, we expect volumes to be relatively lower compare to F.Y. 2020 due loss of demand in first 3-4 months of the fiscal due to COVID 19, lockdowns etc. We can expect for demand revival by Jan 2021.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The human impact of this crisis takes precedence for us. In keeping with our employee-first approach, we quickly instituted measures to trace all employees of the Company and to assure ourselves of their well-being. Our utmost priority has been health, safety and well-being of the people. 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 right talent. It is committed to provide right opportunities to employees to realise their potential.

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

POLLUTION AND ENVIRONMENTAL CONTROLS

Your Company continues to monitor and ensure the highest standards of environmental, health and safety norms. 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 STATEMENT

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

On behalf of the Board of Directors

Place: Mumbai
Date: 4th September, 2020

Ajay Anand
Managing Director

Annexure III

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: 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. 2019-20. 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:

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

On behalf of the Board of Directors

Place : Mumbai
Date: 4th September, 2020

Ajay Anand
Managing Director

ANNEXURE IV

ANNEXURE TO THE DIRECTORS REPORT

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

A. Steps taken for Conservation of energy:

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

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

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

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

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.

(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. Foreign exchange earnings and outgo:

(Rs. In Lakhs)

Particular	2018-19	2019-20
Total Foreign Exchange used	601.14	456.44
Total Foreign Exchange earned	913.67	1403.65

On behalf of the Board of Directors

Place: Mumbai
Date: 4th September, 2020

Ajay Anand
Managing Director

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2020
[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 and AUNDE India 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, 2020 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, 2020 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; 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, 1998; Not applicable to the Company during the Audit Period.
 - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 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 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 Non-Executive Independent Directors. The changes in the composition of the Board of Directors / Committees of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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 2019 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: 4th September, 2020
Place: Mumbai
UDIN: F002655B000661346

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To the Members

FAZE THREE Autofab Limited

(Formerly known as AUNDE FAZE THREE Autofab Limited and AUNDE India 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
Practicing Company Secretary
Proprietor
Membership No.FCS 2655/CP No.1798
Date: 4th September, 2020
Place: Mumbai
UDIN: F002655B000661346

Annexure VI

EXTRACT OF ANNUAL RETURN
FORM NO. MGT-9

As on financial year ended 31.03.2020 [Pursuant to Section 92(3) of the Companies Act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS:

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

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
1	Weaving & finishing of artificial / synthetic textile fabrics on power looms (Automotive Textile)	2476	99%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
N.A.				

D. SHAREHOLDING PATTERN:

(i) Category - wise Share Holding:

Category code	Category of Shareholder	Number of shares held at Beginning of the year (01.04.2019)				Number of shares held at the end of the year (31.03.2020)				% 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	12,97,726	0	12,97,726	12.10	58,88,926	0	58,88,926	54.92	42.82
(b)	Central / State Govt.	0	0	0	0	0	0	0	0	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	0	0	0	0	0.00
(e)	Any Others	0	0	0	0	0	0	0	0	0.00
Sub Total(A)(1)		34,23,001	0.00	34,23,001	31.92	34,23,001	0.00	34,23,001	31.92	0.00
2	Foreign									
a	NRI	0	0	0	0.00	0	0	0	0.00	0.00
b	Bodies Corporate	45,91,200	0	45,91,200	42.82	0	0	0	0.00	(42.82)
c	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d	Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)		45,91,200	0	45,91,200	42.82	45,91,200	0	45,91,200	42.82	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		80,14,201	0	80,14,201	74.74	80,14,201	0	80,14,201	74.74	0.00
(B)	Public shareholding									
B 1	Institutions									
(a)	Mutual Funds	150	0	150	0.00	150	0	150	0.00	0.00
(b)	FI / Banks	0	150	150	0.00	0	150	150	0.00	0.00
(c)	Central / State Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)		150	150	300	0.00	150	150	300	0.00	0.00
B 2	Non-institutions									
(a)	Bodies Corporate	15,51,163	1,350	15,52,513	14.48	15,61,037	1,350	15,62,387	14.57	0.09
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to Rs 2 lakh	6,77,139	1,10,758	7,87,897	7.35	6,62,472	1,09,258	7,71,730	7.20	(0.15)
II	ii. Individual shareholders holding nominal share capital in	2,56,180	22,500	2,78,680	2.60	2,64,483	22,500	2,86,983	2.67	0.07

	excess of Rs. 2 lakh.									
(c)	Any Other (Foreign National)	0	3750	3750	0.03	0	3750	3750	0.03	0.00
(c-i)	Clearing Member	2,110	0	2,110	0.02	0	0	0	0.00	(0.02)
(cii)	NRI	83,756	0	83,756	0.78	83,856	0	83,856	0.78	0.00
Sub-Total (B)(2)		25,70,498	1,38,208	27,08,706	25.26	25,71,848	1,36,858	27,08,706	25.26	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)		25,70,498	1,38,208	27,08,706	25.26	25,71,998	1,37,008	27,09,006	25.26	0.00
TOTAL (A)+(B)		10584849	138358	10723207	100	10586199	137008	10723207	100	0.00

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

Sr. No.	Name of the shareholder	Details of Shareholding at the beginning of the year (01/04/2019)			Details of Shareholding at the end of the year (31/03/2020)			% change during the year
		Number of shares held	%	% of shares Pledged/ Encumbered	Number of shares held	%	% of shares Pledged/ Encumbered	
1	AUNDE Achter & Ebels GmbH	4591200	42.82	0	0	0	0	(42.82)
2	Instyle Investments Pvt. Ltd.	2119575	19.77	0	2119575	19.77	0	00.0
3	Ajay Anand	565251	5.27	0	5156451	48.09	0	42.82
4	Ajay Anand (HUF)	435000	4.06	0	435000	4.06	0	00.0
5	Rashmi Anand	213750	1.99	0	213750	1.99	0	0.00
6	Sanjay Anand	71100	0.66	0	71100	0.66	0	0.00
7	Rohina Anand	7000	0.07	0	7000	0.07	0	0.00
8	Anadry Investments Pvt Ltd	5700	0.05	0	5700	0.05	0	0.00
9	Vishnu Anand	5625	0.05	0	5625	0.05	0	0.00
TOTAL		8014201	74.74	0.00	8014201	74.74	0.00	0.00

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

Sr No.	Shareholder's Name	Details of Shareholding at the beginning of the year (01/04/2019)		Details of Shareholding at the end of the year (31/03/2020)	
		No. of Shares	%	No. of Shares	%
1	AUNDE Achter & Ebels GmbH	4591200	42.82	0	0.00
2	Ajay Anand	565251	5.27	5156451	48.09
Mr. Ajay Anand acquired the entire holding of Aunde Achter & Ebels GmbH on 16 th August, 2019 via inter se transfer of equity shares between Promoters.					

(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 (01-04-2019)	% of total Shares of the company	No. of Shares at end of the year (31-03-2020)	% of total Shares of the company
1	Foresight Holdings Pvt. Ltd.	824261	7.68	824261	7.68
2	Unirhythm Trading Pvt. Ltd.	387665	3.61	387665	3.61
3	Casa Serai Resorts Pvt. Ltd	199100	1.86	199100	1.86
4	Dipak Kanayalal Shah	117000	1.09	120000	1.11
5	Neerav Hans	73939	0.69	73939	0.69
6	Rajiv Rai Sachdev (HUF)	63750	0.59	63750	0.59

7	Salim Pyarli Govani	69245	0.64	54245	0.51
8	Rajiv Rai Sachdev	48750	0.45	48750	0.45
9	Gulshan Rai Sachdev	22500	0.21	22500	0.21
10	Nitin Himmatlal Mehta	21185	0.19	21185	0.19

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AJAY ANAND	565251	5.27	5156451	48.09
2	AKRAM SATI	1	0.00	1	0.00
3	V SIVAKUMAR	0	0.00	0	0.00

E. INDEBTEDNESS:

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

(Rs in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4442.90	2592.16	0	7035.06
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4442.90	2592.16	0	7035.06
Change in Indebtedness during the financial year				
• Addition	450.00	0	0	450.00
• Reduction	(373.55)	(1275.36)	0	(1648.91)
Net Change	76.45	(1275.36)	0	(1198.91)
Indebtedness at the end of the financial year				
i) Principal Amount	4591.35	1316.80	0	5386.15
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4591.35	1316.80	0	5386.15

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:

(In Rs.)

A. Independent Directors				
Sr. No	Particulars of Remuneration	Mr. Vinit Rathod	Mr. Manan Shah	Ms. Shweta Jain
1	• Fee for attending board / committee meetings	25,000	25,000	10,000
2	• Commission	-	-	-
3	• Others, please specify	-	-	-
Total		25,000	25,000	10,000
B. Other Non-Executive Directors				
Sr. No	Particulars of Remuneration	Mr. Rolf Konigs	Mrs. Rashmi Anand	
1	• Fee for attending board / committee meetings	Nil	Nil	
2	• Commission	-	-	
3	• Others, please specify	-	-	
Total		Nil	Nil	

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

(Rs.in Lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel	Key Managerial Personnel	Total
		V. Sivakumar (CFO)	Akram Sati(CS)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	29.40	4.80	34.20
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify... Others, please specify	-	-	-
Total		29.40	4.80	34.20

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]	Appeal made, if any (give Details)
A. Company						
Penalty			None			
Punishment			None			
Compounding			None			
B. Directors						
Penalty			None			
Punishment			None			
Compounding			None			
C. Other Officers in Default						
Penalty			None			
Punishment			None			
Compounding			None			

Independent Auditor's Report

To the Members of
FAZE THREE AUTOFAB LIMITED
 (Formerly - AUNDE FAZE THREE AUTOFAB LIMITED AND AUNDE INDIA 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 AND AUNDE INDIA LIMITED)** ('the Company'), which comprise the balance sheet as at 31st March 2020, 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 2020, 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	The Company has unutilized Minimum Alternate Tax (MAT) credit of Rs. 3.85 Crores as on 31 st March, 2020. 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.	Our procedures included: 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

	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.	involving enquiry, re performance and verification of evidences. 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.
2	During the period ended 31 st March, 2020 there was inter-se shares transfer between the promoters of the company. We draw your kind attention to public announcement on BSE dated 9 th September, 2019 appearing on 12 th September, 2019 made by company in the said matter.	Reviewed Agreements and Compliance related to various SEBI regulations to verify compliance related to transaction.

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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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, 2020.
 - ii). The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Company; and
- C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Place: Mumbai
Date: 01st June 2020

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 20011541AAAABL2180

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 AND AUNDE INDIA LIMITED)** on the Ind AS financial statements for the year ended 31st March 2020.

- 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. Further, our attendance at the physical inventory verification done by the management was impracticable under the current restrictions imposed by the Government and we have relied on the related alternate audit procedures.
- 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, 2020 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: 01st June 2020

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 20011541AAAABL2180

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 AND AUNDE INDIA LIMITED) for the year ended 31st March 2020

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 AND AUNDE INDIA LIMITED)** ("the Company") as of 31st March, 2020 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, 2020, 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: 01st June 2020

C. V. Parameswar
Partner
Membership No. 11541
UDIN No. 20011541AAAABL2180

Balance Sheet as at 31 March 2020

(Amount in INR crores, unless otherwise stated)

	Notes	As At 31 March 2020	As At 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	52.39	47.70
Capital work-in-progress		0.14	0.29
Financial assets			
Other financial assets	4	0.22	0.23
Deferred tax asset (net)	30	0.97	1.58
Total non-current assets		53.72	49.80
Current assets			
Inventories	5	16.97	17.27
Financial assets			
Trade receivables	6	40.48	35.19
Cash and cash equivalents	7	0.32	0.13
Bank balances other than cash and cash equivalent	8	0.04	0.34
Other financial assets	9	0.00	0.00
Current tax assets (net)	10	0.36	-
Other current assets	11	2.13	2.03
Total current assets		60.30	54.96
Total assets		114.02	104.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10.72	10.72
Other equity	13	14.82	(4.96)
Total equity		25.54	5.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	28.22	41.17
Employee benefit obligations	15	0.75	0.60
Other non-current liabilities	16	9.10	8.33
Total non-current liabilities		38.07	50.10
Current liabilities			
Financial liabilities			
Borrowings	17	24.02	27.36
Trade payables	18	16.94	14.34
Other financial liabilities	19	4.82	3.86
Current tax liabilities (net)	20	0.00	0.82
Other current liabilities	21	4.51	2.42
Employee benefit obligations	15	0.12	0.10
Total current liabilities		50.41	48.90
Total liabilities		88.48	99.00
Total equity and liabilities		114.02	104.76

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

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

C.V. PARAMESWAR
Partner
Membership No: 11541

Place : Mumbai
Date: June 1, 2020

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

Akram Sati
Company Secretary
Membership No: 50020

Statement of Profit and Loss for the year ended 31 March 2020

(Amount in INR crores, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	22	165.85	141.48
Other income	23	0.95	0.08
Total income		166.80	141.56
Expenses			
Cost of material consumed	24	82.54	90.85
Changes in inventories of finished goods and work-in-progress	25	(1.04)	(1.43)
Employee benefits expense	26	9.45	8.51
Finance costs	27	4.64	4.81
Depreciation and amortization expense	28	4.78	4.41
Other expenses	29	57.99	48.03
Total expenses		158.36	155.18
Profit /(Loss) before tax		8.44	(13.62)
Tax expense			
Current tax	30	(1.18)	-
Deferred tax	30	0.60	(2.30)
Total income tax expense		(0.58)	(2.30)
Profit/(Loss) for the year		9.02	(11.32)
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans (net of taxes)		(0.06)	(0.08)
Other comprehensive income for the year, net of tax		(0.06)	(0.08)
Total comprehensive income for the year		8.96	(11.40)
Earnings ₹ per share			
Basic (₹/share)	31	8.41	(10.56)
Diluted (₹/share)	31	8.41	(10.56)

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: June 1, 2020

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

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Managing Director
DIN: 00373248

V. Sivakumar
President & CFO

Rashmi Anand
Director
DIN: 00366258

Akram Sati
Company Secretary
Membership No: 50020

Statement of Cash Flows for the year ended 31 March 2020 (Amount in INR crores, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit/ (Loss) before tax	8.44	(13.62)
Adjustments for:		
Other comprehensive income	(0.06)	(0.08)
Depreciation and amortization expenses	4.78	4.41
Finance cost	4.64	4.81
Interest income	(0.02)	(0.01)
Operating profit/ (loss) before working capital changes	17.78	(4.49)
Changes in working capital		
Decrease in trade payables	2.60	6.80
(Decrease)/ increase in inventories	0.30	(0.22)
(Decrease)/ increase in trade receivables	(5.29)	(2.62)
(Decrease)/ increase in other current liabilities	2.11	1.19
(Decrease)/ increase in non-current liabilities	0.90	8.32
(Decrease)/ increase in current tax liabilities(net)	0.36	(0.02)
(Increase)/ decrease in other financial liabilities	0.96	0.54
Decrease/ (increase) in other financial assets	0.00	(0.04)
Decrease in other current assets	(0.45)	(0.53)
Cash generated used in operations	19.29	8.93
Income tax paid	-	-
Net cash flows used in operating activities (A)	19.29	8.93
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(9.43)	(5.33)
Proceeds from sale/ disposal of fixed assets	0.12	0.80
Net proceeds from fixed deposits	0.32	(0.32)
Interest received	0.02	0.01
Net cash flow from investing activities (B)	(8.97)	(4.84)
Cash flow from Financing activities		
Proceeds / (Repayment) of long term borrowings	(2.14)	(1.56)
Proceeds / (Repayment) of short-term borrowings	(3.35)	2.29
Interest paid	(4.64)	(4.81)
Net cash flow from financing activities (c)	(10.13)	(4.08)
Net increase in cash and cash equivalents (A+B+C)	0.19	0.01
Cash and cash equivalents at the beginning of the year	0.13	0.12
Cash and cash equivalents at the end of the year	0.32	0.13
Cash and cash equivalents comprise (refer note 7)		
Balances with banks		
On current accounts	0.13	0.06
Cash on hand	0.19	0.07
Total cash and bank balances at end of the year	0.32	0.13

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: June 1, 2020

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

Akram Sati
Company Secretary
Membership No: 50020

1. General Information

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

2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

a) Statement of Compliance with Ind AS

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

The financial statements are approved by the Company's Board of Directors and authorised for issue on 1st June, 2020.

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:

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

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

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

2.3 Borrowing costs

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

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

2.4 Foreign Currency Transactions

Functional and presentation currency

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

Transactions and balances

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

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

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

2.5 Revenue Recognition

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 realisable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

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

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

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

2.8 Trade Receivables

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

2.9 Impairment of non-financial assets

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

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

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

2.10 Provisions and contingent liabilities

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

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

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

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

2.11 Cash and cash equivalents

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

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

2.12 Employee Benefits

(A) Short-term employee benefits

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

(B) Post-employment benefits

(i) Defined contribution plan

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

(ii) Defined benefit plans

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

2.13 Earnings Per Share

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

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

2.14 Rounding off amounts

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

Statement of change in equity for the year ended 31 March, 2020 (Amount in INR crores, unless otherwise stated)

(A) Equity share capital	As at March 31, 2020		As at March 31, 2019	
	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 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

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2018	16.92	(10.47)	6.45
Loss for the year	-	(11.32)	(11.32)
Other comprehensive income	-	(0.08)	(0.08)
Balance as at 31 March 2019	16.92	(21.87)	(4.95)

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: June 1, 2020

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

Akram Sati
Company Secretary
Membership No: 50020

Notes forming part of the Financial Statements for the year ended 31 March 2020 (Amount in INR crores, unless otherwise stated)

3 Property, plant and equipment

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	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	0.29	-	5.27	5.94
Plant and Machinery	77.71	8.75	1.76	84.70	4.26	1.64	43.81	36.52
Furniture & Fixtures	1.75	0.02	-	1.77	0.03	-	1.53	0.25
Vehicles	2.68	0.13	-	2.81	0.13	-	2.10	0.71
Office Equipment	0.47	0.07	-	0.54	0.01	-	0.41	0.07
Computers	1.31	0.02	-	1.33	0.03	-	1.27	0.07
Electrical Installation	2.05	0.08	-	2.13	0.03	-	1.82	0.26
Total	100.77	9.59	1.76	108.60	4.78	1.64	56.21	47.70

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year	Deductions/ Adjustments	As at 31 March 2020	31 March 2019
Owned assets								
Freehold Land	3.88	-	-	3.88	-	-	-	3.88
Building	9.82	1.10	-	10.92	0.26	-	4.98	5.10
Plant and Machinery	74.61	5.91	2.81	77.71	3.92	2.17	41.19	35.17
Furniture & Fixtures	1.72	0.03	0.00	1.75	0.04	0.00	1.50	0.26
Vehicles	3.27	0.19	0.78	2.68	0.12	0.62	1.97	0.80
Office Equipment	0.45	0.02	-	0.47	0.01	-	0.40	0.06
Computers	1.27	0.04	-	1.31	0.03	-	1.24	0.06
Electrical Installation	2.01	0.04	-	2.05	0.03	-	1.79	0.25
Total	97.03	7.33	3.59	100.77	4.41	2.79	53.07	45.58

Notes forming part of the Financial Statements for the year ended 31 March 2020

(Amount in INR crores, unless otherwise stated)

4	Other financial assets (non-current)	31 March 2020	31 March 2019
	In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	0.02	0.03
	Security deposits	0.20	0.20
	Total	0.22	0.23

5	Inventories *	31 March 2020	31 March 2019
	Raw material	6.37	7.70
	Work in progress	7.42	6.49
	Finished goods	2.93	2.81
	Store and spares parts including packing material	0.25	0.27
	Total	16.97	17.27

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

6	Trade receivables	31 March 2020	31 March 2019
	Unsecured		
	-Considered good	40.48	35.19
	Total	40.48	35.19

7	Cash and cash equivalents	31 March 2020	31 March 2019
	Balances with banks :		
	In current accounts	0.13	0.06
	Cash on hand	0.19	0.07
	Total	0.32	0.13

8	Bank balances other than cash and cash equivalent	31 March 2020	31 March 2019
	In Fixed deposit with maturity for more than three months but less than twelve months from balance sheet date	0.04	0.34
	Total	1.02	6.02

9	Other financial assets (current)	31 March 2020	31 March 2019
	Interest accrued on fixed deposits	0.00	0.00
	Total	0.00	0.00

10	Current tax assets	31 March 2020	31 March 2019
	Advance income tax (net of provisions)	0.36	-
	Total	0.36	-

Notes forming part of the Financial Statements for the year ended 31 March 2020

(Amount in INR crores, unless otherwise stated)

11	Other current assets	31 March 2020	31 March 2019
	Export incentive receivable	0.27	0.17
	Prepaid Expenses	0.23	0.16
	Staff advances	0.24	0.27
	Balance with indirect tax authorities	0.18	1.13
	Other receivables	1.21	0.30
	Total	2.13	2.03

12	Equity share capital	31 March 2020	31 March 2019
	Authorized		
	(31 March 2020: 1,10,00,000, 31 March 2019: 1,10,00,000) Equity Shares of ₹ 10/- each	11.00	11.00
		11.00	11.00
	Issued, subscribed and paid up		
	(31 March 2020: 1,07,23,207, 31 March 2019: 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 2020		31 March 2019	
	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 2020		31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR [Face value] each fully paid				
Aunde Achter & Ebels Gmbh	-	-	4,591,200	42.82%
Ajay Anand	5,156,451	48.09%	565,251	5.27%
Instyle Investments Pvt Ltd	2,119,575	19.77%	2,119,575	19.77%
Foresight Holdings Pvt. Ltd	824,261	7.69%	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 2020

(Amount in INR crores, unless otherwise stated)

13	Other equity	31 March 2020	31 March 2019
	(A) General reserve		
	Opening balance	16.92	16.92
	Add/Less: Transfer to reserves	10.82	-
	Closing balance	27.74	16.92
	(B) Retained earning		
	Opening balance	(21.88)	(10.47)
	Add: Net profit/(loss) for the current year	8.96	(11.41)
	Closing balance	(12.92)	(21.88)
	Total	14.82	(4.96)

14	Non-current borrowings	31 March 2020	31 March 2019
	<u>Secured</u>		
	Term loan	15.03	15.16
	Other loan	0.02	0.08
	<u>Unsecured</u>		
	Loan from related parties	13.17	25.92
	Total	28.22	41.17

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

Details of Term Loans from Saraswat Bank

Term Loans	Maturity	Installments			Rate of Interest
		Periodicity	Numbers	₹ (in crores)	
Term Loan Account Number - 1528	Feb-23	Monthly	35	0.06	PLR -3.75%
Term Loan Account Number - 901290	Oct-22	Monthly	31	0.28	PLR -3.75%
Term Loan Account Number - 901291	Oct-22	Monthly	31	0.04	PLR -3.75%
Term Loan Account Number - 1717	Oct-28	Monthly	84	0.05	PLR -3.40%

Details of Other Loans

Term Loans	Maturity	Installments			Rate of Interest
		Periodicity	Numbers	₹ (in crores)	
Yes Bank - ALN000100314065	Mar-22	Monthly	24	0.0014	8.30%

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(Amount in crores, unless otherwise stated)

15	Employee benefit obligations	Non-current		Current	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Provision for employee benefits (Refer note 32)				
	Provision for gratuity	0.75	0.60	0.12	0.10
	Total	0.75	0.60	0.12	0.10

16	Other non-current liabilities	31 March 2020	31 March 2019
	Other payables	9.10	8.33
	Total	9.10	8.33

17	Short -term borrowings	31 March 2020	31 March 2019
	Secured, from bank, (Refer footnote)		
	-Cash Credit	24.02	27.36
	Total	24.02	27.36

Terms and conditions of loans

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

PC/PS facility from Saraswat Bank carry interest rate @ 10.65%. 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 2020	31 March 2019
	Total outstanding dues of micro enterprises and small enterprises (refer note 39)	0.03	0.05
	Total outstanding dues of creditors other than micro enterprises and small enterprises	16.91	14.29
	Total	16.94	14.34

19	Other financial liabilities	31 March 2020	31 March 2019
	Current maturity of term loan	4.63	3.63
	Current maturity of other loan	0.01	0.06
	Interest accrued and due on loan	0.18	0.17
	Total	4.82	3.86

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(Amount in crores, unless otherwise stated)

20	Current tax liabilities (net)	31 March 2020	31 March 2019
	Current tax liabilities (net)	-	0.82
	Total	-	0.82
21	Other current liabilities	31 March 2020	31 March 2019
	Salary & reimbursement payable	0.27	0.30
	Expenses payable	4.12	1.86
	Statutory due payable	0.12	0.26
	Total	4.51	2.42
22	Revenue from operations	31 March 2020	31 March 2019
	Export sales	14.77	9.27
	Domestic sales	150.53	131.83
	Other operating revenues	0.55	0.38
	Total	165.85	141.48
23	Other income	31 March 2020	31 March 2019
	Interest income	0.02	0.01
	Miscellaneous income	0.23	0.07
	Gain on foreign exchange (net)	0.70	-
	Total other income	0.95	0.08
24	Cost of material consumed	31 March 2020	31 March 2019
	Inventory at the beginning of the year	7.70	8.88
	Add: Purchases	81.21	89.67
	Less: Inventory at the end of the year	6.37	7.70
	Cost of raw material consumed	82.54	90.85
25	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31 March 2020	31 March 2019
	Inventories at the beginning of the year		
	-Finished goods	2.81	1.46
	-Work-in-progress	6.49	6.41
		9.30	7.87
	Less: Inventories at the end of the year		
	-Finished goods	2.92	2.81
	-Work-in-progress	7.42	6.49
		10.34	9.30
	(Increase) / Decrease in inventories	(1.04)	(1.43)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(Amount in crores, unless otherwise stated)

26	Employee benefits expense	31 March 2020	31 March 2019
	Salaries, wages, bonus and other allowances	8.80	7.88
	Contribution to Provident Fund	0.30	0.27
	Gratuity (Refer note 32)	0.14	0.12
	Staff welfare expenses	0.21	0.24
	Total	9.45	8.51

27	Finance costs	31 March 2020	31 March 2019
	Interest on borrowing	4.64	4.81
	Total	4.64	4.81

28	Depreciation and amortization expense	31 March 2020	31 March 2019
	Depreciation	4.78	4.41
	Total	4.78	4.41

29	Other expenses	31 March 2020	31 March 2019
	Stentering, weaving & other processing charges	28.36	24.91
	Power & fuel	2.18	1.79
	Packing material expenses	1.54	1.28
	Repairs & maintenance:		
	Plant & machinery	0.25	0.24
	Building	0.77	0.34
	Other	0.21	0.33
	Other manufacturing expenses	5.50	4.70
	Stores and spares consumed	3.00	3.02
	Rent, rates & taxes	1.03	0.73
	Travel and conveyance	0.68	0.88
	Auditors remuneration*	0.04	0.03
	Legal and professional charges	0.52	0.35
	Insurance charges	0.31	0.14
	Loss on sale/disposal of fixed assets	0.00	0.00
	Foreign exchange fluctuation	-	0.14
	Miscellaneous expenses	1.64	1.33
	Technical knowhow/royalty fees	0.11	0.15
	Transportation charges	7.41	5.08
	Rebates, discounts & customer claims	4.44	2.59
	Total	57.99	48.03

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(Amount in crores, unless otherwise stated)

	31 March 2020	31 March 2019
As auditor:		
Statutory audit	0.04	0.03
In other capacity:		
Reimbursement of expenses	0.00	0.00
Total	0.04	0.03

30 Income Tax

(A) Deferred tax relates to the following:	31 March 2020	31 March 2019
Deferred tax assets		
MAT Credit Entitlement	3.85	3.85
	3.85	3.85
Deferred tax liabilities		
On property, plant and equipment	2.88	2.27
	2.88	2.27
Deferred tax asset(liabilities), net	0.97	1.58

In absence of reasonable certainty of taxable income in future years, during the year ended 31 March 2020, the Company has created deferred tax asset on unabsorbed depreciation and other items to the extent of deferred tax liability. During the year ended 31 March 2019, 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 2020	31 March 2019
Deferred tax asset	3.85	3.85
Deferred tax liabilities	(2.88)	(2.27)
Deferred tax assets/ (liabilities), net	0.97	1.58

(C) Reconciliation of deferred tax assets/ (liabilities) (net):	31 March 2020	31 March 2019
Opening balance as of 1 April	1.58	(0.72)
Tax asset recognized in statement of profit and loss	(0.61)	2.30
Closing balance as at 31 March	0.97	1.58

(D) Tax losses of (31 March 2020: ₹ 23.57) 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 2020

(Amount in crores, unless otherwise stated)

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

	31 March 2020	31 March 2019
Profit/ (Loss) attributable to equity holders	9.02	(11.32)
Total number of equity shares for basic EPS	10,723,207.00	10,723,207.00
Basic	8.41	(10.56)
Diluted	8.41	(10.56)

32 Employee benefits

(A) Defined Contribution Plans	31 March 2020	31 March 2019
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)	0.30	0.27
(B) Defined benefit plans		
a) Gratuity payable to employees		
i) Actuarial assumptions		
Discount rate (per annum)	5.76%	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	0.70	0.55
Interest cost	0.05	0.04
Past service cost	-	-
Current service cost	0.09	0.08
Benefits paid	(0.03)	(0.05)
Actuarial (gain)/ loss on obligations	0.06	0.08
Present value of obligation at the end of the year*	0.87	0.70
*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	0.09	0.08
Interest cost	0.05	0.04
Actuarial (gain) / loss on obligations transferred to OCI	0.06	0.08
Total expenses recognized in the Statement Profit and Loss*	0.20	0.20
*Included in Employee benefits expense (Refer Note 26).		

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(Amount in crores, unless otherwise stated)

iv) Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
	31 March 2020	31 March 2019
Present value of unfunded obligation as at the end of the year	0.87	0.70
Unfunded net asset / (liability) recognized in Balance Sheet*	0.87	0.70
*Included in provision for employee benefits (Refer note 15)		
	31 March 2020	31 March 2019
v) Expected contribution to the fund in the next year		
Gratuity	0.16	0.14
vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:		
Impact on defined benefit obligation	Employee's gratuity fund	
Discount rate		
1% increase	(0.04)	(0.03)
1% decrease	0.05	0.03
Rate of increase in salary		
1% increase	0.04	0.03
1% decrease	(0.04)	(0.03)
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 2020	31 March 2019
1st Following Year	0.12	0.10
2nd Following Year	0.12	0.10
3rd Following Year	0.11	0.09
4th Following Year	0.10	0.09
5th Following Year	0.09	0.08
Sum of Years 6 to 10	0.32	0.28
Sum of Years 11 and above	0.35	0.31

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.

Relationship

Entity in which director has common control

Entity in which director has common control

Common Promoter

Key Management Personnel (KMP)

Mr. Ajay Anand

Managing Director

Mr. V. Sivakumar

President & CFO

Mr. Akram Sati

Company Secretary

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(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 2020	31 March 2019
Purchase of Goods & Services	23.01	24.62
Sale of Goods & Services	0.92	0.47
Lease Rent Expenses	0.71	0.42
Lease Rent Income	-	-
(ii) Key Management Personnel (KMP)		
Compensation of key management personnel (employee benefit)	0.75	0.79
(C) Amount due to related party as on	31 March 2020	31 March 2019
(I) Aunde Achter & Ebels GMBH		
Short term borrowing	-	12.75
(ii) 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 2020, 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 2020

(Amount in crores, unless otherwise stated)

Fair value measurement hierarchy of assets

	31 March 2020	31 March 2019
Level 3:		
Financial assets measured at amortized cost		
Trade receivables	40.48	35.19
Security deposits	0.20	0.20
Cash and cash equivalents	0.32	0.13
Bank balances other than cash and cash equivalent	0.06	0.38
Interest accrued on fixed deposits	0.00	0.00
Other current assets	2.13	2.03
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 heirarchy due to the inclusion of unobservable inputs.		
Financial liability measured at amortized cost		
Borrowings	56.88	72.22
Trade payables	16.94	14.34
Interest accrued but not due on loan	0.18	0.17
Other current liabilities	4.51	2.42

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 heirarchy 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 2019-20	25 bps	0.11
FY 2018-19	25 bps	0.11

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2020

(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 2020	31 March 2019
Trade receivables (unhedged) (INR)	6.17	3.63
Trade receivables (unhedged) (USD)	0.08	0.05
Trade receivables (unhedged) (EURO)	-	0.00

The following significant rate have been applied during the year	Year End Spot Rate	
	31 March 2020	31 March 2019
USD 1	75.39	69.17
EURO 1	83.05	77.70

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
2019 (USD/INR)	1.00%	0.06
2018 (USD/INR)	1.00%	0.04

(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 2020

(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 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
31 March 2019					
Short term borrowings	27.36	-	-	-	27.36
Long-term borrowings	-	-	15.24	25.92	41.16
Trade payables	14.34	-	-	-	14.34
Other financial liabilities	0.92	2.94	-	-	3.86
Total	42.62	2.94	15.24	25.92	86.72

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 2020	31 March 2019
Total equity	(i)	25.54	5.76
Total debt	(ii)	56.88	72.22
Overall financing	(iii) = (i) + (ii)	82.42	77.98
Gearing ratio	(ii)/ (iii)	0.69	0.93

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

38 Contingent Liability and commitments

Contingent liabilities (to the extent not provided for)	31 March 2020	31 March 2019
Guarantees and Letter of Credit	0.46	3.60
	0.46	3.60

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 2020

(Amount in crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	0.03	0.05
Interest due on above	-	-
Total	0.03	0.05

- 40** In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24,2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factory since April 21,2020 on a gradual basis in line with the guidelines issued by the Government Authorities.
- 41** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

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: June 1, 2020

**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

Akram Sati
Company Secretary
Membership No: 50020