FAZE THREE Autofab 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

November 6, 2023

To,
Department of Corporate Services,
BSE Limited,
P. J. Towers, Dalal Street,
Mumbai – 400 001.
Dear Sir/Ma'am,

Sub: **Submission of Exit Offer Public Announcement ("EOPA") in relation to voluntary delisting of the equity shares of the Company ("Delisting Offer") from BSE Limited in accordance with SEBI (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations")**

Ref: **FAZE THREE Autofab Limited (SCRIP CODE: 532459)**

This is in reference to the voluntary delisting of equity shares of our Company, Faze Three Autofab Limited, from BSE Limited. We hereby wish to inform you that, the EOPA was published today i.e. November 06, 2023 in the following newspapers pursuant to the applicable provisions of the Delisting Regulations.

Newspaper Name	Language	Edition
Business Standard	English	All editions
Business Standard	Hindi	All editions
Navshakti	Marathi	Mumbai edition

Accordingly, in terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby enclosing e-copy of the above newspapers.

The above information will also be made available on the Company's website www.fazethreeautofab.com.

You are requested to kindly take the same on record.

Thanking You,

Yours faithfully,
For **FAZE THREE Autofab Limited**

AKRAM HASAN SATI
Digitally signed by AKRAM HASAN SATI
Date: 2023.11.06 20:47:49 +05'30'

Akram Sati
Company Secretary and Compliance Officer
M. No. A50020

Encls.: A/a

Savour the joys of delayed gratification

TRUTH BE TOLD

HARSH ROONGTA

It was October 2000. The start-up I had co-founded six months ago was in trouble. The original plan to become an online Direct Selling Agent (DSA) for car loans (clients compared and chose from competitive online car loan quotations) had not worked as anticipated. We were forced to pivot the model and become online DSAs for credit cards. This took off well and helped the start-up survive.

While I understood why credit cards were popular among individuals, I always wondered why shopkeepers accepted them. If a customer bought goods worth ₹1,000 and paid in cash, the shopkeeper received the entire amount immediately. But if the customer used a credit card, the shopkeeper only received ₹990, and that, too, after a delay. My banking friends explained that data proved people shopped for more (or bought upgraded versions that were more profitable) when paying through a credit card. This increase in sales (and profitability) more than made up for the 1 per cent commission the shopkeeper paid to the bank.

This 90-second video by behavioural economist Dan Ariely (https://vimeo.com/62116854) brilliantly explains how credit cards promote instant gratification, and lead to over-purchase by artificially expanding the money available and by removing the "pain of paying".

This also accounts for the stupendous popularity of "Buy Now Pay Later" (BNPL) credit products. Replacing the full purchase price with a much lower monthly instalment appeals to the buyer's "instant gratification" buttons.

Unsecured loans are growing at an explosive rate currently. India's savings rate on a net basis (that is, savings minus borrowings) has touched a 40-year low. For the first time ever, households are borrowing more than they are saving through bank deposits. On March 31, 2023, banks' personal loans outstanding (made to households) stood at ₹40 trillion, for the first time surpassing the amount (₹33 trillion) lent to industry (this data is from a Marcellus Investment Managers blog). The rapid growth in unsecured loans has led to the Reserve Bank of India cautioning "banks to strengthen their internal surveillance systems, watch the trends, and take whatever measures are required".

Practise Pay Now Buy Later (PNBL). Invest a few thousand rupees each month and buy the item by redeeming your investments upon reaching the required amount

Those over-borrowing through unsecured loans are essentially pre-empting their future incomes to pay for today's consumption. Yet, loans are not always bad. Very few citizens would be able to buy their own homes, cars or two-wheelers if they did not take a loan.

While advising clients, we use the Double A framework to distinguish between good and not-so-good loans. Good loans should 'add' to assets or income and be 'appropriate'. Home loans add to assets while an education loan adds to income-earning capability. But both need to be appropriate. A household earning ₹1 lakh per month should not take a loan to buy a home that costs ₹1 crore, as it is well beyond their repayment capability. Home, education, two-wheeler and car loans of appropriate value add to an individual's assets or earning capacity and have a multiplier effect on the economy.

Truth be told, resisting the allure of an easily available unsecured loan, which satisfies the need for instant gratification, is difficult. Yet, practising delayed gratification, even if the delay is only for a few months, can be rewarding. I recommend a Pay Now, Buy Later (PNBL) plan. If an item costs ₹12,000 and is not immediately affordable, then instead of taking a loan, start investing ₹4,000 per month for the next three months (or ₹2,000 for the next six months) and buy the item after redeeming the investments. The anticipation before the purchase and the pleasure of doing so from your own resources will result in a manifold increase in enjoyment. Sometimes, the introduction of the "pain of paying" and the delay before the purchase may make you realise that you don't really wish for it.

In that case, you can have the pleasure of using the money for a more worthy item or for long-term purposes. Delayed gratification has its own rewards.

The writer heads Fee-Only Investment Advisors LLP, a Sebi-registered investment advisor; X: @harshroongta

If overweight, prune smallcap exposure amid rising volatility

Investors who are unable to build and rebalance a diversified portfolio may consider hybrid funds

SANJAY KUMAR SINGH & KARTHIK JEROME

The equity market has witnessed considerable turbulence over the past month. The Nifty50 fell from 19,811 on October 17 to 18,857 on October 26, before recovering to 19,230 by November 3. Investors need to gird themselves for the possibility of more volatility in the coming months.

Rise in US benchmark yield

Several factors are contributing to the current surge in volatility. Says S Naren, executive director and chief investment officer, ICICI Prudential Asset Management Company: "Markets have been volatile of late owing to worsening geopolitical tensions, rising US yield, persistent inflation, and high crude oil prices. If the geopolitical conflict lingers, global growth could be impacted."

Stay invested

Investors must continue with their allocation to equities due to India's prospects. Says Naren: "India has one of the world's best structural stories. The economy is poised for growth owing to strong fundamentals and a number of structural reforms that are in progress. Demographics and demand are also favourable for the economy." Naren adds that corporate debt has declined sharply in recent years, paving the way for the start of an investment cycle, and impaired loans are declining, suggesting stability within the banking sector.

Get accustomed to volatility

Volatility is an inherent part of the equity market. Says Deepesh Raghaw, a Securities and Exchange Board of India (Sebi) registered investment advisor: "Some negative development or the other keeps occurring: the taper tantrum in 2013, demonetisation in 2016, mid- and small-cap drawdown in 2018-19, the March 2020 correction owing to the onset of Covid, the start of the Russia-Ukraine war in February 2022, and global inflation leading to sharp rate hikes by central banks in 2022-23." Investors must learn to take volatility in their stride. Only money not required over the next 7-10 years should be allocated to equities. Investors must school themselves not to get perturbed by interim volatility.

USE TAX-LOSS HARVESTING TO PARE LIABILITY

- Investors can use tax loss harvesting to lower their tax liability
- Equity stocks or funds experiencing consistent price decline, with little chance of recovery, can be sold and the realised loss adjusted against the year's capital gains
- Long-term capital gain (LTCG) on the sale of listed shares or equity mutual funds is exempt from taxation up to ₹1 lakh, so investors need not opt for tax loss harvesting if LTCG does not exceed this amount
- Long-term capital loss can be set off only against long-term capital gain
- Short-term capital loss can be set off against long- as well as short-term capital gain
- Both long- and short-term capital losses can be carried forward for up to eight subsequent years

Source: RSM India

Build asset-allocated portfolio

Many new investors start off with 100 per cent equity portfolios. When the inevitable downturn comes, they find it hard to tolerate the drawdown. They must diversify their portfolios across equities, fixed income, gold and real estate and follow a proper asset allocation strategy. "The right asset allocation is one that allows you to sleep peacefully at night," says Raghaw.

Ankur Kapur, investment advisor, Plutus Capital suggests starting with a 50:50 allocation to equities and debt and figuring out over time the allocation that is right for you. "If you are young, have a long investment horizon, and a reasonably high tolerance for volatility, go for a 75:25 allocation. If not, stick to a 50:50 allocation or an even lower equity exposure," he says.

Check sub-asset allocation

Experts are advising investors to tilt their portfolios towards large-cap stocks. Says Kapur: "The risk-reward ratio is certainly in their favour. However, such advice that entails market timing is more relevant to direct stock investors." Mutual fund investors should just stick to their original sub-asset allocation.

With the small-cap segment outperforming (the Nifty Small Cap 250 Index has returned 31.2 per cent over the past year), many portfolios are heavily exposed to small-cap funds. Says Raghaw: "If after the recent rally, your exposure to mid- and small-cap funds has increased beyond your original allocation, and you believe a market downturn could lead to a sharp drawdown in this segment, reduce your exposure to it and bring it back to the original level." Allocation to small-cap funds should not exceed 10-15 per cent of the equity portfolio. Avoid lump-sum investments in mid- and small-cap funds currently.

Consider hybrid funds

Investors who can't build a diversified portfolio and rebalance it periodically may consider a hybrid fund. Naren suggests investing in a multi-asset fund. "Such a fund allows an investor exposure to three or more asset classes within a single fund. Even if one asset class turns volatile, the impact on the portfolio is limited owing to the presence of other asset classes which may perform well, thereby limiting the downside," he says.

Raghaw suggests going for a balanced advantage fund with a sound long-term track record.

Jettison poor-quality stocks

Many investors have taken the direct equity route and invested heavily in small-cap stocks.

With volatility expected to continue, investors must retain only quality stocks in their portfolios. "When the market falls, poor-quality stocks fall more. Quality stocks not only fall less but also recover faster," says Kapur. Be wary of liquidity risk in small caps. Says Jatin Khemani, managing partner and chief investment officer, Stalwart Investment Advisors LLP, a New Delhi-based Sebi-registered Portfolio Management Services firm: "Be careful with illiquid stocks, especially in the small and medium enterprises and microcap segments. It is easy to enter them in good markets amid strong momentum, but difficult to exit them in a bad market."

In recent times, order book-driven, EPC (Engineering, Procurement and Construction), and public-sector businesses have done well. Khemani suggests pruning exposure to such stocks. "In cyclical businesses, profits must be booked on the way up or else things revert to where they started or even go negative," he says.

He suggests rotating one's portfolio towards more predictable and reasonably valued businesses.