FAZE 3 LIMITED

September 05, 2024

To,

BSE Limited Department of Corporate Services, P. J. Towers, Dalal Street, Mumbai – 400 001. **Scrip Code: 530079**	**National Stock Exchange of India Limited** Listing Compliance Department, Exchange Plaza, Plot No. C/ 1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. **Symbol: FAZE3Q**

Dear Sir/Ma'am,

Sub: Submission of Notice of 39th Annual General Meeting ('AGM') of the Company along with the Annual Report for the Financial Year ended March 31, 2024

Pursuant to Regulation 30 and 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation"), we are submitting herewith the 39th Annual Report of the Company for the Financial Year ended March 31, 2024 along with the Notice convening the 39th AGM of the Company scheduled to be held on Friday, September 27, 2024 at 05:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The aforesaid Notice and Annual Report are being sent to all the members of the Company whose email addresses are registered with the Company and/or Depository Participant(s)/ Link Intime India Private Limited (Company's Registrar and Transfer Agent) and the same is also available on the Company's website on the link referred below:

Link: https://www.fazethree.com/wp-content/uploads/2425/FAZE3ANNUALREPORT2024.pdf.

You are requested to kindly take the same on record.

Thanking You,

Yours Sincerely,
For Faze Three Limited

AKRAM HASAN SATI
Digitally signed by AKRAM HASAN SATI
Date: 2024.09.05 18:27:21 +05'30'

Akram Sati
Company Secretary & Compliance Officer
M. No.: A50020

Encl: a/a

FAZE 3 LIMITED

39th Annual Report
2023-24

FAZE THREE LIMITED

39TH ANNUAL REPORT 2023-24

1. Day and Date of Annual General Meeting	: Friday, September 27, 2024
2. Time and venue	: 05.00 p.m. through Video Conferencing
3. Book Closure	: Friday, September 20, 2024 to Thursday, September 26, 2024 (both days inclusive)

Contents

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Mr. Ajay Anand
(DIN: 00373248)
Chairman & Managing Director

Mr. Sanjay Anand
(DIN: 01367853)
Whole-time Director

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

Mr. Ankit Madhwani
Chief Financial Officer

Mr. Akram Sati
C.S. & Compliance Officer
(w.e.f. January 05, 2024)

INDEPENDENT DIRECTORS

Mr. Vinit Rathod
(DIN: 07589863)

Mr. Manan Shah
(DIN: 07589737)

Mr. James Barry Leonard
(DIN: 09744803)

Mr. Chuji Kondo
(DIN: 09744760)

BOARD COMMITTEES

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	CSR Committee
Mr. Vinit Rathod (Chairman)	Mr. Vinit Rathod (Chairman)	Mr. Vinit Rathod (Chairman)	Mr. Ajay Anand (Chairman)
Mr. Ajay Anand	Mrs. Rashmi Anand	Mr. Ajay Anand	Mr. Sanjay Anand
Mr. Manan Shah	Mr. Manan Shah	Mr. Manan Shah	Mr. Manan Shah

BANKERS

Yes Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Standard Chartered Bank
Federal Bank Limited

STATUTORY AUDITORS

M/s. MSKA & Associates,
Chartered Accountants, Mumbai.

SECRETARIAL AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

CORPORATE OFFICE

63, Mittal Court, Wing C, Nariman Point,
Mumbai – 400 021.
Phone: 022 4351 4444/400

MANUFACTURING UNITS

Dapada (Reg. Office)
Survey No. 380/1, Khanvel Silvassa Road,
Dapada, Silvassa – 396230
UT of Dadra and Nagar Haveli

Dadra
Survey No. 356/1&2, Village Dadra,
Dadra, Silvassa – 396193
UT of Dadra and Nagar Haveli

Vapi
Plot No. 71, Phase I, GIDC Indl. Estate,
Vapi – 396195, Gujarat

Panipat
Unit 1: Jatal Road, Anand Nagar, Panipat, Haryana

Unit 2: G.T. Road, Opposite B.B.M.B. Residency Colony,
Panipat 132103, Haryana

Unit 3: Panipat Gohana National Highway -71A, Village
Mehrana Distt., Panipat-132103, Haryana

Aurangabad
Unit 1: H- 33, MIDC Waluj, Aurangabad – 431 136
Unit 2: L-16/17 MIDC, Waluj, Aurangabad – 431 136

Faze Three Limited has been declared as the Award Winner of Dun & Bradstreet – " G7 CR Technologies Business Enterprises of Tomorrow Summit 2024" Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles.

The Publication can be viewed at:
https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx

Faze Three Limited has been declared as the Award Winner of
Dun & Bradstreet – "Business Enterprises of Tomorrow Awards 2022"
Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles.

The Dun &
Bradstreet Business
Enterprises of
Tomorrow 2022
Awards Trophy

The Publication can be viewed at:
https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx

Faze Three Limited has been declared as the Award Winner of Dun & Bradstreet – Business Enterprises of Tomorrow Awards 2021 under Best Global Business Category (Mid-Corporates).

The Dun & Bradstreet Business Enterprises of Tomorrow Awards 2021 Trophy

The award presentation can be viewed at:
https://youtu.be/EwWKfyHEwPw

The RBL Bank SME Business Excellence Awards 2019 trophy

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LEADING MID-CORPORATES OF INDIA

• 2020 •

Faze Three Limited being part of Leading Mid Corporates of India 2020 published in India by Dun & Bradstreet Information Services India Pvt. Ltd.

The Publication can be viewd at
https://www.dnb.co.in/events/business-enterprises-of-tomorrow/#aboutPub

Mr. Ajay Anand and Mr. Sanjay Anand, Directors of Faze Three Limited accepting the **Dun and Bradstreet- RBL Bank SME Business Excellence Awards 2019 in the Mid-Corporate Segment for excellence in the Textiles Sector** alongside Shri Pratap Chandra Sarangi, Hon'ble Minister of State for MSME and Animal Husbandry, Dairying and Fisheries.

NOTICE
39TH ANNUAL GENERAL MEETING OF
FAZE THREE LIMITED

Notice is hereby given that the **THIRTY NINTH ANNUAL GENERAL MEETING** of the Members of **FAZE THREE LIMITED** will be held on Friday, September 27, 2024 at 05.00 p.m. through video conferencing or other audio - visual means to transact the following businesses:

ORDINARY BUSINESS:

1. **Receive, consider and adopt the:**

   a. Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of Board of Directors and Auditors thereon.

   b. Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 together with the report of Auditors thereon.

2. Appointment of Director in place of Mr. Ajay Anand (DIN: 00373248), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197,203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Ajay Anand (DIN: 00373248), aged 69 years, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from April 1, 2025 to March 31, 2030 on such terms and conditions and such remuneration, as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration, perquisites and other allowances and benefits provided that it shall not exceed the limits laid down in Section 197 read with Schedule V of the Act, including any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee the remuneration as the minimum remuneration for a period of 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances and benefits as specified in explanatory statement, subject to receipt of the requisite approvals, if any.

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

4. **Re-appointment of Mr. Sanjay Anand (DIN: 01367853) as the Whole-time Director of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay Anand (DIN: 01367853), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, as the Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from April 1, 2025 to March 31, 2030 on such terms and conditions and such remuneration, as set out in the Explanatory Statement annexed to this Notice.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration, perquisites and other allowances and benefits provided that it shall not exceed the limits laid down in Section 197 read with Schedule V of the Act, including any statutory modifications or re-enactment thereof.

   RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee the remuneration as the minimum remuneration for a period of 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances and benefits as specified in explanatory statement, subject to receipt of the requisite approvals, if any.

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

5. **Enhancement of limits of Material Related Party Transactions for Financial Year 2024-25**

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

   "RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other relevant regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), as amended from time to time, and the provisions of Section 188 of the Companies Act, 2013 ('Act') and other applicable provisions, if any, read with the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for time being in force] and the Company's Policy on 'Materiality of Related Party Transactions and on dealing with Related Party Transactions', and based on the recommendation of the Audit Committee and the Board of Directors of the Company and in supersession of the earlier resolution passed by the members at their 38th Annual General Meeting of the Company, consent of the Members be and is hereby accorded to the Company to continue with the existing contract(s)/ arrangement(s)/ transaction(s)/ agreement(s) and/ or enter into and/ or carry out new contract(s)/arrangement(s)/transaction(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), as detailed in the Explanatory Statement with Faze Three Autofab Limited ('FTAL'), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for an enhanced aggregate limit/value not exceeding Rs. 92.5 Crores (Rupees Ninety- Two Crores and Fifty Lakhs Only) from previous limit of Rs. 87.5 Crores (Rupees Eighty- Seven Crores and Fifty Lakhs Only) for the Financial Year 2024-2025, subject to such contract(s)/arrangement(s)/transaction(s)/ agreement(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall deemed to have approved, ratified and confirmed in all respects thereto expressly by the authority of this resolution."

6. **Approval of Material Related Party Transactions for a period of 5 years from FY 2025-26 to FY 2029-30**

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

"RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other relevant regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), as amended from time to time, and the provisions of Section 188 of the Companies Act, 2013 ('Act') and other applicable provisions, if any, read with the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for time being in force] and the Company's Policy on 'Materiality of Related Party Transactions and on dealing with Related Party Transactions', and based on the recommendation of the Audit Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded to the Company to continue with the existing contract(s)/ arrangement(s)/ transaction(s)/ agreement(s) and/ or enter into and/ or carry out new contract(s)/arrangement(s)/transaction(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), as detailed in the Explanatory Statement with Faze Three Autofab Limited ('FTAL'), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the next 5 financial years, i.e, from FY 2025-26 to FY 2029-30 subject to such contract(s)/arrangement(s)/transaction(s)/ agreement(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall deemed to have approved, ratified and confirmed in all respects thereto expressly by the authority of this resolution."

7. **Introduction, Adoption and Implementation of 'Faze Three Employee Stock Option Scheme 2024'**

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

"**RESOLVED THAT** pursuant to (i) Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder ('SBEB Regulations'), (ii) Section 62(1)(b) and other provisions of the Companies Act, 2013 ('Act') read with the relevant Rules made thereunder (including any amendments, modifications and/ or re-enactments thereof for the time being in force), (iii) the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (iv) the applicable provisions of the Foreign Exchange Management Act, 1999, the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by Reserve Bank of India, as amended and enacted from time to time, (v) the relevant provisions of the Memorandum and Articles of Association of the Company and (vi) any other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members of the Company be and is hereby accorded for the introduction and implementation of 'Faze Three Employee Stock Option Scheme 2024' ('ESOP 2024'/'Scheme') and authorising the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ('NRC'), which has been designated as the Compensation Committee for the purpose of Regulation 5 of the SBEB Regulations) to exercise its powers including the powers conferred by this resolution to adopt and implement the ESOP 2024, the salient features of which are furnished in the Explanatory Statement.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any committee, including the NRC which the Board has designated as Compensation Committee to exercise its powers, including the powers, conferred by this resolution) to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Employee Stock Options ('Options') to the eligible employees (present and future) of the Company (working in India or outside India) exercisable into not exceeding 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) equity shares of the face value of ₹ 10 (Rupees Ten only) each fully paid-up, being 4.5% of the Paid-Up Equity Capital of the Company as on March 31, 2024, and to issue, transfer, allot such number of equity shares to the option grantees through the Faze Three Employee Trust ('Trust'), where 1 (One) Option would convert into 1 (One) equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2024.

RESOLVED FURTHER THAT out of the overall pool of 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Equity Shares, the Trust may acquire such quantity of equity shares by way of secondary acquisition from the market and/or fresh allotment by the Company as decided by the Nomination and Remuneration Committee, or other modes as permissible under the SBEB Regulations and other applicable laws from time to time.

RESOLVED FURTHER THAT the equity shares allotted pursuant to the exercise of the Options, shall rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation, split, change in capital structure of the Company, as applicable from time to time, if any additional Options are granted or equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling of total number of Options and equity shares specified above shall be deemed to be increased to the extent of such additional Options granted or equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub division or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the ESOP 2024 and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any committee, including the NRC which the Board has designated as Compensation Committee to exercise its powers, including the powers, conferred by this resolution), subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme unless such change is detrimental to the interest of the employees of the Company including authorization to take requisite steps for listing of the equity shares allotted under ESOP 2024 on the Stock Exchanges where the equity shares of the Company are listed in due compliance with SEBI Regulations and other applicable laws and authorisation or issuance of directions to appoint merchant bankers, advisors, solicitors, consultants or representatives, being incidental to the effective implementation and administration and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to give and to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution."

8. **Extension of Faze Three Employee Stock Option Scheme 2024 to the employees of group company(ies) including subsidiary company(ies) or its associate company(ies), in India or Outside India.**

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

"**RESOLVED THAT** pursuant to (i) Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder ('SBEB Regulations'), (ii) Section 62(1)(b) and other provisions of the Companies Act, 2013 ('Act') read with the relevant Rules made thereunder (including any amendments, modifications and/ or re-enactments thereof for the time being in force), (iii) the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (iv) the applicable provisions of the Foreign Exchange Management Act, 1999, the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by Reserve Bank of India, as amended and enacted from time to time, (v) the relevant provisions of the Memorandum and Articles of Association of the Company and (vi) and any other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable and subject further to such other approval(s), consent(s), permission(s), and/or sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of Faze Three Employee Stock Option Scheme – 2024 ('ESOP 2024'/'Scheme') including the grant of Employee Stock Options ('Options') and issuance of Equity Shares ('Shares') thereunder, to such Employees and Directors (In India or Outside India, Present and Future) of the Group Company(ies) including Subsidiary Company(ies) and/or its Associate Company(ies), in India or outside India, Present and Future, and/or of a Holding Company of the Company (if any in the Future), (as permitted under the applicable laws) and to such other persons as may, from time to time on such terms and in such manner as the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ('NRC'), which has been designated as the Compensation Committee for the purpose of Regulation 5 of the SBEB Regulations) may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT that the aggregate Options that may be granted to Employees and Directors of the Group Company(ies) including Subsidiary Company(ies) or its Associate Company(ies), or of a Holding Company of the Company, as mentioned above, together with the Options that may be granted to Employees and Directors of the Company, in one or more tranches, shall not exceed 4.5% percent of the Paid-Up Equity Capital of the Company as on March 31, 2024, comprising of 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Employee Stock Options, exercisable into not more than 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Equity Shares of face value of ₹ 10/- each fully paid up on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the equity shares allotted pursuant to the exercise of the Options, shall rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation, split, change in capital structure of the Company, as applicable from time to time, if any additional Options are granted or equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling of total number of Options and equity shares specified above shall be deemed to be increased to the extent of such additional Options granted or equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub division or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the ESOP 2024 and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution and to nominate and appoint one or more persons for carrying out any or all of the activities that they are authorised to do for the purpose of giving effect to this resolution."

9. **Implementation of Faze Three Employee Stock Option Scheme, 2024 through Trust and secondary acquisition of equity shares of the Company by the Trust.**

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

   "**RESOLVED THAT** pursuant to (i) the provisions of Regulation 6(3)(a) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations'), (ii) applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re–enactment thereof), (iii) the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (iv) Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ('NRC'), which has been designated as the Compensation Committee to exercise the powers as conferred under this resolution and for the purpose of Regulation 5 of the SBEB Regulations) to acquire by way of secondary acquisition of upto 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five Equity Shares ('Shares') of the Company by Faze Three Employee Trust (or such other name as NRC/ Compensation Committee may deem appropriate and approved by relevant authorities (if required) ('Trust'), in one or more tranches, and at such price or prices and on such terms and conditions, as may be determined by the Board of Director (referred to as the 'Board' which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ('NRC'), which has been designated as the Compensation Committee to exercise the powers as conferred under this resolution), for the purpose of implementation of Faze Three Employee Stock Option Scheme 2024 ('ESOP 2024'/'Scheme'), in due compliance with the provisions of the SBEB Regulations.

RESOLVED FURTHER THAT the number of Shares under secondary acquisition to be acquired and/ or held by the Trust in pursuance to the Scheme shall, at all times, be within the limits specified under the provisions of the SBEB Regulations, as amended from time to time.

RESOLVED FURTHER THAT the above limits shall automatically include within their ambit the expanded or reduced capital of the company where such expansion or reduction has taken place on account of corporate action(s) including issue of bonus shares, stock splits, consolidations, rights issue, buy-back, scheme of arrangement or other re-organisation of capital structure of the Company as may be applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary and incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

10. **Provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Faze Three Employee Stock Option Scheme, 2024.**

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

"**RESOLVED THAT** pursuant to (i) the provisions of Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any amendment thereto or re–enactment thereof), (ii) the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations'), (iii) the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing

Regulations), (iv) Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ("NRC"), which has been designated as the Compensation Committee to exercise the powers as conferred under this resolution and for the purpose of Regulation 5 of the SBEB Regulations), to grant interest free loan, to provide guarantee or security in connection with a loan granted or to be granted, to Faze Three Employee Trust ('Trust'), on such terms and conditions as may be deemed fit by the Board, in one or more tranches not exceeding 5% (Five percent) of the aggregate of the Paid-Up share capital and Free Reserves, or other limit as prescribed under the applicable laws, from time to time, for the purpose of purchase of fully paid-up Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares ('Shares') as may be prescribed under Faze Three Employee Stock Option Scheme 2024 ('ESOP 2024'/'Scheme') or any other share based Employee benefit scheme which may be introduced by the Company from time to time ('Employee Benefit Scheme(s)') or for employee Welfare (including but not limited education, health) as may be permissible under SBEB Regulations, with a view to purchase/deal in such Shares in line with contemplated objectives of the Scheme or for any related purpose(s) as permitted under and in due compliance with the provisions of the SBEB Regulations, the Act and any other applicable laws and regulations.

RESOLVED FURTHER THAT the above prescribed limit shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.

RESOLVED FURTHER THAT loan provided by the Company shall be subject to the terms and conditions, including but not limited to, as given herein below:

a) the loan shall be interest free;
b) the tenure of such loan shall be till the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier;
c) the utilization of such loan shall be for the objects of the Trust as mentioned in the Trust Deed, and
d) the Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options and the accruals of the Trust during the tenure of the Scheme or at the time of termination of the Scheme.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may deem necessary or expedient and are also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

Place: Mumbai
Date: September 04, 2024

By Order of the Board of Directors,
Faze Three Limited

Sd/-
Akram Sati
Company Secretary & Compliance Officer
Mem. No.: A50020

Registered Office address:
Survey No. 380/1, Khanvel Silvassa Road, Village Dapada,
UT of D&NH and D&D 396230, India

CIN: L99999DN1985PLC000197
Website: www.fazethree.com
Email id: cs@fazethree.com
Tel: 91 (22) 43514444/ 66604600

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the "Act") in respect of business to be transacted at the 39th Annual General Meeting ("AGM"), as set out under Item No. 3 to 10 above and the relevant details of the Directors being re-appointed as mentioned under Item No. 2, 3 & 4 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.

2. Ministry of Corporate Affairs ("MCA") vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, ('MCA Circulars') has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The Company has availed the services of National Securities Depository Limited (NSDL) for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Serial no. 20).

3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

4. Pursuant to the MCA Circulars read with Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/PoD2/P/2023/120 dated July 11, 2023 and Circular No. SEBI/ HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023, as the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to this Notice. Further, attendance slip including route map is not annexed to this Notice. However, the Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In accordance with the MCA Circulars, the Notice of 39th AGM and Annual Report for the financial year 2023-24 are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Further, the Notice of 39th AGM along with Annual Report for the financial year 2023-24 is also available on the website of the Company at www.fazethree.com, on the website of Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e- voting" tab in their login.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. The Register of Members and Share transfer books of the Company will remain closed from Friday, September 20, 2024 to Thursday, September 26, 2024, both days inclusive.

11. Members whose email address is not registered are requested to follow the below instructions:

    - For shares held in Electronic form: Register/ update the details in your demat account as per the process advised by your DP;

    - For Shares held in Physical form: Register/ update the details by sending duly filled Form ISR-1 (uploaded on the website of the Company/RTA) along with relevant proof to the Registrar and Share Transfer Agent, Link Intime India Private Limited at 247 Park, C-101, 1st floor, L.B.S Marg, Vikhroli (West), Mumbai-400083 or via email through your registered email address at rnt.helpdesk@linkintime.co.in.

12. The facility for registration of bank details for the Members holding shares in physical form is also available at https://linkintime.co.in/emailreg/email_register.html by providing details such as Bank Account No., Bank Name, IFSC code and also upload self-attested cancelled cheque leaf along with duly signed request letter.

13. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cs@fazethree.com .

15. The Board of Directors has appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries (Membership No. 2655, CP No. 1798), as the Scrutinizer for scrutinizing the voting process for the AGM in a fair and transparent manner and he has communicated his willingness to be appointed for the said purpose.

16. The Scrutinizer shall, after scrutinizing the votes cast through e-voting during the meeting and through

remote e-voting, not later than two working days from the conclusion of the Meeting, make a Scrutinizer's Report and submit the same to the Chairperson / Company Secretary who shall declare the results. Results of the voting will be declared by placing the same along with the Scrutinizer's report on the Company's website at www.fazethree.com and on the website of NSDL at www.evoting.nsdl.com and will also be communicated to BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.

17. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Link Intime India Private Limited having its office premises at C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai – 400083.

18. Members who would like to share their views, ask queries/ questions on the Annual Report/ Financial Statements/ affairs of the Company, etc., speak at the AGM, may send an email from their registered email address mentioning their name, DP ID and Client ID/folio number and mobile number to cs@fazethree.com, at least 48 hours before the AGM scheduled time which shall be addressed at the AGM suitably.

19. 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.

20. **The instructions for members for remote e-voting and joining annual general meeting are as under:**

    The remote e-voting period begins on **Tuesday, September 24, 2024 at 09.00 A.M. IST and ends on Thursday, September 26, 2024 at 05.00 P.M. IST.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. Friday, September 20, 2024**, may cast their vote electronically. The voting right of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Friday, September 20, 2024.**

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

    Step 1: Access to NSDL e-Voting system

    A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. 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.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Mr. Sagar Gudhate) at evoting@nsdl.com

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:

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

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

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

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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM 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 in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

21.**OTHERS:**

- 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 cs@fazethree.com.

- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed forms as available on the website of the RTA at https://web.linkintime.co.in/client-downloads.html and on the website of the Company at https://www.fazethree.com/important-announcement-for-physical-shareholders/

- SEBI has, vide its Master Circular dated May 07, 2024, had made it mandatory for holders of physical securities to furnish details of PAN, KYC (Postal Address, Mobile Number, E-mail, Bank Details, Signature) and Nomination/ Optout of Nomination. Accordingly, we urge Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details in the required forms with the supporting documents. The said SEBI circulars, key highlights of said circulars and the necessary forms are available on the Company' website for shareholder's information at https://www.fazethree.com/important-announcement-for-physical-shareholders-2/.

- During the 39th AGM, the Chairman shall respond to the questions raised by the Members in advance sent through email.

By **Order of the Board of Directors**
For **Faze Three Limited**

Place: Mumbai
Date: September 04, 2024

Sd/-
Akram Sati
Company Secretary & Compliance Officer
M. No. A50020

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PUSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 3

The Members at the 36th Annual General Meeting of the Company held on August 09, 2021 had approved the re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company for a period of 3 (three) years commencing from April 01, 2022 to March 31, 2025. Considering the aforementioned, the term of Mr. Ajay Anand as the Managing Director of the Company is near to conclusion on March 31, 2025.

Members are informed that Mr. Ajay Anand age is currently aged 69 years and during his new term, if reappointed, would attain age of 70 years and hence, as per the provision of Section 196(3) of the Companies Act, 2013 ('the Act') read with conditions specified in Part 1 of Schedule V of the Act, the said re-appointment is required to be approved by way of a special resolution.

Mr. Ajay's visionary guidance has been instrumental in driving company's growth. Under his mentorship, the Company has achieved steady growth, marked by consistent expansion, strategic initiatives, and a relentless pursuit of excellence. His ability to navigate through uncertainties and make well-informed decisions has ensured the sustainability of Company's operations. The Board is firmly convinced that his exceptional management skills and vast experience will continue to enrich and elevate the company's performance and success. Recognizing the significant role of Mr. Ajay for the overall growth and progress of the Company during the period and keeping in view the role and responsibilities shouldered by him, the Board of Directors at its meeting held on August 13, 2024, on the recommendation of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Ajay Anand as the Managing Director of the Company for a further period of 5 years, who shall be liable to retire by rotation, with effect from April 1, 2025 to March 31, 2030 on the terms and conditions as set out hereunder, subject to the approval of the Members.

Members are further informed that Mr. Ajay Anand is also the Managing Director of Faze Three Autofab Limited, an unlisted Public Company having common Promoters. Such role of Mr. Ajay Anand as Managing Director of both the Companies and the terms and payment of remuneration is/will be subject to the provisions of Section 196, 197 and Schedule V of the Act. Hence, approval of the members is sought by way of special resolution.

The Company has received a notice under Section 160 of the Act from a Member of the Company proposing his candidature as a Managing Director of the Company.

Mr. Ajay Anand is not disqualified from being appointed as a Director, in terms of the provisions of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any other authority(ies) and has given his consent to act as a Director of the Company. Further, he satisfies all the conditions set out in Part-I of Schedule V to the Act and also the conditions set out under Section 196(3) of the Act for being eligible for appointment.

Except Mr. Ajay Anand (the appointee Managing Director), Mrs. Rashmi Anand (Non-Executive Director) and Mr. Sanjay Anand (Whole-time Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, in the Company. This statement may also be regarded as an appropriate disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Broad particulars of the terms of re-appointment of Mr. Ajay Anand:

Basic Salary: INR 96.00 Lakhs (Rupees Ninety-Six Lakhs) per annum with an annual increase based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, subject to a maximum of INR 120.00 Lakhs per annum;

Commission: Upto 1% of annual net profits.

Performance linked bonus: Managing Director shall be paid Performance Linked Bonus as may be decided by the Board of Directors or a Committee thereof from year to year, based on achievement of such performance parameters as may be determined by the Board of Directors or a Committee thereof from time to time.

Perquisites: In addition to the remuneration as stated above, Mr. Ajay Anand shall also be entitled, as per the Rules of the Company, to perquisites like accommodations (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance and air passage and / or leave travel concession / allowances for self and family including dependents, personal accident insurance premium, reimbursement of club memberships and such other perquisites and allowances in accordance with the rules of the Company. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or reenactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Retirement Benefits: The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration above.

Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Other terms: Mr. Ajay Anand, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board. As long as Mr. Ajay Anand functions as Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof. His office as a Managing Director shall be liable to retire by rotation, however his retirement will not break his length of service.

Where in any financial year during his tenure as Managing Director, if the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration for Mr. Ajay Anand as the MD of the Company in terms of Section 190 of the Act.

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

ITEM NO. 4

The members at the 36th Annual General Meeting of the Company held on August 09, 2021 had approved the re-appointment of Mr. Sanjay Anand (DIN: 01367853) as Whole-time Director of the Company for a period of 3 (Three) years commencing from April 01, 2022 to March 31, 2025. Considering the aforementioned, his term as the Whole Time Director of the Company is near to conclusion on March 31, 2025.

The Board is of a considered view that the Company will be benefitted by his management abilities and vast experience. Recognizing the significant role of Mr. Sanjay Anand for the overall growth and progress of the Company during his association with the Company and keeping in view the role and responsibilities shouldered by him, the Board of Directors at its meeting held on August 13, 2024, on the recommendations of the

Nomination and Remuneration Committee, has approved the re-appointment of Mr. Sanjay Anand as the Whole-time Director of the Company for a further period of 5 years, liable to retire by rotation, with effect from April 1, 2025 to March 31, 2030 on the terms and conditions as set out hereunder, subject to the approval of the members. The Company has also received a notice under Section 160 of the Act from a Member of the Company signifying his candidature as a Whole-time Director of the Company.

Mr. Sanjay Anand is not disqualified from being appointed as a Director, in terms of the provisions of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any other authority(ies) and has given his consent to act as a Director of the Company. Further, he satisfies all the conditions set out in Part-I of Schedule V to the Act and also the conditions set out under Section 196(3) of the Act for being eligible for appointment.

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

Broad particulars of the terms of re-appointment of Mr. Sanjay Anand:

Basic Salary: INR 48.00 Lakhs (Rupees Forty-Eight Lakhs) per annum with an annual increase based on the recommendation of the Nomination and Remuneration Committee and approval of Board, subject to a maximum of INR 75.00 Lakhs per annum;

Commission: Upto 0.50% of annual net profits.

Performance linked bonus: Whole-time Director shall be paid Performance Linked Bonus as may be decided by the Board of Directors or a Committee thereof from year to year, based on achievement of such performance parameters as may be determined by the Board of Directors or a Committee thereof from time to time.

Perquisites: In addition to the remuneration as stated above, Mr. Sanjay Anand shall also be entitled, as per the Rules of the Company, to perquisites like accommodations (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance and air passage and / or leave travel concession / allowances for self and family including dependents, personal accident insurance premium, reimbursement of club memberships and such other perquisites and allowances in accordance with the rules of the Company. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or reenactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Retirement Benefits: The Company’s contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration above.

Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging during business trips and provision of car(s) for use on Company’s business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Other terms: Mr. Sanjay Anand shall be vested with such powers as may be conferred upon him by the Board of Directors from time to time. As long as Mr. Sanjay Anand functions as Whole-time Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.

His office as a Whole-time Director shall be liable to retire by rotation, however his retirement will not break his length of service.

Where in any financial year during his tenure as Whole Time Director, if the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration for Mr. Sanjay Anand as the WTD of the Company in terms of Section 190 of the Act.

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

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT FOR ITEM NO 3 & 4:

I. General Information

1. Nature of industry:

Faze Three Limited is engaged in manufacturing and export of Home Textile Products, cotton handlooms, furnishing fabrics and textile made ups. It has 8 state of the art manufacturing units at Dadra and Nagar Haveli, Vapi (Gujarat), Aurangabad (Maharashtra) and Panipat (Haryana) in India. It has a diversified product basket which includes cotton and rubber backed bathmats, durries, chairpads, tufted bed spreads and throws, hand tufted carpets and rugs made of cotton and wool, cushion covers, curtains as well as poly cotton and cotton damask table covers, napkins, patio mats, seat covers amongst others.

The Company caters to high end home textiles segment and the orders are custom made as per the client specifications. Majority of the revenue (~90% FY 2023-24) is derived from the international market. The key export markets include the United States of America (USA), United Kingdom (UK), Germany, Australia, Hong Kong, Canada, South Africa, Brazil and others.

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

Not applicable since the Company is established since the year 1985.

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

Not applicable since the Company is established since the year 1985.

4. Financial performance based on given indicators:

The key highlights of the financial performance of the Company on a standalone basis is as stated below:

(in crores)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Revenue from Operations	535.85	547.92	505.01
Profit before tax	57.24	76.71	71.39
Profit for the year	42.11	57.44	51.07
Total comprehensive income for the year	41.55	57.28	52.30

5. Foreign investments or collaborations, if any:
The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising FPIs and NRIs, are investors in the Company on account of secondary market purchase.

II. Information about the appointee:

1. Background details:

Mr. Ajay Anand
Mr. Ajay Anand, Indian Inhabitant, aged 69 years, is the founder promoter of the Company and is associated with the Company since its inception. He was re-appointed as Managing Director effective from 1st April 2022 for a period of 3 years and also acts as a Chairman to the Board of Directors. Mr. Ajay Anand holds graduate level qualification with expert and specialized knowledge in the field of home and automotive textiles. He has more than 3 decades of experience in the industry and has led the Company throughout. His quest for innovation and consistency has helped the business of the Company grow year on year and become one of the most preferred vendors among the retail giants in the US and European markets in the field of Home Textiles.

Mr. Sanjay Anand
Mr. Sanjay Anand is associated with the Company since its inception and has been actively involved in the Company's manufacturing operations at Panipat, Haryana. He was re-appointed as the Whole-Time Director effective from 1st April 2022 for a period of 3 years. He holds a bachelor degree and plays a key role in business development and sealing business deals and large orders with the customers, most of which are top retail giants in the key cities across the world. He has an experience of more than 3 decades in the textile industry.

2. Past remuneration:

The remuneration drawn for the financial year 2023-24:
Mr. Ajay Anand - INR 68.61 Lakhs
Mr. Sanjay Anand – INR 38.40 Lakhs

3. Recognition or Awards:

Both, Mr. Ajay and Mr. Sanjay, have been associated with the Company since its inception and have made key contributions in scaling up the business of the Company. The Company under their leadership has been:

- Awarded the “Dun & Bradstreet - G7 CR Technologies Business Enterprises of Tomorrow Summit 2024” Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles.
- Awarded the status of Four-Star Export House from Ministry of Commerce & Industry (Upgraded from Three-Star Export House in November 2023)
- Awarded the Dun & Bradstreet “Business Enterprises of Tomorrow 2022” Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles on November 29, 2022.
- Recognized as one of the “Best Global Business Category (Mid-Corporates) in India – 2021”by Dun and Bradstreet’s Business Excellence Awards 2021 on November 24, 2021.
- Recognized as one of the leading “Mid-Corporates in India - 2020 “by Dun and Bradstreet’s premier publication released on November 25, 2020.
- The Company was awarded the Dun & Bradstreet - RBL Bank SME Business Excellence Awards 2019 in the Mid- Corporate Segment for excellence in the Textile Sector.

4. Job profile and his suitability:

Mr. Ajay Anand:
As a Managing Director, Mr. Ajay Anand has shouldered the Company throughout the period and is entrusted with such duties and powers as have been or may from time to time be entrusted or conferred upon him by the Board. He is a first-generation entrepreneur of proven caliber and skill and has a successful experience in business management as a leader.

Mr. Sanjay Anand:
Mr. Sanjay Anand plays a key role in the business development. He has successfully explored new markets and customers overseas during the years and has been able to tap the top retailers across the world and secure orders consistently. He manages the operations of the Company’s handloom unit at Panipat, Haryana.

5. Remuneration proposed:

As per the Explanatory Statement for Item No. 3 and 4 annexed to the Notice.

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

The Company being in a very niche segment, it is very difficult to compare the remuneration in the industry as there are very few competitors in India having similar business structure. Having regard to the type of industry, trends in the industry, size of the Company, the responsibilities, the experience, expertise, efforts and capabilities, the Company believes that the remuneration proposed to be paid to Mr. Ajay Anand as a Managing Director and Mr. Sanjay Anand as a Whole-time Director for the responsibility shouldered by Mr. Ajay Anand and Mr. Sanjay Anand in navigating the business in these challenging times, the Committee and Board of Directors of the Company considers that the remuneration proposed for Mr. Ajay Anand and Mr. Sanjay Anand is justified and commensurate with other organizations of the similar type, size and nature.

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

Mr. Ajay Anand is the Husband of Mrs. Rashmi Anand (Promoter & Non-Executive Director) and brother of Mr. Sanjay Anand (Promoter & Whole-Time Director) of the Company and Mr. Sanjay Anand is the brother of Mr. Ajay Anand (Promoter & Managing Director) and brother-in-law of Mrs. Rashmi Anand (Promoter & Non-Executive Director) of the Company. None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise.

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

III. Other information:

1. Reasons of loss or inadequate profits:
Not applicable, as the Company has posted a net profit after tax of Rs. 42.11 crores (Standalone) during the financial year ended March 31, 2024.

2. Steps taken or proposed to be taken for improvement:
Not applicable as the Company has adequate profits.

3. Expected increase in productivity and profits in measurable terms:
Not applicable as the Company has adequate profits.

Other Disclosure:
Details as required under point IV of Para B of Section II of Part II of Schedule V of the Act have been disclosed in the Corporate Governance Report, which is forming a part of this Annual Report.

The relevant information as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India is enclosed hereinafter.

ITEM NO. 5
Regulation 23 of the Listing Regulations, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members of a listed entity by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business and at an arm's length basis. Effective from April 1, 2022, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 Crore or 10.00% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Accordingly, in compliance with Regulations 23(4) of the Listing Regulations, the Members of the Company at their 38th Annual General Meeting of the Company held on September 22, 2023 had approved the material related party transactions, in the ordinary course of business of the Company and on an arm's length basis, of the Company with Faze Three Autofab Limited (FTAL) on such terms and conditions as may be agreed between the Company and FTAL, for an aggregate value not exceeding INR 87.50 Crores (Indian Rupees Eighty Seven Crores and Fifty Lakhs) (excluding applicable taxes) for the financial year 2024-25. However, considering the ongoing assignments and future business outlook the previously approved limits of Rs. 87.50 Crores (aggregate value) are proposed to be revised and enhanced to an aggregate value of Rs. 92.50 Crores (excluding applicable taxes).

The Audit Committee at its meeting held on August 27, 2024, approved the enhanced limits of the previously approved transaction(s), subject to approval of the Members, while noting that such transaction(s) shall be on arms' length basis and in the ordinary course of business of the Company.

Accordingly, based on the approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 5 of the accompanying Notice to the shareholders for approval.

Pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, the minimum information to be placed before the Members for consideration of Related Party Transaction is as under:

Sr. No.	Description	Particulars							
A	**Type, material terms and particulars of the proposed transactions**	Sale or supply of Services such as dyeing services, Stentering services and washing services etc.	Sale or supply of Goods such as Yarn, Dyes & Chemicals, etc.	Purchase of goods & materials such as yarn and fabrics, etc.	Purchase of services such as Jobwork services.	Rental Expenses	Rental Income	Reimbursement of expenses	Any other transactions
B	**Name of the**	Both Faze Three Limited (FTL) and Faze Three Autofab Limited (FTAL) have Mr. Ajay							

	related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Anand and Mrs. Rashmi Anand as the common promoters and directors. Further, Mr. Sanjay Anand is a common promoter as well.							
C	**Tenure of the proposed transactions**	The above arrangements are continuing business transactions (Ongoing and perpetual transactions). However, approval of the Members is sought for FY 2024-25.							
D	**Value (excluding applicable taxes) of the proposed transactions (INR in Crores)**	40.00	15.00	20.00*	15.00	0.25	0.25	1.00	1.00
E	**The percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (i.e. as on March 31, 2024), that is represented by the value of the proposed transactions**	7.09%	2.66%	3.54%	2.66%	0.04%	0.04%	0.18%	0.18%
H	**Justification as to why the RPT is in the interest of the listed entity**	These transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements. In short, these arrangements are commercially viable and offer ease of doing business.							
I	**A copy of the valuation or other external party report, if any such report has been relied upon.**								
K	**Following additional disclosures to be made in case loans, inter-corporate deposits, advances or**								

	investments made or given by the Company or its Subsidiary.	**NOT APPLICABLE**
i.	**Source of funds**	
ii.	**In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:** **• nature of indebtedness** **• cost of funds and** **• tenure of the indebtedness**	
iii.	**Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.**	
iv.	**The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.**	
L.	**Any other information**	None

**Limit revised from Rs. 15 Crores to Rs. 20 Crores*

Pursuant to Regulation 23(4) of the Listing Regulations, all individuals/entities falling under the definition of related parties shall not vote to approve the relevant resolution irrespective of whether the entity is a party to the particular transaction or not.

The Board recommends the passing of the resolution set out in Item No. 5 of the accompanying Notice as an **Ordinary Resolution**.

Except Mr. Ajay Anand (Managing Director), Mr. Sanjay Anand (Whole-time Director) and Mrs. Rashmi Anand (Non-Executive Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 6

In furtherance to item no. 5, the Company proposes enter into transactions as mentioned in the table below ("said transactions"), with Faze Three Autofab Limited (FTAL), a related party on mutually agreed terms and conditions during the next 5 financial years, i.e, from FY 2025-26 to FY 2029-30 on mutually agreed terms and conditions. However, the aggregate value of such transaction(s) is also expected to cross the applicable materiality thresholds as mentioned hereinabove. The aggregate value of the proposed transactions for each year is upto INR 97.50 Crores (Indian Rupees Ninety-Seven Crores and Fifty Lakhs) (excluding applicable taxes). Accordingly, as per the SEBI Listing Regulations, approval of the Members of the Company is being sought for all such transaction(s) proposed to be undertaken by the Company.

The Audit Committee at its meeting held on August 13, 2024, recommended the said transaction(s) for the approval of the Members of the Company, while noting that such transaction(s) shall be on arms' length basis and in the ordinary course of business of the Company.

Accordingly, the Board of Directors recommend the Resolution contained in Item No. 6 of the accompanying Notice to the shareholders for approval.

The approval of the Members pursuant to the aforesaid Resolution is being sought for the following related party transactions / contracts/ arrangements / agreements. In addition to the transactions set out in this explanatory statement, approval of the Members is also being sought for any other transactions between the Company and FTAL for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee. The value of such additional transactions is included in the values set out in this explanatory statement.

Pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, the minimum information to be placed before the Members for consideration of Related Party Transaction is as under:

Sr. No.	Description	Particulars							
A	**Type, material terms and particulars of the proposed transactions**	Sale or supply of Services such as dyeing services, Stentering services and washing services etc.	Sale or supply of Goods such as Yarn, Dyes & Chemicals, etc.	Purchase of goods & materials such as yarn and fabrics, etc.	Purchase of services such as Jobwork services.	Rental Expenses	Rental Income	Reimbursement of expenses	Any other transactions
B	**Name of the related party and its relationship with the listed entity or its**	Both Faze Three Limited (FTL) and Faze Three Autofab Limited (FTAL) have Mr. Ajay Anand and Mrs. Rashmi Anand are the common promoters and directors. Further, Mr. Sanjay Anand is a common promoter as well.							

	subsidiary, including nature of its concern or interest (financial or otherwise)								
C	**Tenure of the proposed transactions**	The above arrangements are continuing business transactions (Ongoing and perpetual transactions). However, approval of the shareholders is being sought for the next 5 financial years i.e., from FY 2025-26 to FY 2029-30.							
D	**Value (excluding applicable taxes) of the proposed transactions (INR in Crores) for each of the year from FY 2025-26 to FY 2029-30**	40.00	15.00	25.00	15.00	0.25	0.25	1.00	1.00
E	**The percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (i.e. as on March 31, 2024), that is represented by the value of the proposed transactions**	7.09%	2.66%	4.43%	2.66%	0.04%	0.04%	0.18%	0.18%
H	**Justification as to why the RPT is in the interest of the listed entity**	These transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements. In short, these arrangements are commercially viable and offer ease of doing business.							
I	**A copy of the valuation or other external party report, if any such report has been relied upon.**	**NOT APPLICABLE**							
K	**Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments**								

	made or given by the Company or its Subsidiary.	**NOT APPLICABLE**
i.	**Source of funds**	
ii.	**In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:** **• nature of indebtedness** **• cost of funds and** **• tenure of the indebtedness**	
iii.	**Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.**	
iv.	**The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.**	
L.	**Any other information**	None

Pursuant to Regulation 23(4) of the Listing Regulations, all individuals/entities falling under the definition of related parties shall not vote to approve the relevant resolution irrespective of whether the entity is a party to the particular transaction or not.

The Board recommends the passing of the resolution set out in Item No. 6 of the accompanying Notice as an **Ordinary Resolution**.

Except Mr. Ajay Anand (Managing Director), Mr. Sanjay Anand (Whole-time Director) and Mrs. Rashmi Anand (Non-Executive Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NOS. 7, 8 & 9:

Equity-based compensation plans are an effective tool to reward the talent working with the Company. With a view to motivate employees for their contribution to corporate growth, to create an employee ownership culture and to retain them for ensuring sustained growth, your Company intends to implement an Employee Stock Option Scheme viz. 'Faze Three Employee Stock Option Scheme 2024' ('ESOP 2024'/ 'Scheme').

The primary objective of the Scheme is to reward the employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Scheme to attract and retain the key talent by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability. The Company views employee stock option scheme as a long-term incentive tool that would assist in aligning employees' interest with that of the shareholders and enable the employees not only to become co-owners, but also to create wealth out of such ownership in future.

Accordingly, the Nomination and Remuneration Committee ('NRC') formulated the detailed terms and conditions of the Scheme, which were duly approved by the Board of Directors at its meeting held on September 04, 2024, subject to approval of the Members.

Under the Scheme, the Company would grant upto 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Employee Stock Options ('Options'), in one or more tranches, to such eligible employees as may be determined by the NRC in terms of the Scheme, that would entitle the grantees (in aggregate) to subscribe upto 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) fully paid up equity shares of ₹ 10 (Rupee Ten only) each.

As per the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB Regulations') and 62(1)(b) and other applicable provisions of the Companies Act, 2013, the Company seeks approval of the Members for adoption and implementation of ESOP 2024 to the eligible employees (in India or Outside India, Present and Future) of the Company and/or group company(ies) including Subsidiary Company(ies) and/or Associate Company(ies), in India or Outside India Present and Future, and/or of a Holding Company of the Company (if any in the Future) as the NRC/Board may decide under the Scheme. The Scheme has been formulated in accordance with the provisions of the Act and SBEB Regulations. The salient features of the Scheme as required under Regulation 6 of the SBEB Regulations are set out as below:

a. **Brief Description of the Scheme:**
   In view of the aforesaid objectives, the Scheme contemplates grant of Options to the eligible employees of the Company and/or group company(ies) including subsidiary company(ies) and/or associate company(ies) (Present and Future). The NRC shall act as the Compensation Committee for the administration of the Scheme and the implementation of the Scheme shall be through the Faze Three Employee Trust ('Trust'). The Scheme shall be deemed to have come into force on the date of receipt of shareholders' approval. It shall continue in effect till all the Options granted under the Scheme are exercised or have been extinguished or unless the Scheme is terminated in accordance with the applicable laws.

b. **Total number of Option to be granted:**
   The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 4.5% of the Paid-Up Equity Capital of the Company as on March 31, 2024, comprising into, 10,94,355 (Ten Lakhs Ninety-Four Thousand Three Hundred and Fifty Five) Options which shall be convertible into equal number of fully paid- up Equity Shares ('Shares') of ₹ 10/- each. The 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Shares shall be either directly issued to the Trust by the Company or shall be

acquired by the Trust from the Secondary Market by way of Secondary Acquisition, or other modes as permissible under the SBEB Regulations and other applicable laws in one or more tranches, as decided by the NRC, from time to time. If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option would be available for future to any other employee as per the Scheme unless otherwise determined by the NRC. Further, the maximum number of Options that can be granted and the Equity Shares arising upon exercise of these Options shall stand adjusted in case of corporate actions (as defined in the Scheme).

c. Identification of class of employees entitled to participate in the ESOP 2024

Following classes of employees (Present and Future) are entitled to participate in the ESOP 2024:

(i) an employee (Present and Future) as designated by the Company, working in or out of India; or
(ii) a Director (Present and Future) of the Company, whether Whole-time or not, including a Non-Executive Director of the Company who is not a Promoter or Member of the Promoter Group of the Company, but excluding an Independent Director, or
(iii) an employee (Present and Future) as defined in sub clauses (i) or (ii), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India, or of a Holding Company; but excludes:
- an Employee who is a Promoter or belongs to the Promoter Group;
- any such Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

The selection of employees to be granted Options (as well as the number of Options to be granted) under the ESOP 2024 from amongst the above eligible employees shall be done by the NRC.

d. Requirements of vesting, period of vesting and maximum period within which the Options shall be vested.

Vesting period for any options granted under the Scheme subject to the statutory minimum vesting period of 1 (one) year from the date of Grant. Subject to this statutory minimum period, any staggered Vesting prescribed for any Grant shall be over a Vesting schedule of minimum of 1 (One) year and maximum of 10 (Ten) years from the date of Grant.

The NRC may, at its sole decision, decide the proportion of Options which shall vest each year during the Vesting schedule which may be different for different Employees or any class thereof.

The detailed terms and conditions for vesting will be governed by the Scheme.

e. Exercise Price or Pricing Formula:

Under this Scheme, the Exercise Price of the Shares will be decided by the NRC subject to minimum of face value i.e. ₹ 10 per share.

f. Exercise period and the process of exercise:

The exercise period in respect of the vested Options shall be determined by the NRC subject to a maximum period of 10 (Ten) years from the date of respective vesting of such option. The Exercise schedule may be different for different Employees or any class thereof.

An Option Grantee intending to exercise Vested Options shall make an application in writing to the Trust in such form as prescribed, from time to time, for the issuance/ transfer of Shares against the Options exercised, subject to payment of Exercise Price, applicable taxes and compliance of other requisite conditions of Exercise.

Options vested in one or more tranches may be exercised in full or in part or in tranches. However, no fraction of a Vested Option shall be exercisable in its fractional form.

The Options shall lapse if not exercised within the specified exercise period.

g. Appraisal process for determining the eligibility of Employees for the Scheme:
The appraisal process for determining the eligibility of the employees will be based on all or any of the following criteria such as, Longevity / period of Service, role performed, designation, performance of Company / unit / division or performance linked parameters such as work performance and such other criteria as may be determined by the NRC.

h. The Maximum number of Options to be granted per Employee and in aggregate:
The maximum number of Options that may be granted in aggregate pursuant to this Scheme shall not exceed 4.5% of the Paid-Up Equity Capital of the Company as on March 31, 2024, comprising of 10,94,355 (Ten Lakhs Ninety Four Thousand Three Hundred and Fifty Five) Options which shall be convertible into equal number of Shares.

The maximum number of options to be issued to any identified employee will be decided by the Committee, however the same shall not exceed 1 (one) percent of the issued equity shares of the Company as on the date of grant.

i. The Maximum quantum of benefits to be provided per Employee under the scheme:
The maximum quantum of benefits that will be provided to any eligible employee under the Scheme will be the difference between the market value of Company's shares on the stock exchanges as on the date of exercise of Options and the exercise price paid by the employee. Apart from grant of Options as stated above, no other benefits are contemplated under the Scheme.

j. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:
The Scheme shall be implemented through Trust wherein the said shares may be either directly issued to the Trust by the Company or may be acquired by the Trust from Secondary Market (Secondary Acquisition) or such other modes as permissible under the SBEB Regulations and other applicable laws from time to time.

Subject to applicable laws and the framework laid down by the Board of Directors, the Scheme shall be administered by the NRC which shall delegate the administrative powers to the Trust, as per the applicable laws, for proper administration of the Scheme.

k. Whether the Scheme involves new issue of shares by the company or Secondary Acquisition by the Trust or both:
The Scheme involves both new issue of shares by the Company and Secondary Acquisition of shares of the company by the Trust.

l. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:
The amount of interest free loan to be provided for implementation of the Scheme by the Company to the Trust shall not exceed the maximum limit prescribed under applicable laws, from time to time, presently not exceeding 5% of the paid-up capital and free reserves as on March 31 of the preceding financial year as provided in Companies Act, 2013. The tenure of such loan shall be till the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be

for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by the proceeds realized from exercise of Options by the Grantees and the accruals of the Trust during the tenure of the Scheme or termination of scheme.

m. **The Maximum percentage of Secondary Acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:**
Since the maximum number of Options that may be granted in aggregate pursuant to this Scheme shall not exceed 4.5% of the Paid-Up Equity Capital of the Company as on March 31, 2024, the total number of Shares that can be held by the Trust under Secondary Acquisition in pursuance to the Scheme shall at no time, exceed 4.5% of the Paid-up Equity Capital of the Company as on March 31, 2024 which is in due compliance with the provisions of the SBEB Regulations.

The secondary acquisition by the Trust in any financial year shall not exceed 2 (two) percent of the paid-up Equity capital as at the end of the respective previous financial year as prescribed under the provisions of the SEBI (SBEB & SE) Regulations, as amended from time to time.

n. **Accounting and Disclosure Policies:**
The Company shall follow the IND AS 102 on Share based payments and/or any relevant accounting standards/guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEB Regulations.

o. **Method of valuation of Options by the Company:**
The Company shall follow the Indian Accounting Standards / the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the appropriate authorities from time to time, including the disclosure requirements prescribed therein.

p. **Period of lock-in:**
The Shares transferred upon Exercise of Options maybe subject to lock-in period (if any) determined by NRC which may vary from employee to employee subject to provisions of applicable law.

q. **Terms & conditions for buyback, if any, of specified securities/Options covered granted under the Scheme:**
Subject to the provisions of the applicable laws, the Board/NRC shall determine the procedure for buy-back of the specified securities/Options if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

In terms of the relevant provisions of the Companies Act, 2013, the SEBI SBEB Regulations, the approval of the Shareholders by way of Special Resolution is necessary for the (i) adoption and implementation of Faze Three Employee Stock Option Scheme 2024, (ii) for extending the benefits of the Scheme to the employees of Holding, subsidiaries, associate of the Company and (iii) for implementation of the scheme through Trust and secondary acquisition of shares by the Trust.

Your Board of Directors, therefore, recommend the Special resolutions as set out at item nos. 7, 8 and 9 of the notice for approval by members.

The copy of the Scheme and related documents will be available for inspection by the members of the Company at the registered office of the Company on all working days, during business hours i.e. 11.00 a.m. to 6.00 p.m. up to the last date of remote e-voting.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, interested or concerned, financially or otherwise, in the resolutions as set out at Item Nos. 7 to 9 of this Notice except to the extent of the options that may be granted to them under the Scheme in the manner as may be permissible under the relevant provisions of the Companies Act, 2013, rules made there under and SBEB Regulations.

ITEM NO. 10

In order to execute Faze Three Employee Stock Option Scheme 2024 through Trust Route, the Company is required to make provision of funds to the Trust so as to enable it to purchase the Equity Shares of the Company.

In terms of the provisions of Section 67 of the Act read with Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make a provision of money for the purchase of, or subscription for, fully paid-up shares in the Company, if the purchase of, or the subscription for, the equity shares held by trustees for the benefit of the employees; unless it is approved by the members by passing a special resolution.

Therefore, the Board recommends the Special Resolution set out in Item No. 10 of the notice for approval by the members.

The disclosures as per Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, are as under:

a.	The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares.	As mentioned in point (c) of the explanatory statement to Resolution 7-9 above.
b.	Particulars of Trust.	An Irrevocable Trust is proposed to be set-up with the name ‘Faze Three Employee Trust’ having its office at 63, Wing C, Mittal Court, Nariman Point, Mumbai 400021
c.	Particulars of the Trustee or Employees in whose favor such Shares are to be registered -Name, Address, Occupation and Nationality of Trustees.	Name: Ms. Shagufta Sadikot Address: E/2002, Sarova, Samta Nagar, Kandivali East, Mumbai 400 101. Occupation: Service Nationality: Indian Name: Mr. Manoj Mondal Address: Flat No. 201, Building No. H1, Yogi Milan, Ultan Falia, Subjail Road, Ring Road, Silvassa, Dadra & Nagar Haveli- 396230 Occupation: Service Nationality: Indian
d.	Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None
f.	Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof.	The Key Managerial personnel and Directors are interested in Faze Three Employee Stock Option Scheme 2024 only to the extent of the Options that may be granted to them, if any, under the Scheme.
g.	The detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme	The Employees will be entitled to exercise the options granted to them at the Exercise Price during the exercise period pursuant to Faze Three Employee Stock Option Scheme 2024.
h.	The details about who would exercise and how the voting rights in respect of the shares to be	The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Equity Shares to the Employees.

	purchased or subscribed under the scheme would be exercised	As long as SEBI Regulations/Applicable Laws for time being in force do not allow, the Trustees shall not be entitled to vote in respect of any shares or securities held by the Trust. Once the equity shares are transferred to the Employees upon their Exercise, the Employees will be treated as the Shareholder(s) of the Company and shall exercise the right to vote in respect of such equity shares.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution as set out at Item No. 10 of this Notice except to the extent of the options that may be granted to them under the Scheme in the manner as may be permissible under the relevant provisions of the Companies Act, 2013, rules made there under and SBEB Regulations.

INFORMATION PURSUANT TO SECRETARIAL STANDARD- 2 AND REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015

Details of the Directors proposed to be appointed/ re-appointed and the terms of proposed remuneration of the Directors are given herein below for item No. 2, 3 and 4:

Sr. No.	Particulars	Mr. Ajay Anand	Mr. Sanjay Anand
1.	Director Identification Number	00373248	01367853
2.	Designation / Category of Directorship	Managing Director	Whole Time Director
3.	Age	69 years	62 years
4.	Date of Birth	16/10/1954	28/11/1961
5.	Qualification	Graduate	Graduate
6.	Brief Resume & Experience/ Expertise	Brief resume with experience and nature of expertise of Mr. Ajay Anand is stated in the Explanatory Statement of Item No. 3 to this Notice and in the Directors Profile section and List of Skills & expertise section of the Corporate Governance Report.	Brief resume with experience and nature of expertise of Mr. Sanjay Anand is stated in the Explanatory Statement of Item No. 4 to this Notice and in the Directors Profile section and List of Skills & expertise section of the Corporate Governance Report.
7.	Terms and conditions of appointment or re-appointment	Appointment for a period of 5 years commencing from April 01, 2025 to March 31, 2030, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.	Appointment for a period of 5 years commencing from April 01, 2025 to March 31, 2030, subject to the approval of the Members at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.
8.	Date of first appointment on the Board	09/01/1985	01/12/2009
9.	Remuneration to be paid	As per the Explanatory Statement of Item No. 3 to this Notice	As per the Explanatory Statement of Item No. 4 to this Notice
10.	The last drawn remuneration	INR 68,61,600 /- for FY 2023-24	INR 38,40,000/- for FY 2023-24
11.	Shareholding in the Company including beneficial ownership as on date	78,67,206 (32.35%) Equity shares	8,81,026 (3.62%) Equity shares
12.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Ajay Anand is brother of Mr. Sanjay Anand (Whole Time Director) and husband of Mrs. Rashmi Anand (Member of Promoter Group and Non-Executive Director).	Mr. Sanjay Anand is brother of Mr. Ajay Anand (Promoter and Managing Director) and brother-in-law of Mrs. Rashmi Anand (Member of Promoter Group and Non-Executive Director).
13.	The Number of Meetings of the	6/6	5/6

	Board attended during FY 2023-24		
14.	Directorships held in other companies as on March 31, 2024 (excluding Faze Three Limited)	i. Faze Three Autofab Limited ii. Instyle Investments Private Limited iii. Mats and More Private Limited	i. V R Woodart Limited ii. Mats and More Private Limited
15.	Resignation from listed entity, if any in the past three years	None	None
16.	Memberships / Chairmanship of Committees of other Companies as on March 31, 2024 (excluding Faze Three Limited)	<u>Faze Three Autofab Limited</u> i. Audit Committee (Member) ii. Stakeholders Relationship Committee (Member) iii. CSR Committee (Chairman)	<u>V R Woodart Limited</u> i. Audit Committee (Member) ii. Nomination and Remuneration Committee (Member) iii. Stakeholders Relationship Committee (Member)

By **Order of the Board of Directors**
For **Faze Three Limited**

Place: Mumbai
Date: September 04, 2024

Sd/-
Akram Sati
Company Secretary & Compliance Officer
Mem. No.: A50020

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,
The members of
Faze Three Limited

The Board of Directors are pleased to present the 39th Annual Report of your Company containing the business performance and the Audited Financial Statements for the year ended on March 31, 2024.

1. FINANCIAL PERFORMANCE (STANDALONE & CONSOLIDATED)

(INR in Crores)

Particulars	For the Year ended 31.03.2024 (Standalone)	For the Year ended 31.03.2023 (Standalone)	For the Year ended 31.03.2024 (Consolidated)	For the Year ended 31.03.2023 (Consolidated)
Revenue from Operations	535.85	547.92	564.52	558.18
Other Income	8.70	5.57	7.80	5.58
Total Income	**544.55**	**553.49**	**572.32**	**563.76**
Profit before tax	**57.24**	**76.71**	**62.45**	**77.62**
Tax expense (incl. deferred tax)	15.13	19.27	15.86	19.32
Profit for the year	**42.11**	**57.44**	**46.59**	**58.30**
Other comprehensive income for the year	(0.56)	(0.16)	(0.56)	(0.63)
Total comprehensive income for the year	**41.55**	**57.28**	**46.03**	**57.67**

The standalone and consolidated financial statements for the financial year ended March 31, 2024, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

2. KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE/ STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company achieved consolidated revenue from operations of INR 564.52 Crores as against INR 558.18 Crores in the previous year.

The total Standalone Income for the Quarter ended (QE) March 31, 2024 stood at INR 152.63 Crores versus INR 134.34 Crores for QE March 2023.

The Company's Standalone Net Profit after Tax (NPAT) for year ended March 31, 2024 stood at 42.11 INR Crores versus INR 57.44 Crores for year ended March 31, 2023 and the Consolidated NPAT for year ended March 31, 2024 stood at INR 46.59 Crores as against NPAT of INR 58.30 Crores for year ended March 31, 2023.

3. DIVIDEND

The Board of Directors have decided to retain the resources to fuel the growth and objectives of the Company and therefore do not recommend dividend for the financial year ended March 31, 2024. The

Directors are confident to derive optimum utilization out of the same, which shall be in the best interest of the stakeholders.

4. SHARE CAPITAL

The Authorised Share Capital of the Company is INR 26,00,00,000/- divided into 2,60,00,000 equity shares of face value of INR 10/- each. The paid-up share capital of the Company is INR 24,31,90,000/- divided into 2,43,19,000 equity shares of face value of INR 10/- each.

During the F.Y. 2023-24 there was no change in the share capital of the Company.

5. RESERVES

There were no appropriations to reserves/ general reserves during the year under review. The closing balance of the retained earnings of the Company for the FY 2023-24 is INR. 175.71 Crores on standalone basis and INR on 178.13 Crores consolidated basis.

6. DEPOSITS/ LOANS FROM DIRECTORS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 and 76 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act. The Company has not accepted any deposit or any loan from the directors during the year under review.

7. SUBSIDIARY OR ASSOCIATE OR JOINT VENTURE COMPANY

The Company has two wholly owned subsidiaries as on March 31, 2024, namely:

i. Faze Three US LLC

The Company has a wholly owned subsidiary (WOS) in USA viz. Faze Three US LLC which is a front office of the Company in USA and is actively engaged in sourcing local business within USA for supplying the Company's range of products to stores/ retailers.

The Total Income of WOS for FY 2023-24 stood at USD 1.17 MN (INR 9.72 Crores) vs USD 1.84 MN (INR 14.92 Crores) for FY 2022-23. The PAT for FY 2023-24 stood at USD 0.15 MN (INR 1.32 Crores) as against PAT USD 0.039 MN (INR 0.79 Crores) during previous year.

ii. Mats and More Private Limited

The Company has a wholly owned subsidiary (WOS) incorporated in India viz. Mats and More Private Limited. The WOS is engaged in the business of manufacturing, import, export and dealing in patio mats, floor covering, indoor and outdoor furnishing products including other furnishing products.

The Total Income of WOS for FY 2023-24 stood at INR 21.69 Crores vs INR 2.61 Crores for FY 2022-23. The PBT for FY 2023-24 stood at INR 3.85 Crores vs INR 0.05 Crores for FY 2023-24.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the WOS in Form AOC-1 forms part of this Annual Report as **ANNEXURE 1**. Copies of the financial statements of the subsidiary companies are available on the Company's website at https://www.fazethree.com/financial-result/.

During the period under review, no company has become or ceased to be Subsidiary, Associate or Joint Venture of the Company.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Act, with respect to the Director's Responsibility Statement, the Directors hereby confirm that:

(i) in the preparation of the Annual Financial Statements for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) such accounting policies as mentioned in Notes to Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the Profit of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken 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) the Annual Financial Statements have been prepared on a going concern basis;

(v) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

(vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

9. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board and Committees of the Board meet at regular intervals to discuss and decide on Company/ Business policy and strategy apart from other Board business. In case of any urgent business need, where the meeting of the Board of Directors is not envisaged, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The details of number of Board and Committee meetings of the Company are set out in the Corporate Governance Report, which forms part of this Report.

10. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

As on March 31, 2024, the Board of Directors of the Company comprised of the following:

Mr. Ajay Anand	:	Chairman and Managing Director
Mr. Sanjay Anand	:	Whole Time Director
Mrs. Rashmi Anand	:	Non-Executive Director
Mr. Chuji Kondo	:	Independent Director
Mr. James Leonard	:	Independent Director
Mr. Manan Shah	:	Independent Director
Mr. Vinit Rathod	:	Independent Director

During the year under review, there was no change in the composition of the Board.

On the basis of the written representations received from the Directors, none of the above Directors is disqualified under Section 164 of the Act.

During the year under review, the following changes took place in the position of Key Managerial Personnel:

i. Ms. Samruddhi Varadkar who resigned from the position of Company Secretary & Compliance Officer with effect from the closure of business hours of October 05, 2023.
ii. Mr. Akram Sati was appointed as the Company Secretary & Compliance Officer of the Company with effect from January 05, 2024 in place of Ms. Samruddhi.

Accordingly, following are the Key Managerial Personnel of the Company as on March 31, 2024:

Mr. Ajay Anand	:	Managing Director
Mr. Sanjay Anand	:	Whole-time Director
Mr. Ankit Madhwani	:	Chief Financial Officer
Mr. Akram Sati	:	Company Secretary & Compliance Officer

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act.

11. PERFORMANCE EVALUATION OF BOARD

Pursuant to Section 178 of the Act read with Schedule IV thereto and Regulation 17 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), a formal evaluation of Board's performance and that of its Committees and individual directors has been carried out by the Board.

The evaluation of all the directors including independent directors was carried out by the entire Board, except for the director being evaluated. The performance is evaluated after seeking inputs from all the Directors, through a structured questionnaire, on the basis of the criteria such as the Board composition and structure, experience and competencies, attendance, effectiveness of board processes, information and functioning, independent approach, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, attendance of the members, recommendations to the Board and their implementation, effectiveness of committee meetings, etc.

The Independent Directors at their separate meeting held on March 26, 2024 evaluated the performance of the Non-Independent Directors and the Board as a whole, the Chairman of the Board after considering the views of other Directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors expressed their satisfaction to the outcome of the aforesaid evaluations.

12. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted requisite declarations confirming that they (i) meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent; (ii) have complied with the Code of Conduct laid down under Schedule IV of the Act and (iii) they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise required under all applicable laws and the policies of the Bank.

13. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Pursuant to the SEBI regulations, the Company organizes Familiarization Programme periodically for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The Board familiarization process comprises of the induction programme for new Independent Directors, sessions on business and functional issues and strategy making. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including finance, sales, and overview of business operations, business strategy and risks involved.

During the year under review, the Independent Directors were familiarized on business model, key updates on business performance, and legal/ regulatory updates at Board Meetings as well as through periodic reports.

The policy for Familiarization Programme for the Independent Directors is available on website of the Company at https://www.fazethree.com/corporate-governance/.

14. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

In accordance with the provisions of Section 134(3)(e) read with Section 178(2) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has adopted a Policy on Nomination & Remuneration which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, and remuneration for the directors, key managerial personnel and other employees. The said policy can be accessed on the website of the Company at https://www.fazethree.com/policies/

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

Disclosure pertaining to remuneration of employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **ANNEXURE II.**

The information pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the shareholders and others entitled thereto, excluding the said information, which will be

made available for inspection by the shareholders in electronic mode, up to the date of AGM. Members can inspect the same by sending an email to the Company Secretary in advance at cs@fazethree.com .
Further, as on March 31, 2024, the Company has no employee who:

(i) if employed throughout the financial year, was in receipt of remuneration, in aggregate of INR 102.00 Lakhs or more, per annum or

(ii) if employed for part of the financial year, was in receipt of remuneration, in aggregate of INR 8.50 lakhs or more, per month

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

16. RECEIPT OF ANY COMMISSION BY MD / WTD FROM COMPANY OR FOR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY COMPANY

During the year under review, the Company has not paid any commission to any of its Directors. Further, the Company does not have a holding company and none of the Directors of the Company have received any commission/ remuneration from its subsidiary companies.

17. ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft Annual Return as of March 31, 2024, is placed on the website of the Company at https://www.fazethree.com/corporate-governance/

18. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company is duly constituted pursuant to Section 177 of the Act and Regulation 18 of Listing Regulations.

As on March 31, 2024, the Audit Committee comprises of 3 (three) members namely Mr. Vinit Rathod (Chairman), Mr. Ajay Anand (Member) and Mr. Manan Shah (Member). Other details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of this report. All the Members of the Committee are adequately literate to understand the financial and other aspects. All the recommendations made by the Committee during the period were accepted by the Board.

19. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company is duly constituted pursuant to Section 178(1) of the Act and Regulation 19 of Listing Regulations.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria. The Board of Directors of the Company has defined a policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes and independence of Directors and terms of reference of the Committee which is available on the website of the Company at https://www.fazethree.com/policies/.

As on March 31, 2024, the Nomination & Remuneration Committee comprised of 3 (three) members all being Non-Executive Directors namely Mr. Vinit Rathod (Chairman), Mrs. Rashmi Anand (Member) and Mr. Manan Shah (Member). All the recommendations made by the Committee during the period were accepted by the Board.

20. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board of Directors of the Company is duly constituted pursuant to Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on March 31, 2024, the Stakeholders Relationship Committee comprises of 3 (three) members namely Mr. Vinit Rathod (Chairman), Mr. Ajay Anand (Member) and Mr. Manan Shah (Member). Other details pertaining to the Committee are included in the Corporate Governance Report, which forms part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR)

The business cannot exist in isolation and for a business to be profitable, it needs to consider the Social Responsibility in order to build a positive synergy between the two. The Company has always considered Social Responsibility as an integral part of sustainable growth and has been over the years contributing towards it in various ways. The management of the Company endeavors for the upliftment of the society and the natural resources which are essential for overall economic growth.

During the FY 2023-24, the Company's CSR obligation was INR 1,21,69,306/- (One Crore Twenty-One Lakhs and Sixty-Nine Thousand Three Hundred and Six Only), being 2% of the average net profit during the preceding 3 year, towards the CSR contribution pursuant to the Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, post set-off of INR 11,35,539/- (Eleven Lakhs Thirty-Five Thousand and Five Hundred and Thirty-Nine Only), being excess amount spent in previous financial years, the Company was required to spend INR 1,10,33,767/- (One Crore Ten Lakhs and Thirty-Three Thousand Seven Hundred and Sixty-Seven Only) during FY 23-24.

However, on recommendation of CSR Committee, the Company made total CSR contribution of INR 1,33,50,000/- (One Crore Thirty Three Lakhs and Fifty Thousand Only) during FY 2023-24, towards CSR activities by way of donations to Trusts/Society working for the betterment and upliftment of the Blind, Deaf, Widow, Helpless women, mentally challenged, orphans, specially-abled people and Eco–Socio backward part of the Society by providing facilities for their Health, affordable Medical Treatment, Education, affordable Housing and Self-Employment.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the annual report on Corporate Social Responsibility (CSR) activities as per format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **ANNEXURE III** to this report.

The CSR policy has been posted on the website of the Company at https://www.fazethree.com/policies/.

22. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

23. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions are approved by the 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.

During the financial year, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act and Listing Regulations. All related party transactions were carried out at arm's length price and in the ordinary course of business.

Further, as per the SEBI Listing Regulations, if any related party transaction exceeds Rs 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as material and require Members approval. In this regard, during the year under review, the Company had taken necessary Members approval for Material Related Party Transactions proposed to be undertaken with Faze Three Autofab Limited for FY 2023-24. However, there were no material transactions of the Company with any of its related parties as per the Act. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY24 and, hence, the same is not required to be provided.

Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available at https://www.fazethree.com/policies/ .

24. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes or commitments, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. March 31, 2024 and the date of the Directors' report.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior and provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Conduct of the Company and to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been posted on the website of the Company at https://www.fazethree.com/policies/.

During the year under review, no complaint or adverse reporting was received by the designated officer of the Company.

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

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted Prevention of Sexual Harassment Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints were received during the year.

27. RISK MANAGEMENT

The Company has in place a mechanism to inform Board of Directors about the Risk assessment and risk minimization procedures and periodical reviews to ensure that risk is controlled by the management through the means of a properly laid-out framework. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

28. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal control systems, commensurate with the size, scale and complexity of its operations, which monitors business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed as **ANNEXURE V**.

30. CORPORATE GOVERNANCE

The Company believes in transparency and adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated in the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is annexed to this report as **ANNEXURE VI**.

31. AUDITORS AND THEIR REPORT

A. STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. MSKA & Associates Chartered Accountants (Firm Registration No. 105047W), were appointed as the Statutory Auditor by the Members of the Company at the 37th Annual General Meeting of the Company, for a period of 5 years and shall hold the office till the conclusion of the 42nd Annual General Meeting of the Company, to be held in the calendar year 2027.

The Auditor's Report on IND AS financial statements (standalone and consolidated) of the Company for the FY 2023-24, as submitted by M/s. MSKA & Associates, Chartered Accountants, did not contain any qualifications, reservations or adverse remarks and are self-explanatory.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

B. SECRETARIAL AUDIT REPORT

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 undertaken Secretarial Audit for the FY 2023-24 by appointing M/s. Sanjay Dholakia & Associates, Practicing Company Secretary, which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made thereunder, SEBI Listing Regulations and other Regulations and Acts applicable to the Company. The Secretarial Audit Report is annexed to this report as **ANNEXURE VII.**

The Secretarial Auditors' Report for the financial year ended March 31, 2024, does not contain any reservation, qualification or adverse remark.

The Board of Directors at their meeting held on May 23, 2024, has re-appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries (Certificate of Practice No. 1798), as the Secretarial Auditor for FY 2024-25.

32. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act, are provided at Note No. 6 & 7 in the notes to the financial statements.

33. 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.

34. COST AUDIT AND RECORDS

The Company maintains the cost records of its products as per the provisions of sub-section (1) of Section 148 of the Act. Pursuant to the provisions of sub-section (2) of Section 148 of the Act read with Rule 4(3)(i) of the Companies (Cost Records and Audit) Rules, 2014, the requirement of Cost Audit is not applicable to the Company.

35. SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

36. SIGNIFICANT MATERIAL ORDERS PASSED BY COURTS, IF ANY

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

37. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective, are provided in the Business Responsibility and Sustainability Report ("BRSR") for the financial year 2023-24 which is included as a separate section in the Annual Report. The Company has prepared the BRSR report on a voluntary basis.

38. POLICIES UNDER LISTING REGULATIONS

The SEBI Listing Regulations mandated the formulation of certain policies for all listed Companies which are as under.

a. Documents Retention & Archival Policy' as per Regulation 9 and Regulation 30 which may be viewed at https://www.fazethree.com/policies/
b. Policy for determining Materiality of events / information' as per Regulation 30 which may be viewed at https://www.fazethree.com/policies/
c. Policy for determining material subsidiary' as per Regulation 16(1)(c) of the Listing Regulations which may be viewed at https://www.fazethree.com/policies/

39. OTHER DISCLOSURES

- There was no change in the nature of the business of the Company during the year under review.
- The Company has not issued any shares with differential voting during the year under review.
- There were no revisions in the financial statements from the end of the Financial Year to date of the Director Report.
- The Company has neither issued any shares nor granted any Stock Options nor any Sweat Equity Shares during the year.
- No application has been made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("the IBC, 2016"), hence, the requirement to disclose the details of application made or any proceeding pending under the IBC, 2016 during the year along with their status as at the end of the financial year is not applicable.
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year under review.
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2024.

40. 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 Board of Directors
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Date: May 23, 2024
Place: Mumbai

ANNEXURE I

FORM NO. AOC – 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A”: Subsidiaries:

Name of the subsidiary	**Faze Three US LLC** (Foreign Wholly owned subsidiary)	**Mats and More Private Limited** (Indian Wholly owned subsidiary)
The date since when the subsidiary was acquired	16th October, 2017	11th March, 2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2023 – 31st March, 2024	1st April, 2023 – 31st March, 2024
Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	Reporting Currency - US Dollar (USD) Exchange Rate as on 31st March, 2024 - 1 USD = INR 83.3739	Not applicable
	(Amount in INR Crores)	**(Amount in INR Crores)**
Share Capital	2.44	0.10
Reserves & surplus	(0.66)	0.04
Total assets	3.99	19.62
Total liabilities	2.21	16.33
Investments	-	-
Turnover	9.72	21.69
Profit / (Loss) before taxation	1.38	3.85
Tax Expense	0.06	0.67
Profit / (Loss) after taxation	1.32	3.18
Proposed Dividend	-	-
% of shareholding	100%	100%

Note:
1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None
3. Information under Part B is not applicable to the Company.

For and on behalf of Board of Directors of
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Sd/-
Sanjay Anand
Whole Time Director
DIN: 01367853

Sd/-
Ankit Madhwani
Chief Financial Officer

Sd/-
Akram Sati
Company Secretary
M No. A50020

Date: May 23, 2024
Place: Mumbai

ANNEXURE II

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the Employees
Mr. Ajay Anand	Managing Director	21.41:1
Mr. Sanjay Anand	Whole time Director	11.98:1

Note: Since Non-Executive and Independent Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% Increase / Decrease of remuneration in 2024 as compared to 2023
Mr. Ajay Anand	Managing Director	Nil
Mr. Sanjay Anand	Whole Time Director	Nil
Mr. Ankit Madhwani	Chief Financial Officer	Nil
Ms. Samruddhi Varadkar	Company Secretary *(Tenure from February 03, 2023 to October 05, 2023)*	N.A.
Mr. Akram Sati	Company Secretary* *(Appointed w.e.f. January 05, 2024)*	N.A.

**Appointed as Company Secretary and Compliance Officer during FY 2023-24, hence not comparable with FY 2022-23.*

3. The percentage increase in median remuneration of employees in the financial year **6.2 %**

4. There were **707** permanent employees except employees on the rolls of the Company as on March 31, 2024.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   *The median percentage increase made in the salaries of employees other than managerial remuneration was in the range of **10- 13 %** whereas the increase in the remuneration of Managerial personnel was **Nil.***

6. We hereby affirm that the remuneration paid during the year ended March 31, 2024 is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Date: May 23, 2024
Place: Mumbai

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

   The Company has always recognized that its business is a part of the community where it operates. The CSR activities/projects are aligned to assist weaker and underprivileged sections of the society. The Company strives to implement its CSR programmes directly or in collaboration with other associations/trusts/NGO registered with concerned regulatory authorities who has expertise as well as establish presence in area for effective implementation of projects / use of funds.

   The Company has undertaken various CSR initiatives so far including promoting skill and education among children and the down trodden especially scheduled castes, scheduled tribes, minorities, BPL's and other backward communities etc. The Company will continue to contribute in these areas and will simultaneously explore the opportunities to contribute towards other social causes through its CSR program.

2. Composition of CSR Committee:

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

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : *Committee Composition:* *https://www.fazethree.com/board-committees/*

   CSR Policy: https://www.fazethree.com/policies/

4. Executive summary along with web link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable. : *Not Applicable*

5. (a) Average net profit of the company as per section 135(5) : *INR 60,84,65,306 /-*

   (b) Two percent of average net profit of the company as per section 135(5) : *INR 1,21,69,306 /-*

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : *NIL*

   (d) Amount required to be set off for the financial year, if any : *INR 11,35,539/-*

   (e) Total CSR obligation for the financial year (b+c-d) : *INR 1,10,33,767/-*

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : *INR 1,33,50,000/-*

   (b) Amount spent in Administrative Overheads : *Nil*

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

   (d) Total amount spent for the Financial Year (a+b+c) : *INR 1,33,50,000/-*

   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	**Amount Unspent (in INR)**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)**		
	Amount	**Date of Transfer**	**Name of Fund**	**Amount**	**Date of Transfer**
1,33,50,000	Nil	N.A.	N.A.	Nil	N.A.

   (f) Excess amount for set off, if any:

Sr. No.	**Particular**	**Amount (in INR)**
(i)	Two percent of average net profit of the company as per Section 135(5)*	1,10,33,767
(ii)	Total amount spent for the Financial Year	1,33,50,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	23,16,233
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	23,16,233

**The amount 1,10,33,767/- is the CSR obligation for FY 23-24 after set off of excess amount spent in previous financial years. Please refer point 5 of this report for clarification.*

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under subsection (6) of section 135**	**Balance Amount in Unspent CSR Account under subsection (6) of section 135**	**Amount Spent in the Financial Year**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years**	**Deficiency, if any**
					Amount	**Date of Transfer**		
1.	FY 2022-23	NIL						
2.	FY 2021-22							
3.	FY 2020-21							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: *No*

   If Yes, enter the number of Capital assets created/ acquired: *Not Applicable*

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent - (₹ in lacs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

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

For and on behalf of Board of Directors
Faze Three Limited

	Sd/-	**Sd/-**
	Ajay Anand	**Sanjay Anand**
Date: May 23, 2024	**Managing Director**	**Whole Time Director**
	& Chairman, CSR Committee	**& Member, CSR Committee**
Place: Mumbai	**DIN: 00373248**	**DIN: 01367853**

ANNEXURE IV

STATEMENT PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF CHAPTER IX OF COMPANIES (ACCOUNTS) RULES, 2014.

CONSERVATION OF ENERGY

A. Steps taken for Conservation of energy and for utilizing alternate sources of energy:

ESG is now integral to our overall strategy of the Company. The Company regularly undertakes required steps for conservation of energy leading to sustainability. The team implements the latest trends, developments & technologies available in conserving energy across all the units.

The Company has also transitioned its dyeing operation in North India from Coal Based Boilers to Gas Based Boiler and has signed agreement for supply of Gas with Indian Oil Adani Gas Private Limited. These efforts have also helped improve environment in surrounding area as well as reduced reliance on Coal Import for India.

The Company has invested over INR 12 Cr in aggregate for Rooftop Solar energy 2.1 MW (captive) which provides for ~35% of electricity consumption at Silvassa units comes from Rooftop Solar.

The newly setup Warehouse in West India is powered by Li-ion (Electric) Material Handling Equipment. The Company has also continued its effort for rain water harvesting at all units in west & north India, the water collected from water harvesting is helping recharge the ground water levels as well as stored for future use.

The Company endeavors to impact the environment positively with sustainable production methods, use of energy efficient and environment friendly technologies, use of recycled and ecofriendly raw materials, etc. The Company is also shipping complete range of home products in organic cotton and recycled polyester.

All manufacturing processes and products are designed for minimizing carbon footprints are being continuously upgraded to consistently accomplish this goal. The company has continued its quest to make its process and product environment friendly and energy efficient. The Company is also actively contributing to the Sustainability projects initiated by its customers for conservation of resources.

The Company has also continued its efforts to save energy through various initiatives of increase in use of LED lamps in vicinity of factory as well as installation of LED lights at factories. Installation of transparent sheets around warehouse and at the roof top of factory to save the energy. The newly built expanded capacity at Silvassa consists of lithium Ion MHE (warehouse truck & forklifts) leading to efficiency, energy saving and further additions towards ESG goals.

B. Capital investment on energy conservation equipments:

During the year, the Company has invested INR 12 Cr in Rooftop Solar energy 2.1 MW (captive), Clean Energy for processing (PNG) & Li-ion (Electric) Material Handling Equipment keeping company's ESG goals.

The Company has also made Investments for transitioning its dyeing operation in North India from Coal Based Boilers to Gas Based Boiler.

The Company is always reviewing its process to make them more sustainable. The new machines are reviewed from the point of view of energy consumption as well along-with production efficiency and output while making purchase decisions. Energy consumption and sustainability were at the core of new expansions of various units.

The newly built expanded capacities at Western India consist of lithium Ion MHE (warehouse truck & forklifts) leading to efficiency, energy saving.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Faze3 strives to adopt new technologies to improve its processes. The company strives to focus on creating new products for our customers. Faze3 has dedicated in house design, R&D, new development team at each location to create new products for our customers. The company has added new Design team at Head office which works closely with product development and Marketing team to increase its efforts to reach into new product lines. FTL has continued its pursuit for creative ideas, innovative designs and value additions to stay ahead of the curve.

Faze3's product development and deployment capability helped the business meet pressing consumer needs and helping develop new products. Faze3 has made investments in its subsidiary, Mats and More Pvt. Limited in Aurangabad, to cater to a new category of floor coverings, specifically patio mats for outdoor use. The Company has achieved total revenue of INR 21.69 Crores and PBT of INR 3.85 Crores in 2nd year of its operations. The goal of this investment is to generate a minimum revenue potential of USD 10 million in phase 1 within a period of 3-4 years. The partner closely with its customers and leverage strengths of its global affiliates to meet the needs of the local market.

The Company continued to work with major global retailers to develop products tailor made for their requirement in global market. Your Company is always exploring the new ideas/ suggestions for developing new products by continuously engage with existing customers to understand their requirements as well as market dynamic to stay prepared for changing environment in market and stay ahead of the curve. Faze3 has strong pipeline of various products and it continue to develop new product lines to attract new customers and meet new demands of its existing customers.

Faze3 has always recognized technology's strategic importance as critical component in this changing environment. Faze3 has regularly upgraded its existing infrastructure, machines, technologies, manufacturing processes etc. considering latest market trends. Company has taken various initiative during expansion process to upgrade its existing process. These initiatives result in benefits in various forms such as product improvement, cost reduction, increase in efficiency, sustainability etc.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of the foreign exchange earnings and outgo of the Company during the year in terms of INR (Crores) is as below:

Particular	Amount
Total Foreign Exchange earned	432. 97
Total Foreign Exchange used	28.53

For and on behalf of Board of Directors
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Date: May 23, 2024
Place: Mumbai

ANNEXURE V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

ECONOMY AND OUTLOOK

The Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025. The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. Last 3-4 years have been eventful, from pandemic, supply-chain disruptions, a Russian-Ukraine War and Gaza-Israel conflict. These crises have triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. while inflation trends are encouraging, we are not there yet and Policymakers' near-term challenge is to successfully manage the final descent of inflation to target.

Europe showed resilience to the energy price shock stemming from Russia's war against Ukraine, growth will pick up this year, but expected from very low levels, as the trailing effects of tight monetary policy and past energy costs, as well as planned fiscal consolidation, weigh on activity. The US economy remains strong, Real consumer spending grew at a solid pace early 2023 however owing to higher interest rates and tighter financial conditions it appears to be moderating. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high which could derail the disinflation path. China's economy is affected by the enduring downturn in its property sector. the same is benefiting many other large emerging market economies which are performing strongly, benefiting from a reconfiguration of global supply chains and rising trade tensions between China and the United States. For Japan, policy rates are projected to rise gradually, reflecting growing confidence that inflation will sustainably converge to target over the medium term despite Japan's history of deflation.

China plus one sentiment continues to improve in India's favour overall and especially in value added Textile merchandises pertaining to MMF. Ban on cotton from China is now fully implemented globally. FY 23 was normalisation for US and EUR/UK from Ukraine situation/ Oil Spikes and USDCNY remained relatively weaker to USDINR, both these may have temporarily slowed the pace of movement across sectors over last 12-18 months, this is expected to reverse and pick up momentum in the coming year.

India is set to remain the fastest-growing among major economies in 2024, according to latest International Monetary Fund's latest World Economic Outlook. IMF, in its latest outlook, raised India's growth projections for 2024 from 6.5 per cent to 6.8 per cent with the robustness reflecting continuing strength in domestic demand and a rising working-age population. India's economy grew 7.2 per cent in 2022-23 and 8.7 per cent in 2021-22, respectively.

Indian economy is propelled by growth in priority sectors and driven by favourable megatrends, India's manufacturing sector has opened itself into new geographies and segments. Building on the competitive advantage of a skilled workforce and lower cost of labour, the manufacturing sector is also witnessing an increased capex and heightened M&A activity, leading to a surge in manufacturing output and resultant increased contribution to exports.

Government has launched the Production Linked Incentive (PLI) Scheme with an approved outlay of INR 10,683 Cr to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textiles Industry to achieve size and scale and to become competitive. The scheme aims to attract large investments in various sectors including electronics, MMF textiles, semiconductors, etc. The positive developments in the manufacturing sector, driven by production capacity expansion, government policy support, heightened M&A activity, and PE/VC-led investment, are creating a robust pipeline for the country's sustained economic growth in the years to come.

TEXTILE INDUSTRY

The textile industry in India is one of the oldest in the country and is a big one. With hand-woven, hand-spun, and various mills, the textile sector is extremely varied. It is one of the biggest sectors with about 4.5 crore people employed and being second largest sector providing employment. India is leading exporter of textiles and clothing after China. Increased penetration of organized retail, favorable demographics, and rising income level are likely to drive demand for textiles. Superior quality and ample availability of Cotton and Polyester makes companies in India a leader in exports – almost two-third of India's export of textiles is to US and UK. Indian products have gained a significant market share in global home textiles in the past few years.

India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

Home textiles are the third largest segment of Indian textile industry after apparels and technical textiles. Bed linen and bath linen are the two largest selling products and together account for two-third of home textile market. Kitchen linens, curtains, upholstery, and rugs / carpets are the other major products in the sector.

India has consolidated its position as the second largest home textile exporter in the world. Home textile exports from India is estimated to account for nearly 7% of global home textile trade. US is the largest export market for Indian home textile industry. In FY 2023, exports to the US accounted for nearly 56% of the total home textile exports. Annual turnover of Indian home textile industry is estimated to be nearly INR 780 billion. It forms the third largest segment of Indian textile industry. Bed & bath linen products account for nearly 70% of Indian home textile industry.

FAZE THREE LIMITED – COMPANY OVERVIEW

Faze Three Limited (hereinafter referred to as FTL) is engaged in manufacturing and export of superior quality high-end Home Textile products supplying to top retailers across the globe. It has a diversified product line, main products include Bathmats, Bath Rugs, Chairpads, Blankets, Rugs, Throws, Floor covering, Bed spreads, Patio Mats, Seat covers etc., The Company is known for its sheer pursuit for innovation, ideas and designs which reflects in its products and has enjoyed being a preferred vendor to most of its customers. Majority of FTL's revenue (90%) is derived from Exports to USA, UK and Europe region. The company has eight facilities to manufacture home textiles situated at Dadra and Nagar Haveli, Vapi (Gujarat), Aurangabad (Maharashtra) and Panipat (Haryana) in India. Refer www.fazethree.com for more details.

PERFORMANCE - YEAR 2023-24

Financial Performance

1. FY24 over FY 23 saw significant deacceleration in raw material pricing and stable currency. FY 24 has seen higher volume % growth over FY 23 versus growth % in Total Income (value). Whereas FY 23 over FY 22 had significant increase in raw material pricing and depreciating currency

2. Profitability was lower mainly on account of one-time costs incurred during the Q4 FY 2023-24 on establishment of new office cum product showroom in New York, development costs of product lines and set up costs & permission expenses incurred in north India factory (Panipat) including on moving fuel source from Agri fuel (Husk) to Natural Gas for processing. Overall Impact of INR 41.2 Mln

3. Total Consolidated Income for year ended March 31, 2024 stood at INR 572.32 Crores vs INR 563.76 Crores for year ended March 31, 2023. Growth of ~ 1.52 % y-o-y.

4. Consolidated Net Profit before Tax for year ended March 31, 2024 stood at INR 62.45 Crores vs INR 77.62 Crores for year ended March 31, 2023.

5. Consolidated Net Profit after Tax for year ended March 31, 2024 stood at INR 46.59 Crores vs INR 58.30 Crores for year ended March 31, 2023.

6. Earnings Per Share for year ended March 31, 2024 INR 19.16 per share versus INR 23.97 per share for year ended March 31, 2023.

Awards and Ratings

- Faze Three Limited has been awarded status of Four-Star Export House from Ministry of Commerce & Industry (Upgraded from Three-Star Export House in November 2023)
- The Company was awarded with Dun & Bradstreet "Business Enterprises of Tomorrow 2022" Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles on November 29, 2022.
- The Company was recognized as one of the "Best Global Business Category (Mid-Corporates) in India – 2021"by Dun and Bradstreet's Business Excellence Awards 2021 on November 24, 2021.
- The Company was recognized as one of the leading "Mid-Corporates in India - 2020 "by Dun and Bradstreet's premier publication released on November 25, 2020.
- The Company was awarded the Dun & Bradstreet - RBL Bank SME Business Excellence Awards 2019 in the Mid- Corporate Segment for excellence in the Textile Sector.
- The Credit Rating of the Company was upgraded to positive 'CARE A1 (Short term)' ;'CARE A; Stable (Long term)' (in August 2023).

Products

The Company has a diversified product basket which includes cotton and rubber backed bathmats, blankets, durries, throws, hand tufted carpets and rugs made of cotton and wool, cushion covers, curtains as well as poly cotton and cotton mask, table covers, patio mats, seat covers amongst many others under the technical textiles' ambit.

Geographic distribution

Majority (~90%) of Revenue is derived from direct exports to organized retail in USA, UK and Europe region, of which USA ranges from ~65%.

SWOT ANALYSIS

The core strengths of the Company are its long track record of business with existing customers, in-house design and development pedigree, extensive experience of the management team, global benchmarked Manufacturing facilities / Infrastructure, etc. Diversified product portfolio coupled with established relationships with reputed clients ensuring stable revenue visibility and growth opportunities. The company has significant ability to develop new products and build supply chains for the same within a short period of time. The company undertakes order backed manufacturing only and does direct exports to the customer. Further the Company is long term debt free and has strong capital structure. The Company's products largely positioned in the band at $10-25$ per piece / per set band for sale by retailers which empirically have not seen significant reduction in demand in tough times. In fact, benefits accrue from pocket share saved on larger items which is expended on smaller merchandise, though counter-intuitive.

The Eureka moment of 2008-09 in demand for Sheets and Towels from India leading to India being a leader today within a decade, is NOW here also for categories other than Sheets and Towels which includes Floor coverings, TOB, window curtains, value added products etc.

The Company is well positioned to make most of the products in the said categories which were dominant out of China, estimates suggest about 15-20 times of India over last decade. The giant shift is underway alongside normal growth in coming years. India has level playing field on Manufacturing costs, import tariffs and most importantly Customer Mindset which has changed in fact in India's favour for reasons well known.

Tangible shift of demand to India from China as elaborated above and transforming consumer spending trends have resulted into higher demand of home textile products.

The coming fiscals look very promising as USA is witnessing on of the strongest jobs market along with rising incomes which is a big blessing. Inflation peak is behind us and despite very high rates, the US economy has held up very well.

Furthermore, the company has made investments in its subsidiary, Mats and More Pvt. Limited in Aurangabad, to cater to a new category of floor coverings, specifically patio mats for outdoor use. The investment for this project amounts to INR 12 Crores, spanning from July 2022 to June 2023. The goal of this investment is to generate a minimum revenue potential of USD 10 million in phase 1 within a period of 3-4 years.

The Company has a strong position in Indian textile industry buoyed by strong export demand and readiness to grow quickly owing to expanded capacity available for use, however, the Company faces geographic concentration risk with ~65% revenue from USA. The company also faces challenges from significant volatility in raw material prices (eg. Crude prices leading to rise in polyester prices in 2022), foreign exchange fluctuations, etc. Also being relatively export competitive viz. China and other south Asian counterparts require government policies and global FTA's aligned and level playing over long term.

However, the Company has an operational track record of more than three decades (being incorporated in 1985) which indicates its ability to survive economic and business cycles.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

FTL's internal controls are commensurate with its size and the nature of Company's operations and are working effectively. The affairs of the Company are managed in such a way that there is free flow of information between the management and the same is only communicated on a need-to-know basis. The Internal controls of the Company are designed in such a way that reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies is possible. The framework ensures adherence to regulations, asset safeguarding, detection and prevention of frauds and errors, adequacy and completeness of accounting records, and timely preparation of reliable financial information.

The efficacy of the internal control system is validated by internal auditors and re-examined by the management. The Internal Control systems are quarterly assessed by the Audit Committee and the report of the same is submitted to the Board for its review. Our audit committee has concluded that, as of March 31, 2024, our internal financial controls were adequate and operating effectively.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company has 8 state-of-the-art manufacturing facilities situated at Dadra and Nagar Haveli, Gujarat, Haryana and Maharashtra in India and employs over 3000 workers directly and indirectly.

The Company fosters a growth-oriented work culture with a safe, productive, and healthy environment. The Company prioritizes the development of all its employees through personnel management system. The Company is led by an experienced management team with vast domain knowledge. The operations are overlooked by its directors / professional management who are highly qualified and have extensive industry experience. The management is also backed by well-defined second-tier management with designated functional heads for each department. The Professional Management along-with second-tier management & functional heads provides training for skill development as well as grooms leaders as a part of succession planning to ensure business continuity. The Company has continued its investment in Human Resource and Talent acquisition during last year.

The Company continuously taking efforts to provide safe working environment, trainings, strict standards of personal hygiene, necessary infrastructure and equipment across all our operations. We are equally focused on protecting the lives and livelihoods of all our employees. The operations of the Company are conducted in such a manner that it ensures safety and security of all the workers and employees.

POLLUTION AND ENVIRONMENTAL CONTROLS

The Company endeavors to have minimum impact to the environment with sustainable production methods, use of energy efficient and environment friendly technology, use of recycled and eco-friendly raw materials, etc. Sustainability has always been a culture in the Company which believes in giving back to the environment and the society. It believes that profitability not only depends on the actual profit but also the benefit derived by the community through the activities of the Company.

The Company endeavors to impact the environment positively with sustainable production methods, use of energy-efficient and environment-friendly technologies, use of recycled and ecofriendly raw materials, etc. The Company is currently shipping range of home products in organic cotton and recycled polyester.

The Company is moving towards processes and machines which are more sustainable and reduce energy use. The new machines are reviewed from the point of view of energy consumption as well along-with production efficiency and output while making purchase decisions. The newly built expanded capacity at Silvassa consists of lithium Ion MHE (warehouse truck & forklifts) leading to efficiency, energy saving and further additions towards ESG goals. The company has continued its sustainable practice with implementation of Rain Water harvesting system at all the units which reduces dependency on external sources during summer as well as saving the water. The Company has also taken various steps to conserve energy such as Installation of Low KwH LED lights across the units, installation of transparent sheets in warehouses to receive natural daylight minimizing use of power lights, Electric scooters to transport goods within unit, installation of Turbo ventilators in the roofs of the units.

The Company is continuously looking for ways to replace fossil fuel energy with renewable energy. The Company has transitioned its dyeing operation in North India from Coal Based Boilers to Gas Based Boiler and has signed agreement for supply of Gas with Indian Oil Adani Gas Private Limited. These efforts have also helped improve environment in surrounding area as well as reduced reliance on Coal Import for India. The Company has already invested and installed a 110-kWh solar power plant at one of its Dadra unit. The company has invested INR 12 Cr in aggregate for Rooftop Solar energy 2.1 MW (captive) at Silvassa, which would generate around ~35% of current electricity consumption at said units. Company's finished goods warehouses (capacity upto 130 HQ containers at a time) are operated by fully Electric lithium-ion fleet of forklifts / reach trucks. Apart from being cost effective, it enhances goal & commitment towards ESG. Along with collection and processing, your Company is also progressing towards making plastics packaging circular by eliminating unwanted plastics by moving from Conventional polybag to Recycled polybags as well as ensuring there is 0% plastic wastage at all the units.

All the manufacturing facilities of the Company have requisite permissions and certificates under the pollution and environmental laws of the state. The Company actively participates in the sustainability programs with international standards by adopting strict measures and alternatives to control the negative impact on the environment which includes optimum production methods, use of renewable energy, responsible sourcing, use of recycled materials, zero waste, high health and safety standards, etc., Such efforts by the company are regularly applauded by the customers which help them tick their responsible sourcing commitments.

OUTLOOK

The Company is looking at pipeline of opportunities in all of our core business categories, the growth potential is immense based on customer's projections subject to one's ability to manufacture, bandwidth across design & development to turnaround faster. The Company is looking at very encouraging feedbacks from customer on our enhanced ability to now deliver larger volumes in our core focus on value added home & technical textiles.

KEY FINANCIAL RATIOS:

Sr. No.	Ratios	2023-24	2022-23	Explanation for significant change
1.	Debtor Turnover Ratio (times)	6.04	5.75	Not applicable
2.	Inventory Turnover Ratio (times)	2.36	2.55	Not applicable
3.	Current Ratio (times)	1.67	1.66	Not applicable
4.	Debt Equity Ratio (times)	0.33	0.35	Not applicable
5.	Interest Coverage Ratio (times)	0.54	0.63	Not applicable
6.	Operating Profit Margin (%)	17.32	18.87	Not applicable
7.	Net Profit Margin (%)	0.08	0.11	Not applicable
8.	Return on Net Worth (times)	0.18	0.25	Not applicable

CAUTIONARY STATEMENT

Statements used in the Management Discussion and Analysis should be read in conjunction with the Company's Audited Standalone and Consolidated financials along with the auditor's report as on March 31, 2024 which forms an integral part of the annual report, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

For and on behalf of Board of Directors
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Date: May 23, 2024
Place: Mumbai

ANNEXURE VI

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

We at Faze Three Limited are committed to ethical business practices and strive to integrate good corporate governance in our day-to-day operations along-with compliance with laws and regulations leading to effective control and better management of the Organisation. We believe that an industry can achieve sustainable growth only when it considers human values, ethics and social responsibility as a part of its long-term business plans and strategy. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Faze Three Limited provides maximum service to all the stakeholders in order to enhance shareholders' value and promote national interest. The Company's Board of Directors oversee business strategies and ensure fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

2. BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. The Board has delegated the operational conduct of the business to the Chairman and Managing Director of the Company. The Managing Director along-with Whole Time Director, KMP's, Plant heads, Senior Management, Functional heads etc. looks after the management of the day-to-day affairs of the Company.

i. **Profile**

Mr. Ajay Anand, is Founder & Promoter of the Company currently designated as Chairman and Managing Director. He has diverse knowledge and experience in textiles and technical textiles and having more than three decades of experience in the industry, Mr. Ajay Anand oversees day-to-day management and administration and plays a vital role in decision making of the Company. His expertise and contribution towards product innovation and business development has led the Company to become one of the most preferred and reliable vendors by the customers over the years. His enormous contribution towards business growth & establishing long-term relationships with both Domestic & Global OEM's in Automotive Textile Industry has helped Faze Three Group to become a major supplier in the Automotive fabric market India.

Mr. Sanjay Anand, is a Whole-time Director of the Company. He has experience of more than 3 decades in the textile industry. He heads the Marketing team of the company along-with administering the Panipat units of the Company and plays a key role in business development and seizing deals with the customers, most of which are top retail giants in the key cities across the world. He is the Brother of the Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Limited.

Mrs. Rashmi Anand, is a Law Graduate and 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 in the operations of textile industry and has led a number of assignments related to setting up of textile business independently. She is the wife of the Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Limited.

Mr. Vinit Rathod, Independent Director of the Company is a Chartered Accountant and has sound exposure of Taxation and Finance. He has rich work experience as a professional as well as an entrepreneur. His association with the Company has helped derive independent valuable insights and perspectives to the Board for deliberation on taxation and financial matters besides good corporate governance practices.

Mr. Manan Shah, Independent Director of the Company is a Chartered Accountant by profession and has a comprehensive experience in business management. He plays an active role in the implementation of good corporate governance standards and provides valuable insights on management and administration.

Mr. James Barry Leonard is a Foreign National and citizen of United States of America and has more than 30 years of experience in the global textile industry, operations, sales, strategic planning and risk management, with a record of turnarounds and market expansion in the USA. His experience includes various Senior Leadership / Executive Management positions held in large Home Textile companies viz. Welspun USA Inc., Croscill Home Inc., Excell Home Fashions Inc., Glenoit Home Inc., Spartan International Inc., Spring Industries Inc, etc. operating in USA.

Mr. Chuji Kondo is a Foreign National and citizen of Japan. Mr. Kondo has completed his "Bachelor of Art in Economics" from Keio University, Tokyo in 1979. Mr. Kondo has more than 35 years of experience in Home Textiles and Floor covering products, overseas business, etc. He has held several executive positions as Director/Board Member in Kawashima Selkon Textiles Co Ltd, Kyoto. Kawashima Selkon Textiles Co Ltd, is one of the leading manufacturers and distributors in home improvements & interior space and supplier to large customers across Japan & globally.

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.

ii. **Composition of Board:**

The Board of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of Board comprising of Non-Executive Directors including more than half of the Board Members comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2024, the strength of the Board of Directors of the Company comprised of 7 Directors including 4 Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

iii. **Board Meetings:**

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre- Scheduled. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The notice of Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the year under review, 6 (Six) Board Meetings were conducted, each on May 23, 2023, May 29, 2023, August 11, 2023, November 06, 2023, January 05, 2024 and February 02, 2024. The necessary quorum was present for all the meetings. The maximum interval between any two Meetings was well within the maximum allowed gap of 120 days.

iv. None of the Directors on the Board hold directorships in more than ten public companies and 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.

v. The name and category 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 the Company as well as other public companies as on March 31, 2024 are given here below:

Name of Director	Category	Relationship with other Directors	Attendance		Particulars of Directorship, Committee membership /Chairmanship			
			Board Meeting	Last AGM	No. of other Director ships~	List of Directorship held in Other Listed Companies and Category of Directorship~	Chairman^	Member^
Mr. Ajay Anand	Promoter, Executive	Brother of Mr. Sanjay Anand and Spouse of Mrs. Rashmi Anand	6	Yes	0	None	0	2
Mr. Sanjay Anand	Promoter, Executive	Brother of Mr. Ajay Anand and Brother in-law of Mrs. Rashmi Anand	5	Yes	1	Non-Executive Director, V.R. Woodart Limited	0	2
Mrs. Rashmi Anand	Promoter, Non-Executive	Spouse of Mr. Ajay Anand and Sister-in-law of Mr. Sanjay Anand	2	Yes	1	Whole Time Director, V.R. Woodart Limited	0	0
Mr. Manan Shah	Independent	None	6	Yes	1	Independent Director, V.R. Woodart Limited	2	4
Mr. Vinit Rathod	Independent	None	6	Yes	1	Independent Director, V.R. Woodart Limited	2	4
Mr. James Barry Leonard*	Independent	None	5	Yes	0	None	0	0

Mr. Chuji Kondo*	Independent	None	4	Yes	0	None	0	0

˜Aforesaid directorships do not include directorship held in foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 (“the Act”) and private companies. Further, the number of Directorships held by the Directors as mentioned above is exclusive of Faze Three Limited.

^Chairmanships / Memberships of Board Committees includes only Audit Committee and Stakeholders’ Relationship Committee in Listed as well as Public Companies. Further, the number of Committee positions held by the Directors as mentioned above is exclusive of Faze Three Limited. Also, the number of memberships in committees is inclusive of the number of chair held in committees.

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

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

Name of the Director	**Industry knowledge**	**Operations**	**Management**	**Interpretation of Financial Statements**	**Understanding of laws, rules and regulations**
Mr. Ajay Anand	Good	Good	Good	Good	Good
Mr. Sanjay Anand	Good	Good	Good	Good	Good
Mr. Manan Shah	Moderate	Moderate	Good	Good	Good
Mr. Vinit Rathod	Moderate	Moderate	Good	Good	Good
Mrs. Rashmi Anand	Good	Moderate	Good	Good	Good
Mr. James Barry Leonard	Good	Good	Good	Good	Moderate
Mr. Chuji Kondo	Good	Good	Good	Good	Moderate

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Sr. No.	**Name of Director**	**Area of Expertise**
1.	Mr. Ajay Anand	• Leadership / Operational experience • Strategic Planning • Industry Knowledge, Research & Development and Innovation • Dealing with large Multinational Retail Corporation • Global Business & Marketing • Financial, Regulatory / Legal & Risk Management • Corporate Governance
2.	Mr. Sanjay Anand	• Leadership / Operational experience • Strategic Planning • Industry Knowledge, Research & Development and Innovation • Dealing with large Multinational Retail Corporation • Global Business & Marketing • Corporate Governance
3.	Mr. Manan Shah	• Leadership • Strategic Planning • Finance, Taxation Regulatory / Legal & Risk Management

		• Corporate Governance
4.	Mr. Vinit Rathod	• Leadership • Strategic Planning • Finance, Taxation, Commodity, Forex, Regulatory / Legal & Risk Management • Corporate Governance
5.	Mrs. Rashmi Anand	• Industry Knowledge, Research & Development and Innovation • Global Business & Marketing • Financial, Regulatory / Legal & Risk Management • Corporate Governance
6.	Mr. James Barry Leonard	• Industry Knowledge, Research & Development and Innovation • Strategic Planning • Risk/ Financial Management • Leadership Skills
7.	Mr. Chuji Kondo	• Industry Knowledge, Research & Development and Innovation • Leadership Skills • Strategic Planning • Risk/ Financial Management

vii. The Directors, except Independent Directors are liable to retire by rotation and 1/3 of the Directors retire every year and if eligible, offer themselves for re-appointment.

viii. The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under the Act 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. On the basis of the declarations received from each of the Independent Directors, the Board hereby confirms that the Independent Directors of the Company fulfills the conditions specified in the Listing Regulations and are independent of the management.

ix. No. of Shares and convertible instruments held by Non-Executive Directors as on March 31, 2024:

Name of the Director	Number of Shares
Mr. Manan Shah, Independent Director	NIL
Mr. Vinit Rathod, Independent Director	NIL
Mr. James Barry Leonard, Independent Director	NIL
Mr. Chuji Kondo, Independent Director	NIL
Mrs. Rashmi Anand, Non-Executive Director	3,43,990

x. During the FY 2023-24, information as mentioned in Schedule II Part A of the SEBI (LODR) Regulations, has been placed before the Board for its consideration.

xi. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at https://www.fazethree.com/corporate-governance/.

xii. During the year, the Independent Directors met once on March 26, 2024 without the presence of Executive Directors and Management representatives. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole during the year and, the quality, quantity and timely of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to these formal meetings, interactions outside the Board Meetings also take place with Independent Directors.

xiii. The details of the familiarization programme of the Independent Directors are available on the website of the Company at https://www.fazethree.com/corporate-governance/.

xiv. **Criteria for performance evaluation of Directors:**

The Board of Directors has approved the criteria for performance evaluation of Directors (including Independent Directors) as recommended by the Nomination & Remuneration Committee. The said criteria *inter alia*, includes following:

- Attendance at the Board meetings.
- Active participation in the meetings.
- Understanding the critical issues affecting the Company.
- Prompts Board discussion on strategic issues.
- Brings relevant experience to the Board and uses it effectively.
- Understands and evaluates the risk environment of the organization.
- Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintain confidentiality wherever required.
- Communicates in an open and constructive manner.
- Seeks satisfaction and accomplishment through serving on the Board.

3. COMMITTEES OF THE BOARD

A. Audit committee

i. The Audit committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations, read with Section 177 of the Act.

ii. **The terms of reference of the audit committee:**
The terms of reference as stipulated by the Board of Directors for the Audit Committee covers all matters specified under the Listing Regulations and the Act.

Terms of Reference of the Committee *inter alia* include the following:

a. Overview of the Company's financial reporting process and the disclosure of its financial information;
b. Approval or any subsequent modification of Related Party Transactions;
c. Review of Company's financial and risk management policies;
d. Review with the management the performance of statutory and internal auditors, and adequacy of the internal control systems;
e. Review and monitor the auditor's independence, and effectiveness of audit process
f. Review with the management of the quarterly financial statements;
g. Recommend to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees;
h. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors

i. 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;
j. Reviewing with the Management, the Annual Financial Statements before submission to the Board;
k. 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;
l. To review the functioning of the Whistle Blower mechanism;
m. All other matters as specified in Part-C of Schedule II of SEBI (LODR) Regulations.

iii. During the year under review, total 5 (five) Meetings were held of Audit Committee on May 23, 2023, May 29, 2023, August 11, 2023, November 06, 2023 and February 02, 2024.

iv. Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 22, 2023.

v. **The composition of the Audit Committee as on March 31, 2024 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	5
2.	Mr. Ajay Anand	Member	Executive Director	5
3.	Mr. Manan Shah	Member	Independent Director	5

vi. All the recommendations by the Committee were accepted and approved by the Board of Directors. Company Secretary of the Company acts as the Secretary to the Committee.

B. Nomination & Remuneration Committee:

i. The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Act.

ii. **The terms of reference of the Nomination & Remuneration committee:**

The terms of reference as stipulated by the Board of Directors for Nomination and Remuneration Committee cover all matters specified under the Listing Regulations and the Act.

Terms of Reference of the Committee *inter alia* include the following:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ("KMP") and other employees;
b. Specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance;
c. Devising a policy on diversity of board of directors;
d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
e. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;
g. Recommend to the board, all remuneration, in whatever form, payable to senior management;
h. All other matters as specified in Para A of Part D of Schedule II of the SEBI (LODR) Regulations.

iii. The Committee has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, independence of a Director and the same is also disseminated on the website of the Company at https://www.fazethree.com/policies/.

iv. The Committee recommends to the Board the appointment of Key Managerial Personnel, oversees familiarization program for Directors and follows the terms of reference as defined from time to time;

v. The Committee shall also specify criteria for making payments to non-executive directors, which forms the part of the Nomination & Remuneration Policy of the Company and the said Policy is disseminated on the website of the Company at https://www.fazethree.com/policies/.

vi. The Committee formulates and recommends to the Board from time to time a compensation structure for whole-time members of the Board, KMPs and SMPs.

vii. During the year under review, total 2 (two) Meetings were held of Nomination and Remuneration Committee on May 22, 2023 and January 05, 2024.

viii. **The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of Meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	2
2.	Mr. Manan Shah	Member	Independent Director	2
3.	Mrs. Rashmi Anand	Member	Non-Executive Director	2

ix. All the recommendations by the Committee were accepted and approved by the Board of Directors.

x. Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 22, 2023.

xi. The details of remuneration paid to Managing Director and Whole Time Directors during the year 2023-24 is given as follows: (No sitting fees paid to the following directors):

(Amount in INR)

Sr. no.	Particulars	Mr. Ajay Anand (Chairman & Managing Director)	Mr. Sanjay Anand (Whole-time Director)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68,61,600	38,40,000
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-

4.	Commission	-	-
5.	Others, please specify	-	-
	TOTAL	68,61,600	38,40,000

xii. The tenure of office of the Managing Director and Whole-time Directors is for 3 (three) years from their respective date of appointment. There is no separate provision for payment of severance fees. The Company does not have a scheme to grant stock options as on date.

xiii. Details of Sitting Fees paid to Non-Executive Directors during the year is as follows:

Sr. No.	Name of the Member	Category	Sitting Fees (In INR)
1.	Mr. Manan Shah	Independent Director	25,000
2.	Mr. Vinit Rathod	Independent Director	25,000
3.	Mr. James Barry Leonard	Independent Director	25,000
4.	Mr. Chuji Kondo	Independent Director	25,000
5.	Mrs. Rashmi Anand	Non-Executive & Non-Independent	Nil

xiv. During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non- Executive Directors.

C. Stakeholders Relationship Committee:

i. The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) of the Act.

ii. Terms of Reference of the Committee *inter alia* include the following:

a. To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;

b. To review the measures taken for effective exercise of voting rights by shareholders;

c. To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent;

d. To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

e. To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

iii. The Committee met once (1) during the year under review i.e. on October 10, 2023.

iv. Composition of Stakeholders Relationship Committee as on March 31, 2024 and the details of meetings attended by its members are given below:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	1
2.	Mr. Ajay Anand	Member	Executive Director	1
3.	Mr. Manan Shah	Member	Independent Director	1

v. Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 22, 2023.

vi. Details of Investor complaints received during the year under review:

Complaints Pending as on 01/04/2023	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2024
Nil	Nil	Nil	Nil

vii. Name and Designation of Compliance Officer:

Name and Designation of the Compliance Officer	Mr. Akram Sati, Company Secretary & Compliance Officer
Address for correspondence	63, Mittal Court, C Wing, Nariman Point, Mumbai 400 021
Telephone Number	022 4351 4444/400
E-mail	cs@fazethree.com

D. Corporate Social Responsibility Committee:

i. The Corporate Social Responsibility Committee ("CSR") of the Company is constituted in line with the provisions of Section 135 of the Act.

ii. Terms of Reference of the Committee *inter alia* include the following:

a. To formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. To recommend to the Board the annual action plan;

c. To recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy;

d. To monitor the CSR Policy.

iii. During the year under review, the Committee met twice (2) i.e., on May 22, 2023 and August 10,2023.

vii. **The composition of the CSR Committee as on March 31, 2024 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of Meetings Attended
1.	Mr. Ajay Anand	Chairman	Executive Director	2
2.	Mr. Sanjay Anand	Member	Executive Director	2
3.	Mr. Manan Shah	Member	Independent Director	2

E. Management Committee:

i. The Board of Directors of the Company constituted a Management Committee, for the ease of carrying out day to day Business transactions.

ii. The terms of reference of the Management Committee inter alia includes, review of borrowing requirements, investment of surplus funds, Acquisitions, divestments, business development, oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, authorizing officers to act on behalf of company for various purpose from time to time and any other items as may be decided by the Board from time to time.

iii. As on March 31, 2024, the Composition of the Committee is as mentioned below:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Ajay Anand	Chairman	Managing Director
2.	Mr. Sanjay Anand	Member	Whole-time Director
3.	Mr. Ankit Madhwani	Member	Chief Financial Officer

iv. During the year under the review, 6 (six) meetings of the Committee were held i.e., on April 20, 2023, June 14, 2023, August 11, 2023, November 10, 2023, December 19, 2023 and March 22, 2024.

4. General Body Meetings:

Annual General Meetings:

Year	Date	Venue	Time	Special Resolution
2020-21 36th AGM	August 09, 2021	Through Video Conferencing	10.00 a.m.	1. Re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company; 2. Re-appointment of Mr. Sanjay Anand (DIN: 01367853) as the Whole-time Director of the Company; 3. Re-appointment of Mr. Vinit Rathod (DIN: 07589863) as Independent Director of the Company; 4. Re-appointment of Mr. Manan Shah (DIN: 07589737) as Independent Director of the Company
2021-22 37th AGM	September 30, 2022	Through Video Conferencing	10.30 a.m.	No Special Resolution was passed in the meeting.
2022-23 38th AGM	September 22, 2023	Through Video Conferencing	04.30 p.m.	No Special Resolution was passed in the meeting.

All the Resolutions set out in the Notices were passed by the Shareholders.

No postal ballot was conducted during the Year 2023-24.

5. Means of Communication:

The Company's quarterly/ half yearly/ annual financial results are published in following newspapers:

i. Indian Express (English)
ii. Financial Express (Gujarati) – Gujarat Edition
iii. Mint (English)

Company's results and official news releases, if any, are sent to Stock exchanges, where the equity shares of the Company are listed and also displayed on the Company's website www.fazethree.com

The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form at www.fazethree.com

No presentations were made to the institutional investors and to the analysts during the FY 2023-24.

6. **General Shareholder Information:**

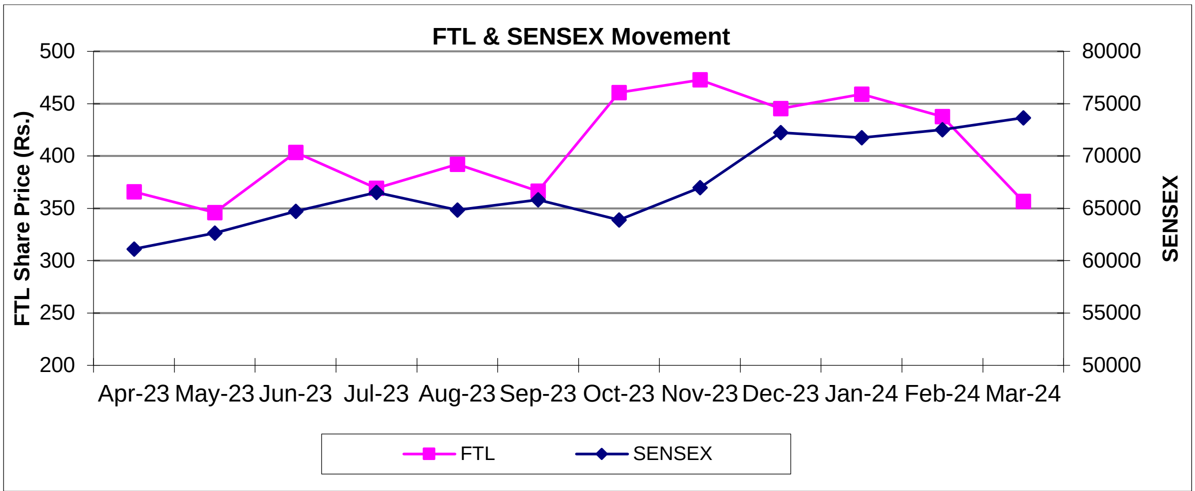
AGM Date, Time and Venue	Pursuant to the General circular no. 09/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs, the 39th Annual General Meeting of the Company for FY 2023-24, is scheduled to be held on Friday, September 27, 2024 at 05.00 p.m. through video conferencing.
Company's Financial Year	1st April – 31st March
Dividend Payment Date	N.A.
Financial Year	April 01, 2023 to March 31, 2024
Date of Book Closure	Friday, September 20, 2024 to Thursday, September 26, 2024
Listing on Stock Exchange	BSE Limited, Phiroze Jeejeebhoy towers, Dalal Street, Mumbai – 400001. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/ 1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. The listing fees has been duly paid by the Company for the F.Y. 2023-24 as well as 2024-25.
BSE Scrip Code NSE Symbol	530079 FAZE3Q
ISIN	INE963C01033
Registrar and Transfer Agent	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083.

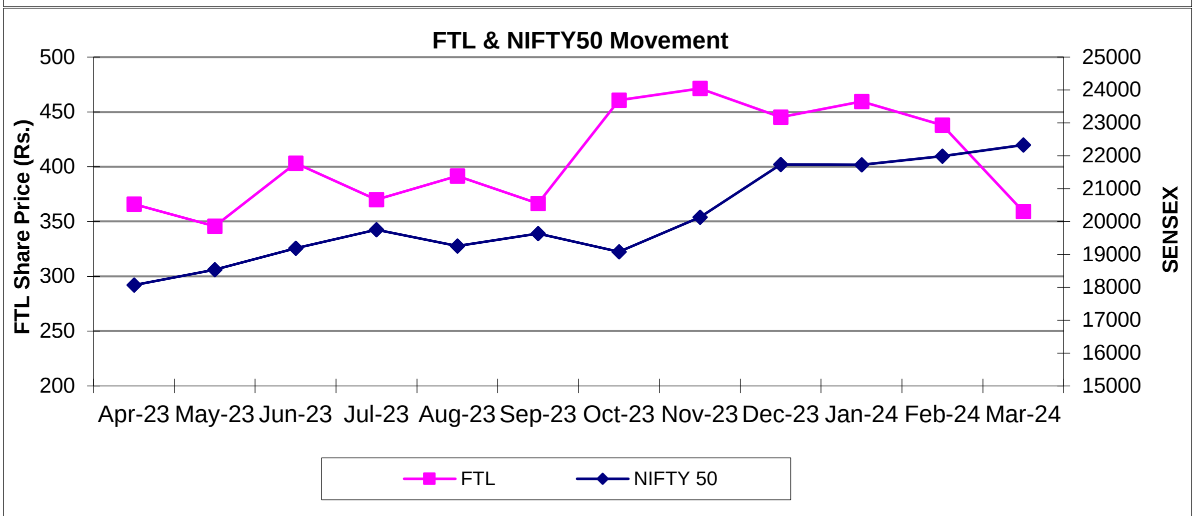
	Phone: 022 - 4918 6270 Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in
Share Transfer System	All transfer, transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the SEBI (LODR) Regulations, read together with the relevant SEBI Circulars. In terms of the SEBI (LODR) Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only while processing the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition. The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. Link Intime India Private Limited.
Credit ratings	CARE has upgraded the credit rating of the Company on August 07, 2023 as following: Long Term Bank Facilities at 'CARE A; Stable' & Short Term rating has been upgraded to 'CARE A1'.
Commodity price risk or foreign exchange risk and hedging activities	The major raw material for company is yarn (Cotton and Polyester). The entire raw material is sourced locally. The Senior Management is involved in acquisition and negotiation of cost based on order size. The raw material sourcing is planned in advance as per requirement at each location and depending on order size and quantum, material is acquired either individually at each plant location or in bulk by senior management. A robust planning and strategy ensure that Company's interests are protected despite volatility in Commodity prices. The Company manages foreign exchange risk with appropriate hedging activities.

	The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. The coverage of foreign exchange exposure through forward contracts are decided based on orders in hand, market conditions, movement of exchange rate and accordingly foreign exchange exposure is hedged and kept uncovered. The details of foreign exchange exposures as on March 31, 2024 are disclosed in Note No. 38 to the notes forming part of the standalone financial statements.

7. MARKET PRICE DATA:

Monthly closing share price chart compared with BSE SENSEX and Nifty 50 during year ended March 31, 2024.





8. **Monthly high and Low compared with BSE Sensex and Nifty 50:**

Month	BSE				NSE			
	High Price	Low Price	Volume (No of shares traded)	Sensex	High Price	Low Price	Volume (No of shares traded)	Nifty 50
Apr-23	388	308.05	86,566	61,112.44	387.05	308.55	2,32,488	18,065
May-23	390	310	1,53,023	62,622.24	388.95	310	4,46,534	18,534.4
Jun-23	424.55	342.05	1,02,552	64,718.56	425	340.1	5,25,306	19,189.05
Jul-23	434	356	2,74,665	66,527.67	436.95	353.15	8,83,952	19,753.8
Aug-23	412.75	340	1,60,000	64,831.41	412.95	341.05	6,94,694	19,253.8
Sept-23	419	350.65	94,769	65,828.41	423.5	349.8	9,79,166	19,638.3
Oct-23	539.9	363.05	3,60,438	63,874.93	540	363	27,74,467	19,079.6
Nov-23	510.8	421	2,48,289	66,988.44	508	436.5	12,35,424	20,133.15
Dec-23	481	432.2	71,337	72,240.26	477.5	425	4,48,981	21,731.4
Jan-24	475	373	98,400	71,752.11	477.05	363.25	6,24,724	21,725.7
Feb-24	470	393.9	1,33,189	72,500.3	477.95	395.15	11,08,918	21,982.8
Mar-24	440.1	351	77,520	73,651.35	443.45	344.5	5,46,511	22,326.9

9. **Distribution of shares and shareholding as on March 31, 2024:**

Sr. No	No. of Equity Shares Held		Shareholders		Shareholding	
	From	To	Nos	%	Nos	%
1.	Upto 500		11,858	92.48	10,04,074	4.13
2.	501	1000	459	3.58	3,53,642	1.45
3.	1001	2000	258	2.01	3,79,095	1.56
4.	2001	3000	79	0.62	1,99,312	0.82
5.	3001	4000	36	0.28	1,30,448	0.54
6.	4001	5000	28	0.22	1,29,271	0.53
7.	5001	100000	41	0.32	3,13,320	1.29
8.	100001 and above		63	0.49	21809838	89.68
	Total		**12,822**	**100**	**2,43,19,000**	**100**

10. **Shareholding Pattern as on March 31, 2024:**

Category Code	Category of Shareholder	Total No. of Shares	%
(A)	**Promoter and Promoter Group Holding**		
1	Indian Promoters	1,36,57,097	56.16
2	Foreign Promoters	-	-
	Sub Total (A)	**1,36,57,097**	**56.16**
(B)	**Non-Promoter shareholding**		
1	**Institutions**		
i.	NBFCs registered with RBI	250	0
ii.	Mutual Funds	81,039	0.33
iii.	Alternate Investment Funds	26,294	0.11
iv.	**Any Other**		

a	Foreign Portfolio Investor (Category 1)	709	0
	Sub Total (B1)	**1,08,292**	**0.44**
2	**Non-Institution**		
i.	Individuals shareholders holding nominal share capital up to Rs. 2 lakhs Individuals shareholders holding nominal share capital above Rs. 2 Lakhs	24,06,785 67,23,818	9.9 27.65
ii.	**Any Other**		
a	Key Managerial Personnel	2	0
b	Bodies Corporate	5,18,310	2.13
c	HUF	2,18,192	0.9
d	Non-Resident Indian	5,89,765	2.43
e	LLP	96,739	0.4
	Sub Total (B2)	**1,05,53,611**	**43.40**
	GRAND TOTAL (A+B1+B2)	**2,43,19,000**	**100**

11. Dematerialization of shares and liquidity as on March 31, 2024:

Sr. No.	Type	Total Folios	Total Shares
1.	Physical Holding	433	2,38,245
2.	CDSL Holding	8477	1,52,11,818
3.	NSDL Holding	3912	88,68,937

12. Plant Locations:

- Handloom & Made-ups Plant -Jatal Road, Anand Nagar, Panipat, Haryana;
- Handloom & Made-ups Plant - G.T. Road, Opposite B.B.M.B. Residency Colony, Panipat 132103, Haryana;
- Handloom & Made-ups Plant - Panipat Gohana National Highway -71A, Village Mehrana Distt. Panipat, Panipat-132103, Haryana;
- Weaving & Made-Ups Plant - Survey No. 380/1, Village Dapada, UT of Dadra & Nagar Haveli and Daman & Diu;
- Bathmat Plant - Survey No. 356/1&2, Village Dadra, UT of Dadra & Nagar Haveli and Daman & Diu;
- Dye-House - Plot No. 71, GIDC, Vapi Industrial Area, Valsad, Gujarat.
- Mats and More Private Limited - Mats and other floor coverings - H- 33, MIDC Waluj Aurangabad – 431 136, India.
- Mats and More Private Limited - Mats and other floor coverings - L-16/17 MIDC, Waluj, Aurangabad – 431 136, India

13. Address for Correspondence:

Corporate Office address	63, 6th Floor, Mittal Court, Wing C, Nariman Point, Mumbai – 400 021.
Phone:	+91 (022) 4351 4444/400
Website:	www.fazethree.com
Email Id:	cs@fazethree.com

14. Other disclosures:

i. **Related party transactions:**

All related party transactions entered into with related parties as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and at arm's length basis. These have been approved by the Audit Committee and all transactions with omnibus approval are reviewed quarterly by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link https://www.fazethree.com/policies/

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 i.e., 2021-22, 2022-23 and 2023-24 respectively: **NIL**

iii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of 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 of the Company at the following link https://www.fazethree.com/policies/.

iv. The Company has also adopted a Policy on Determination of Materiality for Disclosures and Policy for Preservation of Documents. The said policy has been also put up on the website of the Company at the following link https://www.fazethree.com/policies/.

v. The Company has also adopted Policy on Determining Material Subsidiaries and the same is hosted on the website of the Company at https://www.fazethree.com/policies/

vi. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. – Not applicable

vii. The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

viii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor:

Company Name	**Remuneration paid (Amount in INR)**
Faze Three Limited	21,31,975/- (Inc. INR 1,31,975/- reimbursement of out-of-pocket expenses)
Mats and More Private Limited, Wholly Owned subsidiary	36,000/-

ix. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations. The Company has adopted the following discretionary requirements of the Listing Regulations:

- The Company follows the regime of financial statements with unmodified audit opinion.
- The internal auditor reports directly to the Audit Committee as well as the Board of Directors.

x. The disclosure of commodity price risks and commodity hedging activities:

The Company is not dealing in commodity price and commodity hedging activities hence there is no risk related to commodity price or commodity hedging activities.

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

xii. Compliance Certificate as stipulated in Chapter IV of Listing Regulations obtained from Practicing Company Secretary, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure to this Report.

xiii. The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2023-24.

xiv. There were no instances where the recommendations made by any of the Committees of the Board were not accepted by the Board.

xv. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Name of Company to whom the loan is advanced	Interested Directors	Amount
Mats and More Private Limited (Wholly owned subsidiary)	Mr. Ajay Anand and Mr. Sanjay Anand	INR 12.65 crores (as at March 31, 2024)

xvi. On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Sanjay Dholakia & Associates, Practicing Company Secretary (CP No.1798), under Regulation 34(3) and Schedule V Para C Clause (10) (i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority.

xvii. **Unclaimed Dividends:**

Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF.

Year of declaration	Type of Dividend	Dividend per share	Date of declaration	Due date for transfer to IEPF
2017-18	Interim	Rs. 0.50/-	May 22, 2018	June 25, 2025
2019-20	Interim	Rs. 0.50/-	March 03, 2020	April 06, 2027
2022-23	Interim	Rs. 0.50/-	May 27, 2022	June 30, 2029

xviii. **Shares in the Demat Suspense Account & Unclaimed Suspense Account**

Particulars	**No. of shareholders**	**No. of shares**
Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the beginning of the year	Nil	Nil
Number of shareholders who approached the issuer for transfer of shares from the Suspense Account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	Nil	Nil

For and on behalf of Board of Directors
Faze Three Limited

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Date: May 23, 2024
Place: Mumbai

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

To
The Members of Faze Three Limited

Sub: Compliances with Code of Conduct

I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel, for the financial year ended March 31, 2024.

For and on behalf of the Board

Place: Mumbai
Date: May 23, 2024

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

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

To,
The Board of Directors
Faze Three Limited

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

D. We have indicated to the Auditors and the Audit Committee:
   1. that there are no significant changes in internal control over financial reporting during the year;
   2. that there are no significant changes in accounting policies during the year; and
   3. that there are no instances of significant fraud of which we have become aware.

For and on behalf of the Board
Faze Three Limited

Place: Mumbai
Date: May 22, 2024

Sd/-
Ajay Anand
Chairman & Managing Director
DIN: 00373248

Sd/-
Ankit Madhwani
Chief Financial Officer

PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Faze Three Limited
CIN: L99999DN1985PLC000197

I have examined the compliance of conditions of Corporate Governance by Faze Three Limited as stipulated in regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

For SANJAY DHOLAKIA & ASSOCIATES

Sd/-
SANJAY DHOLAKIA
Practicing Company secretary
Proprietor

Date: 23rd May, 2024
Place: Mumbai

Membership No. 2655
C P No.: 1798
Peer Reviewed Firm No. 2036/2022
UDIN: F002655F000428333

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
FAZE THREE LIMITED
CIN: L99999DN1985PLC000197

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FAZE THREE LIMITED having CIN L99999DN1985PLC000197 and having registered office at Survey No. 380/1, Khanvel Silvassa Road, Village Dapada, Dadra & Nagar Haveli 396230 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Ajay Anand	00373248	20/06/2013
2	Mr. Sanjay Anand	01367853	01/12/2009
3	Mrs. Rashmi Ajay Anand	00366258	23/08/2019
4	Mr. Manan Manoj Shah	07589737	12/08/2016
5	Mr. Vinit Arvind Rathod	07589863	12/08/2016
6	Mr. Chuji Kondo	09744760	05/10/2022
7	Mr. James Barry Leonard	09744803	05/10/2022

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

For SANJAY DHOLAKIA & ASSOCIATES

Sd/-
(SANJAY DHOLAKIA)
Practicing Company secretary
Proprietor

Date: 23rd May, 2024
Place: Mumbai

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022
UDIN: F002655F000428322

ANNEXURE VII

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024
[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 LIMITED
CIN: L99999DN1985PLC000197

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FAZE THREE 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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The 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. 1. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the Company:-

   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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under review.

a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

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 Fund 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
- The Hazardous Wastes (Management, Handling And Trans boundary Movement) Rules, 2008
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Maharashtra Shops and Establishments Act 1948
- The Noise Pollution (Regulation and Control) Rules, 2000
- National Textile Policy, 2000
- The Textile Committee Act, 1963
- The Handlooms (Reservation of Articles for Production) Act, 1985
- Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the Secretarial Standards 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 Standards mentioned above.

I further report & confirm that the company has maintained Structured Digital Database in compliance with the Regulation 3(5) and 3(6) of Securities And Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015 for the year ended 31.03.2024.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the Unpublished Price Sensitive Information which were, pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

For SANJAY DHOLAKIA & ASSOCIATES

Sd/-
(SANJAY R DHOLAKIA)
Practicing Company Secretary
Proprietor

Date: 23rd May, 2024
Place: Mumbai

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022

UDIN: F002655F000428366

ANNEXURE A TO THE SECRETARIAL AUDITOR REPORT

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

For SANJAY DHOLAKIA & ASSOCIATES

Sd/-
(SANJAY R DHOLAKIA)
Practicing Company Secretary
Proprietor

Date: 23rd May, 2024
Place: Mumbai

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022
UDIN: F002655F000428366

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR FY 2023-24

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L99999DN1985PLC000197
2. Name of the Listed Entity: Faze Three Limited
3. Year of incorporation: 1985
4. Registered office address: Survey No. 380/1, Khanvel Silvassa Road, Village Dapada, UT of DNH & DD, 396230 India.
5. Corporate address: 63, 6th Floor, Wing C, Mittal Court, Nariman Point, Mumbai – 400021.
6. E–mail: cs@fazethree.com
7. Telephone: 91 (22) 43514400
8. Website: www.fazethree.com
9. Financial year for which reporting is being done: Financial year 2023–24
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited
11. Paid–up Capital: 24,31,90,000/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
    Mr. Ankit Madhwani, Chief Financial Officer / Mr. Akram Sati, Company Secretary and Compliance Officer
    Telephone no.: 91 (22) 43514400
    Email id: cs@fazethree.com
13. Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) – The disclosures under this report are made on standalone basis for Faze Three Limited.

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover)

Sr.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Home & Technical Textile Products	90%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sr. No.	Product/Services	NIC Code	% of total Turnover contributed
1	Manufacturing of made-up textile products except apparels.	1392	90%

III. Operations

16. Number of locations where plants and /or operations/offices of the entity are situated

Location	Number of Plants	Number of offices	Total
National	7	2	9
International	-	-	-

17. Markets served by the entity

a. Number of locations:

Locations	Number
National (No. of States)	0
International (No. of Countries)	26

b. What is the contribution of exports as a percentage of the total turnover of the entity?
= 90%

c. A brief on types of customers

Faze Three Limited is engaged in the business of manufacturing home & technical textiles furnishing products. The Company generates over 90% of its total revenue from Exports. The Company has a diversified product line, Products range from All types of Bathmats, Ultra Luxury Bath Rugs, Washable Area Rugs, High–Performance Outdoor/Indoor rugs, Top of the Bed products, Blanket, Curtains, Patio Mats, Cushions, etc. The Company supplies to Global retail giant and caters to a wide range of vendors and wholesalers in USA/ EU/UK.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
			EMPLOYEES			
1.	Permanent (D)	707	653	92.36	54	7.64
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D+E)**	**707**	**653**	**92.36**	**54**	**7.64**
			WORKERS			
4.	Permanent (F)	1539	1201	78.04	338	21.96
5.	Other than Permanent (G)	832	656	78.85	176	21.15
6.	**Total workers (F+G)**	**2371**	**1857**	**78.32**	**514**	**21.68**

b. Differently abled Employees & Workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D+E)**	**0**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	4	3	75	1	25
5.	Other than Permanent (G)	3	3	100	0	0
6.	**Total workers (F+G)**	**7**	**6**	**85.71**	**1**	**14.29**

19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.29%
Key Management Personnel	2	0	0.00%

20. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees & Workers	10.68%	11.73%	10.82%	14.11%	12.61%	13.36%	10.69%	7.07%	9.93%

V. Holding, Subsidiary and Association Companies (including joint ventures)

21. Name of the holding/ subsidiary/ associate companies/ joint ventures.

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Faze Three US LLC	Wholly Owned Foreign Subsidiary	100.00%	No
2	Mats and More Private Limited	Wholly Owned Foreign Subsidiary	100.00%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
    (ii) Turnover (in Rs) : 5,35,84,80,818.13
    (iii) Net worth (in Rs): 3,16,40,05,352.38

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has deployed its employees at each factory location who regularly visit the communities and interact with people to ascertain and address community concerns, if any.	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	No	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	The Company has Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. SRC meets as and when required and atleast once a year to resolve shareholders grievances. Scores platform is also available for shareholders to raise any complaints (https://scores.gov.in/admin/Welcome. html)	NIL	NIL	NIL	NIL	NIL	NIL
Employees and workers	https://www.fazethree.com/policies/	NIL	NIL	NIL	NIL	NIL	NIL

Customers	The Company operates into B2B Model and exports manufactured products to large retailers around the world. Each customer has a dedicated key account manager for 360-degree communication.	NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners	The Company has deployed its employees at each factory location who regularly interacts with Value chain partners to ascertain and address concerns, if any.	NIL	NIL	NIL	NIL	NIL	NIL

24. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	**Material issue identified**	**Indicate whether risk or opportunity (R/O)**	**Rationale for identifying the risk / opportunity**	**In case of risk, approach to adapt or mitigate**	**Financial implications of the risk or opportunity (Indicate positive or negative implications)**
1.	Natural Resource availability	Opportunity	Natural capital being an essential part of our value creation model, drives us towards meeting our business needs by creating sustainable products and solutions with minimum impact on the natural ecosystem.	1. The Company, have installed Rooftop Solar of 2.1 MW at Silvassa location for captive consumption contributing up to 35% of existing electricity units consumed. 2. Company's finished goods warehouses (capacity upto 130 HQ containers at a time) are operated by fully Electric lithium– ion fleet of forklifts / reach trucks. 3. The above these initiatives are conscious efforts	Positive: Scope to increase reliability on renewal energy.

				towards ESG goals of the company with sustainable capital paybacks	
2.	Geo Politics	Risk & opportunities	A tension between key trading partners such as USA, UK, China, etc could lead to tariff and trade restrictions. Geo political instability in trade routes could result in supply chain disruption, higher cost and delays.	The Company sources 99% of its Raw material from domestic market to avoid supply chain disruptions. China plus one sentiment continues to improve in India's favour overall and especially in value added textile merchandise pertaining to MMF. The Company has invested significantly across all locations over last three years and added capacity in legacy products and build new product lines to grab the opportunity of Chine plus one sentiment.	Positive
3.	Climate Change	Risk	Being a Textile manufacturing Company, the yarn is the primary raw material for production. Climate change adversely impacts the growth and production of yarn	The Company has in place the adequate system to regularly monitor stock of the raw material including keeping alternative supply sources, offering products with different type of yarn such as Suprima, recycled, etc. keeping in view of the climate risk factor. Further, company aims to increase use	Negative: Scarcity/ shortage of yarn leads to high production cost. Positive: Move towards sustainable cotton and use rPET and recycle/ reuse fiber

				of sustainable inputs and procedure to fight climate change.	
4.	Water Management	Risk	Water is mainly required for processing the textiles consumes.	Plant wise plan/actions implemented for alternate sources of water like borewell, ground water, effluent treatment plant, water re–use, rainwater harvesting, tanker water supply and achieving water neutrality	Negative: Scarcity/ Shortage will impact the manufacturing process.
5.	Regulatory changes	Risk & Opportunity	The company is governed by various law, rules & regulations. Any regulatory changes can change the way company operates, impacting sourcing of materials, emissions, waste generation, storage and use of material or quality of finished goods	1. The Company continues to monitor all emerging regulations, incidents, developments and map it for compliance. 2. Regular training and discussion with employees is conducted to keep them updated about regulatory changes. 3. Data mapping and records are kept in organised manner.	Positive: Scope for product innovation to meet new regulatory requirements and explore new sources of raw materials. Negative: Increased expenses in transiting towards meeting new regulations.
6.	Health and Safety risk	Risk	The manufacturing operations of the Company require workers and employees to interact with plant, machinery, and material handling equipment, all of which carry an inherent risk of injury.	1. Training of workers and employees for operating machines, procedure, SOP etc. 2. Compliance with all applicable health and safety legislations and relevant standards.	Negative: Impact on health and well–being of the workers and employees of the Company.

				3. Keep upgrading the health and safety standards.	
7.	Employee/ Worker engagement	Risk and Opportunities	Employees and workers are key component in functioning of the organisation. Any strike /dispute can disturb functioning of the organisation	1. Employee engagements and training for providing new growth opportunities. 2. Knowledge sharing sessions on labour laws. 3. Physical and Mental Wellness sessions conducted on regular basis. 4. Grievances redressal system where employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. 5. Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace has been formulated and Internal Complaints Committee has also been set up to redress any such complaints received.	Positive: The engagements lead to employee/ workers feeling part of organisations leading to better efficiency and creating leaders for tomorrow. Negative: Labour unavailability can impact manufacturing.
8.	Customer Satisfaction	Opportunity	The key goal of any organisation is to ensure that 'customers get, what customers want'. We here at	Company has dedicated person for each customer at each location for customer feedback along with	Positive: Satisfied customer plays very vital role for growth and expansion of the company. It also

			Faze Three believes that a satisfied customers brings greatest opportunities.	"Customer Policy" to ensure best possible business experience to customers.	adds to brand value of the company.
9.	Employment	Opportunity	Organisation's efficiency is a result of its employee's efficiency. Thus, we consider employment as an opportunity to attract, train and retain workforce that grow and develop with us.	--	Positive: Skilled employees helps business to grow and develop more consistently, ensuring sustainable growth in revenue and profits.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	policies extend to your value chain partners?									
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Fair Trade USA, GOTS, Oeko–Tex – standard 100, STeP (Sustainable Textile Production), MIG label (Made in Green), ISO9001:2015, SA8000:2014, SMETA; The Supplier Compliance Audit Network (SCAN); Global Recycled Standard (GRS).	ISO9001:2015, Fair Trade USA, Oeko–Tex – standard 100, STeP (Sustainable Textile Production), MIG label(Made in Green); intertek – Global security verification; The Supplier Compliance Audit Network (SCAN); Global Recycled Standard (GRS); Recycled Claim Standard (RCS)	SMETA, SA8000:2014; Intertek – Global security verification	SMETA; intertek – Global security verification; The Supplier Compliance Audit Network (SCAN); GOTS; Global Recycled Standard (GRS); SA8000:2014	SA8000: 2014	Fair Trade USA, GOTS, Oeko–Tex – Standard 100, MIG label(Made in Green)	NA	SA8000:2014, STeP (Sustainable Textile Production), Global Recycled Standard (GRS),	intertek– Global security Verification; Oeko–Tex – standard 100; ISO 9001:2015
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in compliance with all applicable laws and regulations and is committed & working regularly to further improve the current standards								
6.	Performance of the entity against the specific commitments, goals and targets along-with	The Board of Directors of the Company has empowered the Senior Management at each location to ensure the compliance with the principles and to review it periodically and strive to improve the current standards.								

reasons in case the same are not met.	
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)*	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company through top management oversee the implementation of the Business Responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? If yes, provide details.	No

Note 1

Principles	**Applicable Policies**	**Link for policies**
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Conduct for Directors and Senior Management Personnel, Insider Trading Policy, Policy on dealing with and materiality of Related Party Transactions, Vigil Mechanism/ Whistle Blower Policy	https://www.fazethree.com/policies/
PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe	Environment, Health and Safety Policy	https://www.fazethree.com/policies/
PRINCIPLE 3 - Businesses should respect and promote the well–being of all employees, including those in their value chains	Code of Conduct for Employees, HR Policy, Policy on Prevention of Sexual Harassment (POSH) of women at the workplace	https://www.fazethree.com/policies/

PRINCIPLE 4 – Businesses should respect the interests of and be responsive to all its stakeholders	Corporate Social Responsibility Policy	https://www.fazethree.com/policies/
PRINCIPLE 5 - Businesses should respect and promote human rights	Code of Conduct for Employees, HR Policy	https://www.fazethree.com/policies/
PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment	Environment, Health and Safety Policy, Corporate Social Responsibility Policy	https://www.fazethree.com/policies/
PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	NA	NA
PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development	Corporate Social Responsibility Policy	https://www.fazethree.com/policies/
PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner	Customer Policy	https://www.fazethree.com/policies/

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the board						NA	Committee of the board	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non–compliances	Committee of the board						NA	Committee of the board	

Subject for review	Frequency [Annually (A)/ Half yearly (H)/ Quarterly (Q)/ Any other – please specify]								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	A	A	A	A	A	A	NA	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non–compliances	Q	Q	Q	Q	Q	Q	NA	Q	Q

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	Yes*	No	No	No

**The Company has conducted independent assessment from outside agency for FY 2022-23.*

12. **If answer to question (1) above is "No" i.e. not all Principle are covered by a policy, reason to be started:**

Questions	P7
The entity does not consider the Principles material to its business (Yes/No)	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No
It is planned to be done in the next financial year (Yes/No)	No
Any other reason (please specify)	The Company may share its knowledge / knowhow to assist in the formulation of public policy, but it does not directly engage in advocacy activities. The Company is committed to extend financial literacy, employment generation, equal opportunity, increasing investor awareness, among others.

<u>PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.</u>

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year: 2023-24

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6 (as part of Board Meeting)	Corporate Governance/ Companies Act/ SEBI Regulations.	80.95%
Key Managerial Personnel			100%

Employees other than BoD and KMPs	189*	Fire and safety, mock drill, on site emergency, waste management handling, first aid training, use of PPE, social awareness, health & safety, environment, posh training, crisis, disaster management training, QMS procedures, etc.	100%
Workers	314*	Fire and safety, mock drill, on site emergency, waste management handling, first aid training, use of PPE, social awareness, health & safety, environment, posh training, crisis, disaster management training, QMS procedures, hazardous waste and chemical handling, etc	100%

**The above mention number of training is sum of training conducted at all of company's plants & offices during FY 2023-24.*

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): **NONE**

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

   Yes, the Company has an Anti-Bribery and Anti-corruption policy. This policy applies to all persons associated with the Company and who may be acting on behalf of the Company. The policy is available on the Company's website at https://www.fazethree.com/policies/.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:
   Not Applicable.

8. Number of days of accounts payable:

	FY 2023-24	FY 2022-23
Number of days of accounts payable	10.44 days	8.07 days

**Formula used to calculate above data: (Avg. Accounts payable x 365)/ Cost of Goods & Services procured.*

9. Open-ness of business:

   Details of concentration of purchase & sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2023-24	FY 2022-23
	a. Purchases from trading houses as % of total purchases	10%	12%

Concentration of Purchases	b. Number of trading houses where purchases are made from	268	290
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	64.09%	67.91%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	6.34%	2.50%
	b. Sales (Sales to related parties / Total Sales)	8.29%	6.56%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	0	0

**Loan given to Mats & More Limited (WOS).*

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year: 2023-24

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company conducts programmes at the time of on boarding new vendor and thereafter at regular interval	Ethical Policy, Integrity, Health and Safety, Sustainability, Transparency and Accountable behaviour	100% major value chain partners covered

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and Senior Management Personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and Senior Management Personnel on compliance with the code. The Company also ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with interested entities, if any.

The policy is available on the Company's website at https://www.fazethree.com/policies/.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	0*	-	Kindly refer Annexure III (Report on conservation of energy, technology absorption) of the Directors' Report forming part of the Annual Report.
Capex	4.84	23.23	

**The Company has dedicated team at all locations for new product development which continuously engage with customers for new product and improvement in existing offerings*

2. a. Does the entity have procedures in place for sustainable sourcing?
= Yes

b. If yes, what percentage of inputs were sourced sustainably?
= The Company has procedures in place to source inputs from sustainable source, the materials are sourced from well-established names in industry. The Company also follows strategy for ethical business practice and discourages child labour, force labour for sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) **Plastics (including packaging)** - The Company encourages its customers to replace Plastics Tags with FSC Paper Tag and other recyclable material.
(b) **E-waste** – All IT related disposal are done through E–waste certified supplier who ensures safe disposal with minimal environmental impact.
(c) **Hazardous waste** - The legally prescribed procedures are adopted reusing and recycling the hazardous waste and environmentally sound disposal techniques are applied for disposing hazardous waste.
(d) **Other waste** - The non–hazardous waste is sold to authorised recyclers/ government authorities/ government agents.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).
= No.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
= NA

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Given the diversity of our products, Company has not undertaken LCA. However, the Company is exploring various initiatives to assess Carbon Footprint and reduce the same.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

<table>
<tr><th>Name of Product / Service</th><th>Description of the risk / concern</th><th>Action Taken</th></tr>
<tr><td rowspan="4">Home textiles products (All types of Bathmats, Ultra Luxury Bath Rugs, Washable Area Rugs, High–Performance Outdoor/Indoor rugs, Top of the Bed products, Blanket, Curtains, Patio Mats, Cushions, etc.)</td><td>Waste Generation in the process of production.</td><td>The Company encourages its customers to place orders for products which are sustainable and manufactured with recycled and reused material.</td></tr>
<tr><td>Oil Discharge</td><td>The Company has in place effluent treatment/ discharge facility for proper disposal of oil.</td></tr>
<tr><td>Carbon Emission (as a result of production process and generation /use of electricity)</td><td>i. Expanding use of CNG, Solar Energy, Electrical Vehicles and other renewable energy source.
ii. Installation of rooftop solar project at its Dadra location for generation of renewable energy.
iii. Installation of LED lamps in the vicinity of all factories powered by solar energy.
iv. Installation of new sewing machines with servo motors leading to higher productivity and lower electricity cost.
v. Turbo fans installed in the factories instead of electrical blowers thereby cutting energy</td></tr>
<tr><td>Water pollution/ soil and land pollution.</td><td>The Company increasingly works with vendors who have integrated facility for effluent treatment or subscribe to a common treatment/ discharge facility.</td></tr>
</table>

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (%)	FY 2022-23 (%)
Plastic bags	17.53	8.17
Yarn	7.79	10.50
Spun Poly Yarn	4.20	3.19
Fiber	100	100
Chindi	100	100
Packing Material	3.18	1.39

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed:

   The Company operates into B2B Model and exports manufactured products to large retailers around the world and these products are not reclaimed by the Company.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Since the Company is engaged in B2B business model, the process with respect to the reclaimed products is not applicable to the Company.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indictors

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent employees											
Male	653	221	33.84	653	100	NA	NA	653	100	653	100
Female	54	6	11.11	54	100	54	100	NA	NA	54	100
Total	**707**	**227**	**32.11**	**707**	**100**	**54**	**100**	**653**	**100**	**707**	**100**
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent workers											
Male	1201	566	47.13	1201	100	NA	NA	1201	100	1201	100
Female	338	50	14.79	338	100	338	100	NA	NA	338	100
Total	**1539**	**616**	**40.03**	**1539**	**100**	**338**	**100**	**1201**	**100**	**1539**	**100**
Other than Permanent workers											
Male	656	0	0	656	100	0	0	0	0	656	100
Female	176	0	0	176	100	0	0	0	0	176	100
Total	**832**	**0**	**0**	**832**	**100**	**0**	**0**	**0**	**0**	**832**	**100**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.083%	0.063%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes

** The Employees and Workers are covered as per the threshold limit as prescribed under the various applicable law.*

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirement of the Rights of Persons with Disabilities Act, 2016?
= Yes

If not, whether any steps are being taken by the entity in this regard.
= NA

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, The Company is committed to provide equal employment opportunities without any discrimination on the grounds of race, religion, national origin, ethnic origin, colour, gender, age, citizenship, veteran status, marital status or a disability. The Company has in place Gender Equality Policy and Diversity, Equality & Inclusion Policy, which calls for no discrimination on any grounds.

The Gender Equality Policy and Diversity, Equality & Inclusion Policy can be accessed on our website at www.fazethree.com

5. Return to work and Retention rates of permanent employees and workers that took parental leave. :-

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	NA	NA
Female	NA	NA	NA	NA
Total	100%	100%	NA	NA

**NA = No parental leaves were availed during the FY 2023-24 in said category.*

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company aims to provide a safe, friendly and conducive work environment to all of its employees and associates. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. The Company has formulated whistle blower policy which allows all our employees to report any kind of suspected or actual misconduct in the organisation in an anonymous manner. In addition, Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace has been formulated and Internal Complaints Committee has also been set up to redress any such complaints received.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2023-24			FY 2022-23		
Category	**Total employees / workers in respective category (A)**	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B/A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D/C)**
Total Permanent Employees	**707**	**0**	**0**	**561**	**0**	**0**
- Male	653	0	0	523	0	0
-Female	54	0	0	38	0	0
Total Permanent Workers	**1539**	**0**	**0**	**1315**	**0**	**0**
-Male	1201	0	0	1018	0	0
-Female	338	0	0	297	0	0

8. Details of training given to employees and workers:

Category	**FY 2023-24**					**FY 2022-23**				
	Total (A)	**On health and safety measures**		**On skill upgradation**		**Total (D)**	**On health and safety measures**		**On skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No. (F)**	**% (F/D)**
Employees										
Male	653	289	44.26	139	21.29	523	208	39.77	94	17.97
Female	54	21	38.89	12	22.22	38	17	44.74	8	21.05
Total	**707**	**310**	**43.85**	**151**	**21.36**	**561**	**225**	**40.11**	**102**	**18.18**
Workers										

Male	1201	1201	100	250	20.82	1018	1018	100	243	23.87
Female	338	338	100	47	13.91	297	297	100	137	46.13
Total	**1539**	**1539**	**100**	**297**	**19.30**	**1315**	**1315**	**100**	**380**	**28.90**

**Only permanent employees and workers*

9. Details performance and career development reviews of employees and worker:

Category	**FY 2023-34**			**FY 2022-23**		
	Total (A)	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**%(D/C)**
Employees						
Male	653	653	100%	523	523	100%
Female	54	54	100%	38	38	100%
Total	**707**	**707**	**100%**	**561**	**561**	**100%**
Workers						
Male	1201	1201	100%	1018	1018	100%
Female	338	338	100%	297	297	100%
Total	**1539**	**1539**	**100%**	**1315**	**1315**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company has in place Environmental, Health and Safety Policy for protection of the employees from work related hazards. This Health and Safety Policy covers all the operating/ factory sites of Company. The health and safety management system broadly covers the following:

1. Risk assessments, safety audits and safety inspections at a prescribed frequency
2. Optimize use of natural resources i.e. energy, fuel, water and chemicals.
3. Ensure that each employee, workers and visitors comply with all safety rules and regulations framed for the operation.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Periodic inspections are carried out at plant site to identify work related hazards. The Company is committed to provide safe and healthy working conditions & the prevention of work–related injury and ill health of employees and workers. Periodic training is to given to the workers/ employees on dealing with hazardous goods. The Company regularly updates the health and safety standards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
=Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
=Yes

11. Details of safety related incidents:

	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total injuries recordable work-related	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**Including contract worker/ non-permanent workforce.*

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has in place Health and Safety Policy which covers all the operating/ factory sites of Company. The Company has taken following measures to ensure and safety and health work place:

1. Implementation of Heath and Management System
2. Systematic process in place for identification of work–related hazards.
3. Imparting trainings to the workers/ employees on dealing with hazardous goods.
4. Conducting mock drills for workers/ employees.
5. Adequate system in place to identify work related hazards and to formulate contingency plan and to eliminate or mitigate the hazards.
6. Ensures that all activities across the value chain are conducted as per the defined health and safety procedures.
7. Risk assessment is done on a periodic basis and actions are taken to maintain the risks.
8. Providing patient–centred, culturally appropriate, and individual holistic care and checkups, including sickness checkups and regular follow–ups to factory worker/ employees.
9. Conducts weekly checkups of employees working in Hazardous areas.
10. Maintenance of accurate medical records.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The following safety measures are taken by the Company:

1. Thermography Scanning: Thermography scanning is conducted at all plants.
2. Installation of instruments to prevent fire injury & Emergency Exit: To prevent any injury from fire, the Company has installed various instruments as prescribed by the Department of Fire and Emergency Services at all plants and compliance with respect to emergency exit requirements is ensured. Further, the fire drills are carried out at regular intervals.
3. Masks: It is mandatory for the workers even before Covid–19 Pandemic, to wear mask at the time of processing raw cotton, in order to prevent any respiratory disorders caused due to inhalation of dust produced by raw cotton.
4. Safety Earmuffs: It is mandatory for workers, working in loud conditions, to wear appropriate hearing protection equipment.
5. Machine guards and censors: The machine guards and censors are installed to protect the machine operator and other employees in the work area from hazards created during the machine's normal operation.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of
(A) Employees = Yes
(B) Workers = Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensure that statutory dues are paid within timeline by the Company and regularly follows up with the value chain partners for the same. The Company is regular in paying the statutory dues.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		**No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**	
	FY 2023-24	**FY 2022-23**	**FY 2023-24**	**FY 2022-2023**
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
= Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% of The Major value chain partner.

Working Conditions	100% of The Major value chain partner.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   During the year under review, there were no major health and safety related risks.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

   The key stakeholder group identified by the Company includes Employees, Shareholders, Regulatory Bodies & Investors, Vendors and Communities. Identifying key stakeholder groups of an entity is crucial for effective management and strategy development. It involves understanding its mission and objectives, listing potential stakeholders (both internal and external), and categorizing them based on their relationship with the entity. The process further involves regular review and update the stakeholder list and analysis as the entity evolves to ensure entity remains responsive to the changes.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	As needed: Email, in person meeting, calls	At regular intervals	1. Career Management and Growth Prospects 2. Learning opportunities 3. Compensation structure Flexible working hours
Shareholders & Investors	No	As needed: Presentation, email advisories.	1. Quarterly: Financial statements in IndAS and Company's presentation on financial results	1. Understanding shareholder expectations 2. Addressing their concerns

			2. Annual: Annual General Meeting; Annual Report	
Vendors	No	As needed: calls and meetings, emails, presentations, reviews.	At regular intervals	1. Quality Management 2. Pricing of products 3. Purchase orders Supply chain management
Communities	Yes	As needed: reviews, calls and meetings, surveys	Throughout the year.	1. Sustainable ways of doing business 2. Community welfare 3. Business concerns

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company actively engages with its key stakeholders. A continuous engagement with the stakeholders helps the Company to meet its stakeholders' needs and expectations. The Board is kept abreast on recent developments and feedback on the same is sought from the Directors on regular basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics.

   Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Company to better serve its stakeholders. Company, as a result of such interactions, with its stakeholders, realized its various responsibility towards society. As a result of it, Company has taken various steps to fulfil its responsibility. Some of them are as follows:

   a. Expanding use of CNG, Solar Energy, Electrical Vehicles and other renewable energy source;
   b. Policy to increase no. of disable workers employed by 50% every year compared to previous year;
   c. The Company increasingly works with vendors who have integrated facility for effluent treatment;
   d. Implementation of Zero liquid discharge mechanism wherever possible; etc.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   All the CSR initiatives of the Company are undertaken for the benefit and upliftment of disadvantaged and marginalised section of the society. Kindly refer to the Corporate Social Responsibility Report given separately in Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. employees/ workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
Employees						
Permanent	707	707	100	561	561	100
Other than permanent	0	0	0	0	0	0
Total Employees	**707**	**707**	**100**	**561**	**561**	**100**
Workers						
Permanent	1539	1539	100	1315	1315	100
Other than permanent	832	832	100	787	787	100
Total Employees	**2371**	**2371**	**100**	**2102**	**2102**	**100**

2. Details of minimum wages paid to employees and workers:

	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	653	0	0	653	100	523	54	10.33	469	89.67
Female	54	0	0	54	100	38	2	5.26	36	94.74
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	1201	664	55	537	44.71	1032	546	52.91	486	47.09
Female	338	287	85	51	15.09	283	123	43.46	160	56.54
Other than Permanent										
Male	656	639	97	17	2.59	614	614	100	0	0
Female	176	168	95	8	4.55	173	173	100	0	0

3. Details of remuneration/ salary/ wages:

a. Median remuneration / wages

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BOD)	2	4,46,875	0	Nil
Key Managerial Personnel	2	3,58,516	0	Nil
Employees other than BOD and KMP	653	26,062	54	35,617
Workers	1,857	13,797	514	13,797

b. Gross wages paid to females as % of total wages paid by the entity

	FY 2023-24	FY 2022-23
Gross Wages paid to females	26.68 %	16.71 %

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?
=Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to providing a safe and positive work environment. The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair & ethical business and employment practices are followed. The Company is committed to providing a work environment that ensures that every employee/ worker is treated with dignity, respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. The Company strictly prohibits sexual harassment, harassment based on race, religion, national origin, ethnic origin, colour, gender, age, citizenship, veteran status marital status or a disability. The employees can raise the concern for the violation of human rights/ harassment to their reporting Manager or Senior Management.

The Company also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA

Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY 2023-24	**FY 2022-23**
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/ workers	Not Applicable	Not Applicable
Complaints on POSH upheld.	Not Applicable	Not Applicable

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   a. Internal Complaints Committee is constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to receive, investigate the complaint and to provide independent judgement.
   b. Whistle Blower Policy of the Company provides adequate safeguard against the whistle blower and no one is denied access to the Chairman of the Audit Committee or in exceptional cases to the Board of Directors for appropriate relief.

9. Do human rights requirements form part of your business agreements and contracts?
   = Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
    = Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the reporting period, no business processes were required to be modified or introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights as well as remedying rights violations in case they are identified. The Company has constituted Internal Complaints Committee to receive and investigate the complaints with respect to Sexual Harassment of Women at Workplace. The Company has also framed Whistle Blower/ Vigil Mechanism Policy which provides adequate safeguard to the whistle blower and no none is denied access to the Chairman of the Audit Committee or in exceptional cases to the Board of Directors for appropriate relief. As an equal opportunity employer, we have zero tolerance towards the decimation on the basis of race, colour, religion, sex, national origin, gender identity, gender expression, sexual orientation or disability status.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
=Yes

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% major value chain partners
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
= Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameters	**FY 2023-24 (MJ)**	**FY 2022-23 (MJ)**
From renewable sources		
Total electricity consumption (A)	57,89,807.94	23,50,800
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	57,89,807.94	23,50,800
From non-renewable sources		
Total electricity consumption (D)	5,41,79,286.4	4,63,69,198.8
Total fuel consumption (E)	13,72,94,968.5	43,14,48,149.56
Energy consumption through other sources (F)	2,85,991.2	2,89,278

Total energy consumed from non-renewable sources (D+E+F)	19,17,60,246.1	47,81,06,626.36
Total energy consumed (A+B+C+D+E+F)	19,23,39,226.9	48,04,57,426.4
Energy intensity per rupee of turnover (Total Energy (MJ)/Revenue from operation)	0.035	0.087
Energy intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total Energy/Revenue from operation adjusted for PPP)	NA*	NA*
Energy intensity in terms of physical output (MJ/MT)	18,718.73	54,728.97

**Not Applicable as company earns more than 90% of its revenue from exports i.e. in US $.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
=No

3. Provide details of the following disclosures related to water, in the following format:

Parameters	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	3,16,602	2,98,370
(ii) Groundwater	2,76,351	2,84,786
(iii) Third party water	2,962	0
(iv) Seawater / desalinated water	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,95,915	5,83,156
Total volume of water consumption (in kilolitres)	5,95,915	5,83,156
Water intensity per rupee of turnover (Water consumed / turnover)	0.00011120969174393016	0.00010643101803821096
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Water consumed /Revenue from operation adjusted for PPP)	NA*	NA*
Water intensity in terms of physical output (KL/MT)	57.9953	66.4274

**Not Applicable as company earns more than 90% of its revenue from exports i.e. in US $.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=No

4. Provide the following details related to water discharged:

Parameters	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify the treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify the treatment	2,20,090 ETP Treatment	2,28,344 ETP Treatment
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify the treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify the treatment	3,16,602 Biological Treatment	2,50,236 Biological Treatment
Total water discharged (in kilolitres)	**5,36,692**	**4,78,580**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Recognizing the importance of water as a resource, we undertake several initiatives to optimize the consumption and reduce resultant wastewater generation through our reuse or recycle schemes. Such wastewater is further recovered and used back in process, gardening, sanitation, etc.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm3	115.71	123.23
SOx	mg/Nm3	101.45	232.54
Particulate matter (PM)	mg/Nm3	293.13	361.37
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
Total Scope 1 emissions	MT of CO2 equivalent	-*	14,433.15
Total Scope 2 emissions	MT of CO2 equivalent	-*	9,703.41

Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT of CO2 / per rupee of turnover.	-	0.00000440513
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		NA#	NA#
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	MT of CO2 / MT pf production	-	2.74939883925

#Not Applicable as company earns more than 90% of its revenue from exports i.e. in US $.

**The figures for FY 2023-24 are under assessment.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
= Yes, independent assessment was carried out by **ENEN Green Services Private Limited** for FY 2022-23.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   The Company with the aim to reduce its greenhouse gas emission, has taken various steps to reduce its dependency on emission generating energy sources and increase use of alternative/ clean energy source. The Company has installed a 2.1 MW solar power plant at its unit in West India, which enables said units to meet its ~35% of electricity needs via clean energy source and reduce their carbon footprint. Further, Company has also started to opt more sustainable equipment, by investing in lithium Ion MHE (warehouse truck & forklifts), instead of traditional equipment. All these steps has enable Company to function in sustainable and efficient manner.

9. Provide details related to waste management by the entity, in the following format:

Parameter	**FY 2023-24**	**FY 2022-23**
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	-	-
E-waste **(B)**	0.454	0.39
Bio-medical waste **(C)**	-	-
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	-	-
Radioactive waste **(F)**	-	-
Other Hazardous waste. **(G)**	44.17	26.62
Other Non-Hazardous waste. **(H)**	-	-
Total (A+B + C + D + E + F + G+H)	**44.624**	**27.01**
Waste intensity per rupee of turnover (Total waste generated (KG) / Revenue from operations)	0.000008328 Kg per rupee	0.0000000049 Kg per rupee
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	NA*	NA*

(Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output (Total waste generated in MT / Total Production in MT)	0.00434287116	0.000044425
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.41	0.36
(ii) Re-used	0	0.2
Total	**0.41**	**0.56**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	3.97
(ii) Landfilling	23.67	22.28
(iii) Other disposal operations	0	0.2
Total	**23.67**	**26.45**

**Not Applicable as company earns more than 90% of its revenue from exports i.e. in US $.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generation being an inevitable part of manufacturing process, efforts have been taken to create value from waste. With an aim to divert a significant quantum of waste from going to the landfills, the Company has adopted systems and procedures that helps repurpose used material and reintroduce excess material into the production process. The Company follows legally prescribed procedures and applies environmentally sound disposal techniques for disposing hazardous waste whereas the non–hazardous waste is sold to authorised recyclers/ government authorities/ government agents. Safety and environmental sustainability are integral parts of strong product development processes established by the Company.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operation/ offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	0	Not Applicable	Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).
=Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicator

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area	N.A.	
(ii) Nature of operations	N.A.	
(iii) Water withdrawal, consumption and discharge		
Parameter	**FY 2023-24**	**FY 2022-23**
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify the treatment	-	-
(ii) To Groundwater		
- No treatment	-	--
- With treatment – please specify the treatment	-	
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify the treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-

- With treatment – please specify the treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=N.A.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	-*	165365.33
Total Scope 3 emissions per rupee of turnover		-*	0.0000301806

The figures for FY 2023-24 are under assessment.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
=Yes, independent assessment was carried out by **ENEN Green Services Private Limited** for FY 2022-23.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
=Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Kindly refer Annexure III (Report on conservation of energy, technology absorption) of the Directors' Report forming part of the Annual Report.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- All probable hazards, their place, potential, damaging capacity and areas in case of all accidents, dangerous occurrence, emergencies and disasters happening in or affecting the jurisdiction at any time detailed emergency response for each hazard scenario.
- Emergency response team on site consisting of site main controller, incident controller, firefighting team, first aiders, communications team, power and utility teams
- Responsibilities and functions of key member's emergency response team and alternates.
- Emergency control center and minimum infrastructure required in emergency control center.
- List of Regulatory agencies with names and telephone Numbers.
- List of Telephone numbers of Local Hospitals and telephone numbers.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During year, there was no significant adverse impact to the environment arising from the value chain of the entity.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
   = 100% of Major value chain partner.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
   = 07 (Seven)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Cotton Textiles Export Promotion Council	National
2	Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	National
3	Handloom Export Promotion Council	National
4	Carpet Export Promotion Council	National
5	Textiles Committee, Ministry of Textiles Government of India	National
6	ASMECHEM – Chamber of Commerce and Industry of India	National
7	Coir Board	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory
   = Not Applicable

Leadership Indicator

1. Details of public policy positions advocated by the entity:
   = Not applicable.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community
The Company has deployed its factory employees who regularly visit the communities and interact with people to ascertain and address community concerns, if any. Based on these interactions, we have not encountered any specific grievances from the community at present.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	16.28%	5.9%
Directly from within India.	99%	99%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location*	FY 2023-24	FY 2022-23
Rural	37.46%	29.41%
Semi-urban	19.33%	27.71%
Urban	16.05%	18.79%
Metropolitan	27.15%	24.09%

**Place are categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan.*

Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
= Not applicable

2. Provide the following information on CS projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (in INR)
-	-	-	-

**Company has made CSR contribution of Rs 1,33,50,000/- to (i) Kalawati Devi Memorial Charitable Trust; and (ii) Omkar Andh-Apang Samajik Sanstha.*

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?
=Yes, the Company, with aim to empower marginalized /vulnerable groups, works with communities residing in the surrounding area of the factory and small producers based on quality, operational efficiency and design capability of the vendors. The Company delegate various handmade work to local household women, enabling them to earn from their house.

(b) From which marginalized /vulnerable groups do you procure?
= Widows/ Women Workers/ Tribal Community.

(c) What percentage of total procurement (by value) does it constitute?
= The constant efforts are made to engage the rural and household women.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
= Not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
= Not applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
-	-	-	100%*

**Company has made CSR contribution to (i) Kalawati Devi Memorial Charitable Trust and (ii) Omkar Andh-Apang Samajik Sanstha. Through this contribution company was able to address and play its part in*

- *Women Empowerment,*
- *Medical and Educational support to needed children,*
- *Hospital project (for blind, handicapped, deaf, dialysis, kidney patients, heart disease patients, HIV patients, homosexual and people below poverty line)*

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company has business–to–business (B2B) model. The Company sell its products to vendors which ultimately sell the products to the end consumers. The Company has in place a mechanism for each consumer, where they can raise complaint and provide feedback to the Merchandiser.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As % to total turnover
Environmental and social parameters product relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security		NIL			NIL	

Delivery of essential services		
Restrictive Trade Practices		
Unfair Trade Practices		

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes, the Company has Cyber Security Policy and same can be accessed on the website of the Company at https://www. fazethree.com/policies/.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
   = Not applicable

7. Provide the following information related to data breaches:
   a. Number of instances of data breaches = Nil.
   b. Percentage of data breaches involving personally identifiable information of customers = 0%.
   c. Impact, if any, of the data breaches = Not Applicable.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Information relating to all the products provided by the Company are available on the Company's website at https://www. fazethree.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Labels on safe and responsible usage are printed on the products along with product guide, if applicable as well as various initiatives are undertaken by the retailer to educate the ultimate customer.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
   = Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.
   = No

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
   = Not applicable since the Company operates through business–to–business (B2B) model.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Faze Three Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Faze Three Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income. Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, Management Discussion and Analysis Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 except for the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g).

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).

(h) With respect to the other matters to be included in the Auditor's 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. The Company does not have any pending litigations which would impact its financial position.

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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

(1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used accounting software's for maintaining its books of account during the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except for a software which is used for maintaining its books of account relating to revenue and inventory transactions, in respect of which the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes in the accounting software throughout the year ended March 31,2024.

Further, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with, in respect of the accounting software's for the period for which the audit trail feature was enabled and operating.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSH8671

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED

Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No.101739
UDIN: 24101739BKEZSH8671

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and right of use assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in Favor of the lessee) as disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. Discrepancies of 10% or more in the aggregate for each class of inventories were not noticed in respect of such confirmations. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company.

iii.

(a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

(A) The details of such loans or advances and guarantees or security to subsidiaries are as follows:

(Amount in Crores)

	Loans
Aggregate amount granted/provided during the year	
- **Subsidiary (including interest accrued)**	30.29
Balance Outstanding as at balance sheet date in respect of above cases - **Subsidiary**	12.65

The Company has not provided any guarantee or security to any other entity during the year

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to grant of all loans and advances in the nature of loans are not prejudicial to the interest of the Company.

(c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the amount of principal and interest has yet not fallen due.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Company.

(e) According to the information and explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has granted loans and / or advances in the nature of loans during the year. These are not repayable on demand/ have stipulated schedule for repayment of principal and interest. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the provisions of Section 185 and 186 of the Act, is not applicable to the company in respect of loans, investments, guarantees and security made. Accordingly, the provisions stated under clause 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us the company has not defaulted in repayment of loans or borrowings or in payment of interest there on to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii.

(a) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 43 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to the Companies Act, 2013. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSH8671

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Faze Three Limited on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 43 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Faze Three Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements 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) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Standalone Balance Sheet as at 31 March 2024 (Amount in crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	233.02	201.92
Capital work-in-progress	4	4.85	4.04
Right-of-use Assets	3 (b)	10.01	10.24
Intangible Assets	5	0.18	0.05
Financial assets			
i. Investments	6	2.75	2.75
ii. Loans	7 (a)	12.65	5.30
iii. Other financial assets	7 (b)	3.05	1.99
Income tax assets (net)	14	3.13	0.58
Other non-current assets	8	5.21	5.82
Total non-current assets		**274.85**	**232.69**
Current assets			
Inventories	9	126.80	77.39
Financial assets			
i. Investments	6	14.25	12.13
ii. Trade receivables	10	75.10	93.90
iii. Cash and cash equivalents	11	35.44	61.42
iv. Bank balances other than cash and cash equivalent	12	32.39	42.31
v. Other financial assets	13	0.43	1.42
Other current assets	15	27.36	21.74
Total current assets		**311.77**	**310.31**
Total assets		**586.62**	**543.00**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	24.32	24.32
Other equity	17	353.92	312.35
Total equity		**378.24**	**336.67**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities	35	8.44	9.58
ii. Other financial liabilities	18	0.11	0.26
Provisions	19	2.11	1.90
Deferred tax liability (net)	32	6.06	4.59
Total non-current liabilities		**16.72**	**16.33**
Current liabilities			
Financial liabilities			
i. Borrowings	20	156.59	160.75
ii. Lease Liabilities	35	3.57	2.34
iii. Trade payables		21	
(a) Total outstanding dues of micro enterprises and small enterprises		0.30	0.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15.31	11.50
iv. Other financial liabilities	18	10.72	11.22
Other current liabilities	22	1.09	0.82
Provisions	19	3.38	2.48
Current tax liabilities (net)	23	0.70	0.72
Total current liabilities		**191.66**	**190.00**
Total liabilities		**208.38**	**206.33**
Total equity and liabilities		**586.62**	**543.00**

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	24	535.85	547.92
Other income	25	8.70	5.57
Total income		**544.55**	**553.49**
Expenses			
Cost of material consumed	26	269.16	214.66
Changes in inventories of finished goods and work-in-progress	27	(28.06)	23.58
Employee benefits expense	28	81.12	69.19
Finance costs	29	11.15	7.49
Depreciation and amortization expense	30	19.98	14.04
Other expenses	31	133.96	147.82
Total expenses		**487.31**	**476.78**
Profit before tax		**57.24**	**76.71**
Tax expense			
Current tax	32	13.47	17.95
Deferred tax	32	1.66	1.32
Total income tax expense		**15.13**	**19.27**
Profit for the year		**42.11**	**57.44**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
(a) Remeasurements of post-employment defined benefit plans		(0.75)	(0.22)
(b) Income tax effect on the above		0.19	0.06
Total other comprehensive income for the year		**(0.56)**	**(0.16)**
Total comprehensive income for the year		**41.55**	**57.28**
Earnings per share			
Basic (₹/ Share)	33	17.31	23.62
Diluted (₹/ Share)	33	17.31	23.62

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

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Place : Mumbai
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Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Standalone Statement of changes in equity for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

(A) Equity share capital

Particulars	March 31, 2024 No. of shares	March 31, 2024 Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 01 April 2023	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
Balance as at 31 March 2024	**2,43,19,000**	**24.32**

Particulars	March 31, 2023 No. of shares	March 31, 2023 Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 01 April 2022	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	**2,43,19,000**	**24.32**

(B) Other equity

Particulars	Reserves and surplus					Total
	Capital Reserve	Revaluation Reserve	Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2023	**5.73**	**56.23**	**24.44**	**91.93**	**134.02**	**312.35**
Profit for the year	-	-	-	-	42.11	42.11
Transferred to retained earnings	-	(0.14)	-	-	0.14	-
Dividend distributed during the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(0.56)	(0.56)
Balance as at 31 March 2024	**5.73**	**56.09**	**24.44**	**91.93**	**175.71**	**353.92**

Particulars	Reserves and surplus					Total
	Capital Reserve	Revaluation Reserve	Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2022	**5.73**	**56.37**	**24.44**	**93.15**	**76.74**	**256.43**
Profit for the year	-	-	-	-	57.44	57.44
Transfer to retained earnings	-	(0.14)	-	-	-	(0.14)
Dividend distributed during the year	-	-	-	(1.22)	-	(1.22)
Other comprehensive income	-	-	-	-	(0.16)	(0.16)
Balance as at 31 March 2023	**5.73**	**56.23**	**24.44**	**91.93**	**134.02**	**312.35**

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
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Membership No: 101739

Place : Mumbai
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Ankit Madhwani
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Akram Sati
Company Secretary
M No: A50020

Statement of Standalone Cash Flow for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	57.24	76.71
Adjustments for:		
Depreciation and amortization expenses	19.98	14.04
Finance cost	11.15	7.49
Loss on sale of Property, plant and equipment	0.40	0.07
Unrealised foreign exchange gain/ (loss) (net)	(0.24)	0.39
Fair valuation adjustments of investments	(1.02)	(1.44)
Interest income	(5.94)	(3.29)
Operating profit before working capital changes	**81.57**	**93.97**
Changes in working capital		
Decrease/(Increase) in inventories	(49.40)	32.17
Decrease/(Increase) in trade receivables	18.97	(6.24)
Decrease/(Increase) in financial assets	(1.34)	13.90
Decrease/(Increase) in other non-current assets	0.60	-
Decrease/(Increase) in other current assets	(5.62)	4.88
(Decrease)/Increase in trade payables	3.93	(9.41)
(Decrease)/Increase in other financial liabilities	1.46	(0.28)
(Decrease)/Increase in other current liabilities	0.27	(1.95)
Increase in Provisions	0.35	0.37
Cash generated from operations	**50.79**	**127.41**
Income tax paid (net of refund)	(16.14)	(18.03)
Net cash generated from operating activities (A)	**34.65**	**109.38**
Cash flow from Investing activities		
Purchase of property, plant and equipment	(50.98)	(52.27)
Proceeds from sale of property, plant and equipment	-	0.07
Payment for purchase of investment	(1.10)	(0.48)
Loans given to subsidiary (net)	(7.36)	(5.30)
Interest received	6.22	3.06
Investment in fixed deposits (original maturity more than 3 months but less than 12 months) (net)	9.92	8.21
Net cash used in investing activities (B)	**(43.30)**	**(46.71)**
Cash flow from Financing activities		
Payment of interim dividend	-	(1.21)
Repayment of / Proceeds from borrowings (net)	(4.16)	2.83
Repayment of Lease Liabilities	(4.27)	(3.34)
Interest paid	(9.97)	(4.32)
Net cash used in financing activities (C)	**(18.40)**	**(6.04)**
Net increase in cash and cash equivalents (A+B+C)	(27.05)	56.63
Cash and cash equivalents at the beginning of the year	61.42	5.29
Effect of exchange rate changes on cash and cash equivalents	1.07	(0.50)
Cash and cash equivalents at the end of the year (refer note 11)	**35.44**	**61.42**
Cash and cash equivalents comprise		
Balances with banks		
In current accounts	3.29	5.03
Fixed deposits with original maturity of less than three months	17.81	42.98
Bank balance on EEFC account	14.23	13.37
Cash on hand	0.11	0.04
Total cash and cash equivalents at end of the year	**35.44**	**61.42**

Statement of Standalone Cash Flow for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

Notes :

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

ii) Disclosure as required by Ind AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

Particulars	31 March 2024	31 March 2023
Opening balance - Borrowings (including interest accrued)	161.26	156.52
Non Cash movement		
- Accrual of interest	9.91	6.23
Cash movement		
- Repayment of / Proceeds from borrowings (net)	(4.16)	2.83
- Repayment of current borrowings		
- Interest payment	(9.97)	(4.32)
Closing balance - Borrowings (including interest accrued)	**157.04**	**161.26**

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

1. General Information

Faze Three Limited, established in 1985, is engaged in manufacturing and exports of home textiles products items viz. bathmats, rugs, blankets, throws, cushions, etc. It has seven manufacturing locations across Gujarat, Union territories (UT) of (Dadra and Nagar Haveli and Daman and Diu) DNHDD, Haryana and Maharashtra in India. The Company is a direct exporter to top retail store chains in USA, UK and Europe. The Company is a public listed company incorporated and domiciled in India and has its registered office in Dapada, Silvassa, UT of DNHDD. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2024.

2. Material accounting policies

(A) **Statement of Compliance**

The Company's financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(B) Basis of presentation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

(C) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention on accrual basis , except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land classified under property, plant and equipment at Fair value
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

A historical cost is a measure of value used in accounting in which the value of an asset on the balance sheet is recorded at its original cost when acquired by the company.

Fair Value Measurement :- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(D) Use of estimates

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. The areas involving critical estimates or judgements are:

Useful life of property, plant and equipment:

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Defined benefit obligations

The cost of defined benefit gratuity plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Recognition of Deferred Tax Assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

Summary of material accounting policies

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. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. 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 repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are 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 provisions are met.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as “Capital work-in-progress”. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under “Other non-current assets”.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of the profit and loss when the asset is derecognised.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment using the straight-line method over their estimated useful lives of assets which are determined based on technical parameters / assessment.

Useful life of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Lives
Leasehold land	Lease period
Building	5-30 years
Plant & Machinery	2-15 years
Furniture and Fixtures	2-15 years
Office Equipment	2-10 years
Electrical Installations	2-15 years
Fire Hydrant Systems	15 years
Vehicles	5-10 years
Computers	2-5 years

Individual assets costing up to ₹ Five thousand are depreciated in full in the year of purchase.

The Company has adopted a policy to transfer from revaluation reserve to profit or loss, an amount equivalent to depreciation on account of gain in revaluation reserve recognised earlier, at every period end.

Based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The residual value of Property, plant and Equipment are within the limit specified in Schedule II (Part C) of Companies act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences. The estimated useful life of asset is as follows:

Intangible assets	Useful Lives
Software licences	6 Years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life. Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

2.4 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 in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

2.5 Investment in subsidiary

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

2.6 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.

2.7 Foreign currency transactions

Functional and presentation currency

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone 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.

2.8 Revenue recognition

A] Sale of goods

The majority of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development.

B] Rendering of services:

Revenues from services are recognised as and when services are rendered and on the basis of contractual terms with the parties. The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer.

C] Rebate / Drawback of Taxes and Duties

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme, Rebate of State and Central Taxes and Levies and Remission of Duties or Taxes on Export Products Scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

D] Other Income

Interest income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the other income in the statement of profit and loss.

Other Incomes are recognised on accrual basis except financial instruments measured at amortised cost which are recognised using the effective interest rate (EIR).

Dividend income is recorded when the right to receive payment is established.

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.

2.9 Taxes

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(A) Current tax

Current income tax is measured at the amount expected to be recovered from 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 reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 also 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 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 realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

2.10 Leases

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

A) Right-of-use asset (ROU):

The Company recognizes a right-of-use asset (“ROU”) and a lease liability at the lease commencement date (i.e the date the underlying asset is available for use). The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The ROU Asset is subsequently depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the asset from the commencement date to the end of the lease term.

B) Lease Liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company presents ROU Asset separately and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

C) Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU Assets and lease liabilities for

- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets with annual lease rental lesser than or equal to Rs.10 lakhs.

The Company recognises the lease payments associated with these leases as an expense over the lease term.

D) Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, dyes and chemicals, packaging materials and stores and spare parts comprises cost of purchases on weighted average basis.

Cost of work-in progress and finished goods comprises of all cost of purchase, cost of conversion and other cost incurred in incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Slow and non-moving material, obsolesce, defective inventories are duly provided for and valued at actual cost or estimated net realisable value whichever is lower. 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.

2.12 Provisions, contingent liabilities and contingent assets

Provisions :- Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities :- 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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

Contingent Asset :- A contingent asset is a possible asset 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. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

2.13 Cash and cash equivalents & bank balances

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

Bank Balances other than cash and cash equivalents in the balance sheet comprise of unpaid dividend accounts and fixed deposits with an original maturity of more than three months and less than twelve months, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial assets

(i) Initial recognition and measurement

At initial recognition, the Company measures a financial assets at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

(ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt Instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(B) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined Contribution Plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the

Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

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.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

2.16 Current Asset and Current Liability

Current Asset – “An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period;

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

Current Liability – “An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.”

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

2.17 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 weighted average 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 after deducting preference dividends and any attributable tax thereto for the year. The weighted average 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 weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM)(Managing Director) of the Company. The Managing Director is responsible for allocating resources and assessing performance of the operating segments of the company.

During the period, entity was engaged in the business of home textile products, which is the only operating segment as per Ind AS 108.

2.19 Rounding off amounts

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

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

3 Property, plant and equipment

(Amount in crores, unless otherwise stated)

	Gross block					Depreciation					Net block	
Particulars	**As at 1 April 2023**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**
Owned assets												
Leasehold land	9.21	-	-	-	9.21	0.85	0.17	-	-	1.02	8.19	8.36
Freehold land	53.55	0.37	-	-	53.92	-	-	-	-	-	53.92	53.55
Building	47.87	3.46	-	-	51.33	24.11	1.94	-	-	26.05	25.28	23.76
Plant and machinery	156.84	32.57	8.95	-	180.46	70.23	9.63	8.22	-	71.64	108.82	86.61
Furniture and fixtures	29.38	6.54	2.30	-	33.62	8.36	2.84	2.01	-	9.18	24.44	21.02
Vehicles	5.72	0.40	1.50	-	4.62	3.83	0.41	1.44	-	2.80	1.82	1.89
Office equipment	3.15	0.56	0.04	-	3.67	2.31	0.35	0.11	-	2.55	1.12	0.84
Computers	4.97	0.65	0.14	-	5.48	3.87	0.65	0.16	-	4.36	1.12	1.10
Electrical installations	10.58	1.47	0.67	-	11.38	5.94	0.75	0.73	-	5.96	5.42	4.64
Fire hydrants	0.25	2.81	-	-	3.06	0.10	0.07	-	-	0.17	2.89	0.15
Total	**321.52**	**48.83**	**13.60**	**-**	**356.75**	**119.60**	**16.81**	**12.67**	**-**	**123.73**	**233.02**	**201.92**

	Gross block					Depreciation					Net block	
Particulars	**As at 1 April 2022**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2023**	**As at 1 April 2022**	**For the year**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**
Owned assets												
Leasehold land	9.21	-	-	-	9.21	0.68	0.17	-	-	0.85	8.36	8.53
Freehold land	53.55	-	-	-	53.55	-	-	-	-	-	53.55	53.55
Building	43.27	4.60	-	-	47.87	22.61	1.50	-	-	24.11	23.76	20.66
Plant and machinery	122.28	34.66	0.10	-	156.84	63.44	6.80	0.01	-	70.23	86.61	58.84
Furniture and fixtures	11.39	17.99	-	-	29.38	6.78	1.58	-	-	8.36	21.02	4.61
Vehicles	5.30	0.52	0.09	-	5.72	3.54	0.34	0.05	-	3.83	1.89	1.76
Office equipment	2.71	0.43	-	-	3.15	2.00	0.31	-	-	2.31	0.84	0.71
Computers	4.21	0.76	-	-	4.97	3.51	0.36	-	-	3.87	1.10	0.70
Electrical installations	9.05	1.68	0.15	-	10.58	5.55	0.54	0.15	-	5.94	4.64	3.50
Fire hydrants	0.21	0.04	-	-	0.25	0.08	0.02	-	-	0.10	0.15	0.12
Total	**261.18**	**60.68**	**0.34**	**-**	**321.52**	**108.19**	**11.62**	**0.21**	**-**	**119.60**	**201.92**	**152.98**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024 (Amount in crores, unless otherwise stated)

3.1 Property, plant and equipment pledged as security

Refer to Note 20 for information on property, plant and equipment pledged as security by the Company.

3 (b) Right-of-use Assets

	Gross Carrying Amount				Depreciation				Net Carrying Amount
Particulars	**As at 1 April 2023**	**Additions**	**Disposals**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Disposals**	**As at 31 March 2024**	**As at 31 March 2024**
Buildings	17.06	2.92	-	19.98	6.87	3.10	-	9.97	10.01
Vehicles	0.99	-	-	0.99	0.94	0.05	-	0.99	-
Total	**18.05**	**2.92**	**-**	**20.97**	**7.81**	**3.15**	**-**	**10.96**	**10.01**

	Gross Carrying Amount				Depreciation				Net Carrying Amount
Particulars	**As at 1 April 2022**	**Additions**	**Disposals**	**As at 31 March 2023**	**As at 1 April 2022**	**For the year**	**Disposals**	**As at 31 March 2023**	**As at 31 March 2023**
Buildings	13.17	5.13	1.24	17.06	5.51	2.46	1.10	6.87	10.19
Vehicles	0.99	-	-	0.99	0.84	0.10	-	0.94	0.05
Total	**14.16**	**5.13**	**1.24**	**18.05**	**6.35**	**2.56**	**1.10**	**7.81**	**10.24**

4 Capital-Work-in Progress (CWIP)

Capital work-in-progress ageing schedule

31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3years**	**More than 3 years**	
Projects in progress	4.53	0.32	-	-	4.85

31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3years**	**More than 3 years**	
Projects in progress	4.04	-	-	-	4.04

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to original plan.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024 (Amount in crores, unless otherwise stated)

5 Intangible assets

	Gross block				Depreciation				Net block	
Particulars	As at 1 April 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	For the year	Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Intangible Assets										
Software	0.06	0.14	-	0.20	0.01	0.01	-	0.02	0.18	0.05

	Gross block				Depreciation				Net block	
Particulars	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Intangible Assets										
Software	0.03	0.03	-	0.06	0.01	0.00	-	0.01	0.05	0.02

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in INR crores, unless otherwise stated)

6

Financial assets- Investments	31 March 2024	31 March 2023
Non-current Investments		
Investments in Equity Instruments (fully paid-up)		
Unquoted Equity Shares in Subsidiary Companies (At Cost)		
3,75,000 (31 March, 2023: 3,75,000) Equity shares of USD 1 each in Faze Three US LLC	2.43	2.43
1,00,000 (31 March, 2023: 1,00,000) Equity shares of ₹ 10 each in Mats and More Private Limited	0.10	0.10
Investment in Others		
Quoted equity shares **(Designated and carried at fair value through profit or loss)**		
14,53,042 (31 March, 2023: 14,53,042) Equity shares of ₹ 10 each fully paid-up in V R Woodart Limited	0.21	0.21
Unquoted equity shares (At Cost)		
5,000 (31 March, 2023: 5,000) Equity shares of ₹10 each fully paid-up in Saraswat Co-op Bank Limited	0.01	0.01
40 (31 March, 2023 : 40) Equity shares of ₹ 25 each fully paid-up in Greater Bombay Co-operative Bank Limited *	0.00	0.00
Total	**2.75**	**2.75**
Current Investments		
Investments in Mutual Funds (Designated and carried at fair value through profit or loss)		
Investments in Nippon Ind ETF Gold Bees (Quoted) (Refer footnote I)	9.41	8.49
Investment in Nippon India Silver ETF Fund (Quoted) (Refer footnote I)	4.84	3.64
Total	**14.25**	**12.13**
Aggregate book value of:		
Quoted investments	14.46	12.33
Unquoted investments	2.54	2.54
Aggregate market value of:		
Quoted investments	15.38	12.86
Unquoted investments	2.54	2.54

* Amounts represented by ‘0’ (zero) construes value less than ₹ fifty thousand.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in INR crores, unless otherwise stated)

Footnotes:

i. Details of Investments in Mutual Funds (Designated and carried at FVTPL):

Particulars	Quantity		Amount	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Nippon India ETF Gold Bees	16,61,500	16,61,500	9.41	8.49
Nippon India Silver ETF Fund	6,68,750	5,15,500	4.84	3.64
Total	**23,30,250**	**21,77,000**	**14.25**	**12.13**

7(a)

Loans (Non current)	31 March 2024	31 March 2023
Unsecured, considered good		
Loans to related party (Subsidiary)* (Refer note: 36)	12.65	5.30
Total	**12.65**	**5.30**

* Includes interest accrued amounting Rs 0.24 crores (31 March 2023: Rs 0.10 crores)

Represents intercorporate loan given to Mats and More Private Limited for working capital requirements.

7(b)

Other financial assets (non-current)	31 March 2024	31 March 2023
Security deposits	2.95	1.90
Deposit account with banks (Deposits with maturity for more than 12 months from balance sheet date)	0.10	0.08
Other receivable	-	0.01
Total	**3.05**	**1.99**

8

Other non-current assets	31 March 2024	31 March 2023
Capital advance	5.21	5.82
Total	**5.21**	**5.82**

9

Inventories * (At lower or cost or net realisable value)	31 March 2024	31 March 2023
Raw material	42.84	22.20
Work in progress	59.43	30.26
Finished goods (including in transit)	18.93	20.03
Store and spares parts	2.51	2.20
Dyes and chemicals	3.09	2.70
Total	**126.80**	**77.39**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in INR crores, unless otherwise stated)

10	Trade receivables*	31 March 2024	31 March 2023
	Secured, considered good	-	-
	Unsecured		
	-Considered good	75.10	93.90
	Total	**75.10**	**93.90**
	Further classified as:		
	Receivable from related parties (Refer note 36)	7.67	6.48
	Receivable from others	67.43	87.42
		75.10	**93.90**
	Footnote i : Include due from following Companies in which the Company is having a common directors / relative of directors:		
	Faze Three Autofab Limited	6.17	0.19
	Mats and More Private Limited	0.53	-
	Faze Three US LLC	0.97	6.29
		7.67	**6.48**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Ageing of Trade Receivables as on 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	57.50	17.57	-	0.03	75.10
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**57.50**	**17.57**	**-**	**0.03**	**75.10**

Ageing of Trade Receivables as on 31 March 2023

Particulars	Outstanding for following periods from due date of Payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	67.60	20.94	4.27	1.09	93.90
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**67.60**	**20.94**	**4.27**	**1.09**	**93.90**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

11

Cash and cash equivalents	31 March 2024	31 March 2023
Balances with banks		
In current accounts	3.29	5.03
In EEFC accounts	14.23	13.37
Fixed deposits with original maturity of less than 3 months	17.81	42.98
Cash on hand	0.11	0.04
Total	**35.44**	**61.42**

12

Bank balances other than cash and cash equivalent	31 March 2024	31 March 2023
Deposit with original maturity for more than 3 months but less than 12 months	32.35	42.27
Unpaid Dividend Accounts	0.04	0.04
Total	**32.39**	**42.31**

13

Other financial assets (current)	31 March 2024	31 March 2023
Unsecured, considered good (at amortised cost)		
Interest accrued on fixed deposits	0.43	0.70
Advance to others*	0.00	0.00
Unsecured, considered good (at FVTPL)		
MTM gain on currency forward contracts	-	0.72
Total	**0.43**	**1.42**

* Amounts represented by ‘0’ (zero) construes value less than ₹ fifty thousand.

14

Non-Current tax assets (net)	31 March 2024	31 March 2023
Advance income tax	3.13	0.58
(net of provisions (31 March 2024 - ₹ 64.93 crores))		
(net of provisions (31 March 2023 - ₹ 51.46 crores))		
Total	**3.13**	**0.58**

15

Other current assets	31 March 2024	31 March 2023
Unsecured, considered good		
Balance with Government authorities*		
GST input credit	4.71	7.92
GST rebate receivable	10.24	3.82
Rebate / Drawback of taxes and duties receivable*	7.07	6.85
Advance to suppliers	3.83	1.67
Staff advances	0.33	0.38
Receivable from others	0.01	-
Prepaid expenses	1.17	1.10
Total	**27.36**	**21.74**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

16	Equity share capital	31 March 2024	31 March 2023
	Authorized		
	2,60,00,000 (31 March 2023: 2,60,00,000) Equity Shares of ₹ 10/- each	26.00	26.00
	Total	**26.00**	**26.00**
	Issued, subscribed and paid up		
	2,43,19,000 (31 March 2023: 2,43,19,000) Equity Shares of ₹10/- each fully paid	24.32	24.32
	Total	**24.32**	**24.32**
	Total	**24.32**	**24.32**

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

	31 March 2024		31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,43,19,000	24.32	2,43,19,000	24.32
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,43,19,000**	**24.32**	**2,43,19,000**	**24.32**

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

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

Name of Shareholder	31 March 2024		31 March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ajay Anand	78,67,206	32.35	77,30,812	31.79
Ajay Jindal	28,12,450	11.56	28,12,450	11.56
Instyle Investments Pvt. Ltd.	23,94,625	9.85	23,94,625	9.85
Salim Govani	15,06,500	6.19	15,91,837	6.55
Vishnu Anand	13,89,875	5.72	13,89,875	5.72
Ashish Kacholia	13,17,554	5.42	12,71,382	5.23

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

(d) Details of Shares held by Promoters at the end of the year

Promoter Name	31 March 2024			31 March 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ajay Anand	78,67,206	32.35%	0.56%	77,30,812	31.79%	0.27%
Instyle Investments Private Limited	23,94,625	9.85%	-	23,94,625	9.85%	-
Vishnu Anand	13,89,875	5.72%	-	13,89,875	5.72%	4.61%
Sanjay Anand	8,81,026	3.62%	(0.56%)	10,17,420	4.18%	-
Ajay Anand (HUF)	6,62,500	2.72%	-	6,62,500	2.72%	-
Rashmi Anand	3,43,990	1.41%	-	3,43,990	1.41%	-
Mamata Finvest Private Limited	87,500	0.36%	-	87,500	0.36%	-
Rohina Anand	20,875	0.09%	-	20,875	0.09%	-
Anadry Investments Private Limited	9,500	0.04%	-	9,500	0.04%	-

(e) 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.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

17 Other equity

Particulars	31 March 2024	31 March 2023
Capital reserve	5.73	5.73
Securities premium	24.44	24.44
General reserve	91.93	91.93
Revaluation reserve	56.09	56.23
Retained earnings	175.71	134.02
Total	**353.92**	**312.35**

Nature and purpose of reserves

A Capital reserve

Particulars	31 March 2024	31 March 2023
Opening balance	5.73	5.73
Add/(Less): Transferred to reserves	-	-
Closing balance	**5.73**	**5.73**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

B Securities Premium Reserve

Particulars	31 March 2024	31 March 2023
Opening balance	24.44	24.44
Add/(Less): Transferred to reserves	-	-
Closing balance	**24.44**	**24.44**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

C General reserve

Particulars	31 March 2024	31 March 2023
Opening balance	91.93	93.15
Add/(Less): Distribution of Interim Dividend	-	(1.22)
Closing balance	**91.93**	**91.93**

The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the entity.

D Revaluation reserve

Particulars	31 March 2024	31 March 2023
Opening balance	56.23	56.37
Add/(Less): Transferred to reserves	(0.14)	(0.14)
Closing balance	**56.09**	**56.23**

This reserve represents the cumulative gains and losses arising on the revaluation of leasehold land and freehold land on the balance sheet date measured at fair value through other comprehensive income.

E Retained earnings

Particulars	31 March 2024	31 March 2023
Opening balance	134.02	76.74
Add: Profit during the year	42.11	57.44
Transferred from Revaluation reserves	0.14	-
Add / (Less): Other comprehensive income	(0.56)	(0.16)
Closing balance	**175.71**	**134.02**

This reserve represents undistributed accumulated earnings of the entity as on the balance sheet date.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

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Other financial liabilities	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Security deposits	0.11	0.26	-	
Interest accrued and but not due	-	-	0.46	0.51
Salary & reimbursement payable	-	-	7.18	4.90
Expenses payable	-	-	2.70	3.67
Dividend payable*	-	-	0.04	0.04
Capital Creditors	-	-	0.05	2.10
MTM on currency forward contracts	-	-	0.29	-
Total	**0.11**	**0.26**	**10.72**	**11.22**

*As at 31st March, 2024, ₹ 0.04 crores (Previous year - ₹ 0.04 crores) is the amount of unclaimed dividend which remains unpaid by the Company, and shall be transferred to Investor Education and Protection Fund ('IEPF') as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Company.

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Provisions	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provision for employee benefits (refer note 34)				
Provision for gratuity (funded)	2.11	1.90	3.38	2.48
Total	**2.11**	**1.90**	**3.38**	**2.48**

20

Short -term borrowings	31 March 2024	31 March 2023
Secured, from bank (carried at amortised cost)		
Packing Credit in Rupee Scheme (PCRS) (refer footnote (i))	156.59	160.55
Current maturities of Vehicle Loan from NBFC	-	0.20
Total	**156.59**	**160.75**

Terms and conditions of loans

(i) Packing Credit in Rupee Scheme (PCRS) is secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.

The Company has interest rate subvention of 2% (previous year 3%), Interest rates for PCRS Scheme(post subvention) ranges from 5.00% to 6.75% (March 31, 2023 3.27% to 5.40%)

The above mentioned PCRS is secured by way of lien over Fixed Deposits amounting to Rs. 47.31 crores (March 31, 2023 Rs. 65.58) to be exercised at the time of release of funds.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

(ii) Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	31 March 2024	31 March 2023
Current assets		
Inventories	126.80	77.39
Trade receivables	75.10	93.90
Export incentive receivable	7.07	6.85
GST input credit	4.71	7.92
GST rebate receivable	10.24	3.82
Total Current assets pledged as security	**223.92**	**189.88**
Non-Current assets		
Property, plant and equipment	195.54	166.99
Total Non-Current assets pledged as security	**195.54**	**166.99**
Total Assets pledged as security	**419.46**	**356.87**

Borrowings from Yes Bank Limited, ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank and Federal Bank Limited which are 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 Property, plant and equipment of the Company.

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Trade payables	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 48)	0.30	0.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.31	11.50
Total	**15.61**	**11.67**

Ageing of Trade Payables as on 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	0.30	-	-	-	-	0.30
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	14.50	0.47	0.08	0.14	0.12	15.31
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**14.80**	**0.47**	**0.08**	**0.14**	**0.12**	**15.61**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

Ageing of Trade Payables as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	0.17	-	-	-	-	0.17
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	9.68	1.43	0.33	0.02	0.04	11.50
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**9.85**	**1.43**	**0.33**	**0.02**	**0.04**	**11.67**

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Other current liabilities	31 March 2024	31 March 2023
Statutory dues payable	1.04	0.78
Advance from customer	0.05	0.04
Total	**1.09**	**0.82**

23

Current tax liabilities (net)	31 March 2024	31 March 2023
Provision for taxation		
(net of advance tax 31 March 2024 - ₹ 55.94 crore)		
(net of advance tax 31 March 2023 - ₹ 41.44 crore)	0.70	0.72
Total	**0.70**	**0.72**

24

Revenue from operations	31 March 2024	31 March 2023
Revenue from contracts with customers		
Sale of manufactured products		
- Sale of products - finished goods	470.48	493.90
- Sale of services	39.76	26.80
	510.24	**520.70**
Other operating revenues		
- Rebate / Drawback of Taxes and Duties	25.61	27.22
Total	**535.85**	**547.92**

Notes:

A) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

Particulars	31 March 2024	31 March 2023
- Sale of manufactured products	470.48	493.90
	470.48	**493.90**

Geographic revenue

Particulars	31 March 2024	31 March 2023
- India	77.28	41.71
- Rest of the world	432.96	478.99
	510.24	**520.70**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

B) Reconciliation of revenue recognised:

Particulars	31 March 2024	31 March 2023
Gross Revenue	510.24	520.70
Rebates, discounts	-	-
Adjustment for credit notes	-	-
	510.24	**520.70**

Note:

i) The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.

ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration

iii) The Company has recognised revenue of ₹ 0.02 crores (March 31, 2023 - ₹ 2.07 crores) from the amounts included under advance received from customers at the beginning of the year.

C) The changes in Contract Liabilities are as follows:

Particulars	31 March 2024	31 March 2023
Contract Liabilities - Opening	0.04	2.07
Add: Additions during the year, excluding amounts recongised as revenue during the year	0.03	0.04
Less: Revenue recongnised in the current year which was included in Contract Liabilities	0.02	2.07
Contract Liabilities - Closing	**0.05**	**0.04**

25

Other income	31 March 2024	31 March 2023
Rental income	0.71	0.58
Interest income on financial assets de signated at amortised cost		
- on fixed deposits	5.00	3.05
- on security deposits	0.07	0.25
- on others	0.94	0.24
Other non-operating income		
- Fair valuation adjustments of investments	1.02	1.44
- Miscellaneous income	0.96	0.01
Total	**8.70**	**5.57**

26

Cost of material consumed	31 March 2024	31 March 2023
Opening Stock	24.90	33.43
Add: Purchases during the year	290.19	206.13
Closing Stock	45.93	24.90
Total	**269.16**	**214.66**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

27

Changes in inventories of finished goods and work-in-progress	31 March 2024	31 March 2023
Inventories at the beginning of the year		
-Finished goods	20.03	35.22
-Work-in-progress	30.26	38.65
	50.29	**73.87**
Less: Inventories at the end of the year		
-Finished goods	18.93	20.03
-Work-in-progress	59.42	30.26
	78.35	**50.29**
Net decrease/ (increase)	**(28.06)**	23.58

28

Employee benefits expense	31 March 2024	31 March 2023
Salaries, wages, bonus and other allowances	74.93	64.58
Contribution to Provident Fund and other funds	3.49	2.43
Gratuity expenses (Refer Note 34)	0.86	0.75
Staff welfare expenses	1.84	1.43
Total	**81.12**	**69.19**

29

Finance costs	31 March 2024	31 March 2023
Interest on borrowing	9.91	6.23
Interest Expense on lease liability	1.24	1.26
Total	**11.15**	**7.49**

30

Depreciation and amortization expense	31 March 2024	31 March 2023
Depreciation (refer note 3 (a))	16.65	11.45
Depreciation on Right of Use Assets (refer note 3 (b))	3.15	2.56
Amortisation	0.18	0.17
Less: transfer to revaluation reserve	-	(0.14)
Total	**19.98**	**14.04**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

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Other expenses	31 March 2024	31 March 2023
Sewing, stitching,weaving & finishing charges	21.84	10.39
Power & fuel	29.52	31.02
Clearing and forwarding expenses	18.48	28.74
Repairs & maintenance:		
Plant & machinery	3.24	2.73
Building	1.81	1.24
Other manufacturing expenses	11.59	29.82
Rent, rates & taxes	1.32	1.41
Stores and spares consumed	3.16	2.62
Audit fees (refer note i below)	0.21	0.19
Fair Valuation of License in Hand	0.10	0.12
Bank charges	10.40	7.21
Corporate Social Responsilbity Expenditure (refer note 46)	1.34	-
Security expenses	2.21	2.17
Courier expenses	2.58	2.31
Travelling, vehicle & conveyance expenses	4.87	4.26
Loss on sale/write-off of Property, plant and equipment	0.40	0.07
Loss on foreign currency fluctuation	2.73	1.96
Legal & professional fees	3.73	5.28
Insurance charges	1.24	1.16
Selling & distribution expenses	10.09	11.63
Miscellaneous expenses	3.10	3.49
Total	**133.96**	**147.82**

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

	31 March 2024	31 March 2023
As auditor:		
Statutory audit fees (including for quaterly limited reviews)	0.20	0.18
Reimbursement of expenses	0.01	0.01
Total	**0.21**	**0.19**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

32 Income Tax

(A)

Income Tax recognised in profit or loss	31 March 2024	31 March 2023
Current tax		
In respect of current year	13.47	17.95
	13.47	**17.95**
Deferred tax liabilities		
In respect of current year origination and reversal of temporary differences	1.66	1.32
	1.66	**1.32**
Total Income Tax recognised in profit or loss	**15.13**	**19.27**

Income Tax recognised in other comprehensive income	31 March 2024	31 March 2023
Items that will not be reclassified to profit or loss		
Re-measurement on net defined benefit plans	0.19	0.06
Total Income Tax recognised in other comprehensive income	**0.19**	**0.06**

(B) Deferred tax assets/ (liabilities) (net):

Particulars	Balance as at 1 April 2023	Charge / (Credit) to Profit or Loss	Charge to / (Credit) Other Comprehensive Income	Balance as at 31 March 2024
Deferred tax assets				
Provision for employee benefits	1.44	0.19	0.19	1.82
Capital losses	1.82	(0.91)	-	0.91
On Temporary Difference on account of ROU	2.58	(0.06)	-	2.52
Other	0.04	(0.01)	-	0.03
Deferred tax liabilities				
On Temporary Difference on account of leases	(2.16)	0.14		(2.02)
Fiscal allowances on property, plant and equipment	(8.31)	(1.01)	-	(9.32)
Total deferred tax assets / (liabilities), net	**(4.59)**	**(1.66)**	**0.19**	**(6.06)**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

Particulars	Balance as at 1 April 2022	Charge / (Credit) to Profit or Loss	Charge to / (Credit) Other Comprehensive Income	Balance as at 31 March 2023
Deferred tax assets				
Provision for employee benefits	1.24	0.14	0.06	1.44
Capital losses	2.33	(0.51)	-	1.82
On Temporary Difference on account of ROU	2.27	0.31	-	2.58
Other	0.01	0.03	-	0.04
Deferred tax liabilities				-
On Temporary Difference on account of leases	(1.97)	(0.19)		(2.16)
Fiscal allowances on property, plant and equipment	(7.21)	(1.10)	-	(8.31)
Total deferred tax assets / (liabilities), net	**(3.33)**	**(1.32)**	**0.06**	**(4.59)**

(C) Capital Tax losses of 31 March 2017: ₹ 9.98 crores are available for offsetting for a maximum period of eight years against future taxable profits of the Company till AY 2025-26

(D)

Reconciliation of tax charge	31 March 2024	31 March 2023
Profit before tax	57.24	76.71
Statutory Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	14.41	19.31
Tax effects of:		
- Other items	0.72	(0.04)
Income tax expense	**15.13**	**19.27**

33 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

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

	31 March 2024	31 March 2023
Profit attributable to equity holders	42.11	57.44
Weighted average number of shares outstanding during the year	2,43,19,000	2,43,19,000
Basic earnings per share (₹) (Equity share of ₹ 10 each)	17.31	23.62
Diluted earnings per share (₹) (Equity share of ₹ 10 each)	17.31	23.62

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

34 Employee benefits

(A)

Defined Contribution Plans	31 March 2024	31 March 2023
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss		
Employers' Contribution to Provident Fund and Employers' State Insurance Corporation (Refer note 28)	3.49	2.43

(B) Defined benefit plans

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a Life Insurance Corporation of India that is legally separated from the entity. The Company does not fully fund the liability and maintains the funding from time to time based on estimations of expected gratuity payments.

These plans typically expose the Company to the following actuarial risks:

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk - A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability matching risk - The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk - Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk - Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

		31 March 2024	31 March 2023
	a) Gratuity payable to employees		
i)	**Actuarial assumptions**		
	Discount rate (per annum)	7.18%	7.31%
	Rate of increase in Salary (per annum)	4.00%	4.00%
	Attrition rate		
	For service 2 years and below	45%	45%
	For service 3 years to 4 years	30%	30%
	For service 5 years and above	10%	10%
	Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

ii)

Changes in the present value of defined benefit obligation	Employee's gratuity fund	
	31 March 2024	31 March 2023
Present value of obligation at the beginning of the year	**4.44**	**3.85**
Interest cost	0.32	0.24
Current service cost	0.54	0.52
Benefits paid	(0.50)	(0.39)
Actuarial (gain)/ loss on obligations	0.75	0.22
Present value of obligation at the end of the year*	**5.55**	**4.44**

*Included in provision for employee benefits (refer note 19)

iii)

Expense recognized in the Statement of Profit and Loss	Employee's gratuity fund	
	31 March 2024	31 March 2023
Current service cost	0.54	0.52
Interest cost	0.32	0.23
Total expenses recognized in the Statement Profit and Loss*	**0.86**	**0.75**

*Included in Employee benefits expense (Refer note 28). Acturial Loss of ₹ 0.75 crores (31 March 2023 - ₹ 0.22 crores) is included in other comprehensive income.

iv)

Remeasurement (gain)/loss recognized in other comprehensive income	31 March 2024	31 March 2023
Actuarial (gain)/ loss on obligations for the period	0.75	0.22
Recognized in other comprehensive income	**0.75**	**0.22**

v)

Changes in fair value of plan assets are as follows:	31 March 2024	31 March 2023
Opening Balance of fair value of plan assets	0.06	0.06
Interest Income	0.00	0.00
Return on plan assets (excluding amounts of interest income)	(0.00)	0.00
Closing Balance of fair value of plan assets	**0.06**	**0.06**

* Amounts represented by ‘0’ (zero) construes value less than ₹ fifty thousand.

vi)

Assets and liabilities recognized in the Balance Sheet:	Employee's gratuity fund	
	31 March 2024	31 March 2023
Present value of unfunded obligation as at the end of the year	5.55	4.45
Fair value of the plan assets at the end of the year	(0.06)	(0.06)
Unfunded net liability recognized in Balance Sheet*	**5.49**	**4.39**

*Included in provision for employee benefits (Refer note 19)

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

vii) A quantitative sensitivity analysis for significant assumption as at 31 March 2024 and 31 March 2023 is as shown below:

Impact on defined benefit obligation	**Employee's gratuity fund**	
	31 March 2024	**31 March 2023**
Discount rate		
1% increase	(0.29)	(0.24)
1% decrease	0.33	0.26
Employee Turnover		
1% increase	0.06	0.05
1% decrease	(0.07)	(0.06)
Rate of increase in salary		
1% increase	0.32	0.26
1% decrease	(0.30)	(0.24)

viii)

Maturity profile of defined benefit obligation	**Employee's Gratuity Fund**	
	31 March 2024	**31 March 2023**
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.67	0.54
2nd Following Year	0.61	0.50
3rd Following Year	0.61	0.53
4th Following Year	0.65	0.46
5th Following Year	0.69	0.48
Sum of Years 6 to 10	2.41	2.05
Sum of 11 and above	3.53	2.88

(C) The company's expected contribution during next year is Nil (31 March 23 : Nil)

35 Leases

A) As Lessee

The Company's leasing arrangements are in respect of operating leases for buildings (corporate office, factory building etc.) and motor cars. These range between 5-8 years and usually renewable on mutually agreed terms.

(a) The following is the movement in lease liabilities during the year ended 31 March 2024 and 31 March 2023:

Particulars	**Category of ROU Asset**
	Leasehold Building
Balance as at 1 April 2022	**9.01**
Additions	4.99
Lease Payments	(2.08)
Balance as at 31 March 2023	**11.92**
Additions	4.06
Lease Payments	(3.97)
Balance as at 31 March 2024	**12.01**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

(B) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 and 31 March 2023 on an undiscounted basis:

Particulars	**Year Ended March 31,2024**	**Year Ended March 31,2023**
Less than one year	4.60	3.42
One to Five years	9.27	11.12
More than 5 years	-	-
Total	**13.87**	**14.54**

(C) The following is the break-up of current and non-current lease liabilities as at 31 March 2024 and 31 March 2023

Particulars	**Year Ended March 31,2024**	**Year Ended March 31,2023**
Current lease liability	3.57	2.34
Non-Current lease liability	8.44	9.58

(D) Amounts recognised in Statement of Cash Flows:

Particulars	**Year Ended March 31,2024**	**Year Ended March 31,2023**
Total cash outlow for leases	3.97	3.34

(E) Amounts recognised in profit and loss

Particulars	**Year Ended March 31,2024**	**Year Ended March 31,2023**
Interest expense on lease liabiities	1.24	1.26
Amortisation of right-of-use assets	3.15	2.56

36 Related Party Disclosures:

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

Subsidiaries

Faze Three US LLC

Mats and More Private Limited

Entities in which the Key Management Personnel (KMP) has control

V R Woodart Limited

Faze Three Autofab Limited

Ajay Anand (HUF)

Instyle Investments Private Limited

Next Interiors Private Limited

ARR Bath & Home Private Limited

Mamata Finvest Private Limited

Anadry Investments Private Limited

Sub Zero Insulation Technologies Private Limited

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

Key Management Personnel (KMP)

In accordance with Ind AS 24 - Related Party Disclosures and the Companies Act, 2013, following personnels are considered as KMP.

Name of related party	**Relationship**
Ajay Anand	Managing Director
Sanjay Anand	Whole-time Director
Ankit Madhwani	Chief Financial Officer
Samruddhi Varadkar	Company Secretary (upto October 5, 2023)
Akram Sati	Company Secretary (from January 5, 2024)

Others

Name of related party	**Relationship**
Rohina Anand Khira	Daughter of Managing Director
Ashok Anand	Brother of Managing Director
Vishnu Anand	Son of Managing Director

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

	31 March 2024	31 March 2023
Subsidiaries		
Faze Three US LLC		
Sale of goods	0.97	4.66
Mats and More Private Limited		
Loans given during the year	29.35	8.02
Loans repaid during the year	22.85	0.22
Sale of Goods	0.47	-
Purchase of goods	1.24	2.61
Interest Income	0.94	0.24
Purchase of Services	0.02	-
Reimbursement of Expenses	0.02	-
Entities in which the Key Management Personnel (KMP) has control		
Faze Three Autofab Limited		
Sale of services	39.76	26.80
Sale of Goods	0.08	-
Purchase of goods	13.91	3.32
Purchase of Services	2.17	-
Jobwork expense	-	0.19
Purchase of Fixed Asset	0.05	-
Reimbursement of Expenses	0.07	0.21
ARR Bath & Home Private Limited		
Sale of goods	-	1.92

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

	Next Interiors Private Limited		
	Sale of goods	1.09	0.79
	Purchase of goods	0.03	-
	Reimbursement of Expenses	-	0.17
	Sub Zero Insulation Technologies Private Limited		
	Sale of Goods	0.22	-
	Purchase of Fixed assets	0.18	-
	Others		
	Ashok Anand (towards payment of employee benefit)	0.09	0.09
	Vishnu Anand (towards payment of employee benefit)	0.60	0.72
	Key Management Personnel (KMP)		
	Compensation of key management personnel (Short term employee benefits)	1.82	1.87
(iv)	**Amount due to related party as on**	**31 March 2024**	**31 March 2023**
	Trade Receivable		
	Faze Three US LLC	0.97	6.29
	Faze Three Autofab Limited	6.17	0.19
	Mats and More Private	0.53	-
		7.67	**6.48**
	Trade Payable		
	Faze Three Autofab Limited	0.03	-
	Rohina Anand	0.01	-
	Loan Outstanding		
	Mats and More Private Limited	12.65	5.30

(C) Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, 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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

37 Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value			
As at 31 March 2024	**FVTPL**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Investments (Non Current)	0.21	2.54	2.75	-	0.21	-	0.21
Loans (Non Current)	-	12.65	12.65	-	-	-	-
Other financial assets (Non Current)	-	3.05	3.05	-	-	-	-
Trade Receivables	-	75.10	75.10	-	-	-	-
Investments (Current)	14.25	-	14.25	14.25	-	-	14.25
Cash & Cash Equivalents	-	35.44	35.44	-	-	-	-
Bank balances other than cash and cash equivalent	-	32.39	32.39	-	-	-	-
Other financial assets (Current)	-	0.43	0.43	-	-	-	-
	14.46	**161.60**	**176.06**	**14.25**	**0.21**	**-**	**14.46**
Financial liabilities							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	8.44	8.44	-	-	-	-
Other financial liabilities (Non Current)	-	0.11	0.11	-	-	-	-
Borrowings (Current)	-	156.59	156.59	-	-	-	-
Lease Liabilities (Current)	-	3.57	3.57	-	-	-	-
Trade payables	-	15.61	15.61	-	-	-	-
Other financial liabilities (Current)	-	10.72	10.72	-	-	-	-
	-	**195.04**	**195.04**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

	Carrying Amount			Fair Value			
As at 31 March 2023	**FVTPL**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Investments (Non Current)	0.21	2.54	2.75	-	0.21	-	0.21
Loans (Non Current)	-	5.30	5.30	-	-	-	-
Other financial assets (Non Current)	-	1.99	1.99	-	-	-	-
Trade Receivables	-	93.90	93.90	-	-	-	-
Investments (Current)	12.13	-	12.13	12.13	-	-	12.13
Cash & Cash Equivalents	-	61.42	61.42	-	-	-	-
Bank balances other than cash and cash equivalent	-	42.31	42.31	-	-	-	-
Other financial assets (Current)	-	1.42	1.42	-	-	-	-
	12.34	**208.87**	**221.22**	**12.13**	**0.21**	**-**	**12.34**
Financial liabilities							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	9.58	9.58	-	-	-	-
Other financial liabilities (Non Current)	-	0.26	0.26	-	-	-	-
Borrowings (Current)	-	160.75	160.75	-	-	-	-
Lease Liabilities (Current)	-	2.34	2.34	-	-	-	-
Trade payables	-	11.67	11.67	-	-	-	-
Other financial liabilities (Current)	-	11.22	11.22	-	-	-	-
	-	**195.82**	**195.82**	**-**	**-**	**-**	**-**

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).

38 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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

(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. The Company is exposed to market risk primarily related to interest rate risk and Foreign currency 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 short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate loans and borrowings.

	31 March 2024	31 March 2023
Variable rate borrowings	124.23	118.48

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 2024	100 bps	1.24
FY 2023	100 bps	1.18

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities.

The Company is exposed to foreign currency risk arising mainly on export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Exposure to currency risk	31 March 2024		31 March 2023	
	INR	USD/EURO/ GBP	INR	USD/EURO/ GBP
Trade receivables (hedged)	62.23	0.74	88.00	1.07
Trade receivables (unhedged)	-	-	-	-
Capital Creditors (hedged)	-	-	-	-
Capital Creditors (unhedged)	0.05	0.00	0.44	0.00

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

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 realises 90% of its sales in USD, based on the hedging policy followed by the Company in case of normal volatility in USD / INR, the following effect is estimated.

	Change in USD rate	Effect on profit before tax
2024		
USD / INR	0.50%	-
2023	0.50%	-
USD / INR		

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

Trade Receivables: The Company has an established credit policy and a credit review mechanism. The Company also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

Before accepting new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Company to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method. The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

Financial instruments and cash deposits: The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Company's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Company.

(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 objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 1 Year	1 to 5 years	More than 5 years	Total
31 March 2024				
Short term borrowings	156.59	-	-	156.59
Trade payables	15.46	0.15	-	15.61
Salary & reimbursement payable	7.18	-	-	7.18
Lease Liabilities (Refer note 35)	4.60	9.27	-	13.87
Capital Creditors	0.05	-	-	0.05
Expenses payable	2.70	-	-	2.70
Interest accrued but not due	0.46	-	-	0.46
Dividend payable	0.04	-	-	0.04
	187.08	**9.42**	**-**	**196.50**

	Less than 1 Year	1 to 5 years	More than 5 years	Total
31 March 2023				
Short term borrowings	160.75	-	-	160.75
Long-term borrowings	-	-	-	0.00
Trade payables	11.53	0.15	-	11.67
Salary & reimbursement payable	4.90	-	-	4.90
Lease Liabilities (Refer note 35)	3.42	11.12	-	14.54
Capital Creditors	2.10	-	-	2.10
Expenses payable	3.67	-	-	3.67
Interest accrued but not due	0.51	-	-	0.51
Dividend payable	0.04	-	-	0.04
	186.91	**11.27**	**-**	**198.18**

39 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

The Company has obtained borrowings from bank on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with bank are in agreement with the books.

40 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

41 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

42 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes forming part of the Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

43 Ratios

Sr. No.	Ratio	Unit	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
				Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(a)	Current Ratio	No. of times	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Bank balances other than cash and cash equivalent + Other financial assets + Other current assets	Current Liability= Short term borrowings + Lease Liabilities + Trade Payables + Other financial Liability + Other Current Liability + Provisions + Current tax (Liabilities)	311.77	191.66	310.31	190.00	1.63	1.63	0%	NA
(b)	Debt-Equity Ratio	No. of times	Debt / Equity	Debt= Current borrowings	Equity= Equity + Reserve and Surplus	156.59	378.24	160.75	336.67	0.41	0.48	-13%	NA
(c)	Debt Service Coverage Ratio	No. of times	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	73.24	167.74	78.97	168.24	0.44	0.47	-7%	NA
(d)	Return on Equity Ratio	%	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes	Shareholder's Equity	42.11	378.24	57.44	336.67	0.11	0.17	-35%	Increase in Shareholder Equity on account of accumulation of previous year profits leads to decline in Return on Equity Ratio
(e)	Inventory Turnover Ratio	No. of times	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	Average Inventory = (Opening Inventory + Closing Inventory)/2	241.09	102.09	238.24	93.46	2.36	2.55	-7%	NA
(f)	Trade Receivables Turnover Ratio	No. of times	Net Credit Sales / Average Trade Receivables	Net Credit Sales	Average Trade Receivable = (Opening Trade Receivables + Closing Trade Receivable)/2	510.24	84.50	520.70	90.63	6.04	5.75	5%	NA
(g)	Trade Payables Turnover Ratio	No. of times	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	Average Trade Payable = (Opening Trade Payables + Closing Trade Payables)/2	290.19	13.64	206.13	16.38	21.27	12.58	69%	A substantial increase of 50% is noted in purchases leading to high Trade Payable Turnover Ratio
(h)	Net Capital Turnover Ratio	No. of times	Revenue / Average Working Capital	Revenue	Average Working Capital= Total of Current assets – Current liabilities	535.85	120.11	547.92	120.32	4.46	4.55	-2%	NA
(i)	Net Profit Ratio	%	Net Profit / Net Sales	Net Profit	Net Sales	42.11	510.24	57.44	520.70	0.08	0.11	-25%	A substantial increase of 50% purchases leading to fall in Net Profit Ratio
(j)	Return on Capital Employed	No. of times	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	68.40	378.24	84.20	336.67	0.18	0.25	-28%	Increase in Capital Employed on account of accumulation of previous year profits leads to decline in Return on Capital Employed Ratio
(k)	Return on Investment	%	Interest Income / Avg Investment	Interest Income = Interest income - on fixed deposits + Fair valuation adjustments of investments	Avg Investment= (Opening Fixed deposits + Opening Investments in Mutual Funds + Closing Fixed deposits + Closing Investments in Mutual Funds)/2	6.02	80.90	4.49	79.05	0.07	0.06	31%	Ratio has improved on account of better treasury yields and change in investment's mix

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

44 Utilisation of Borrowed funds

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

46 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mainly for environmental sustainability, promotion of education, health care, etc. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

A.

Particulars	31 March 2024	31 March 2023
Gross Amount required to be spent as per Section 135 of the Act	1.22	0.86
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	1.22	0.86
Amount approved by the Board to be spent during the year	**1.22**	**0.86**

B.

Amount spent during the year on	31 March 2024	31 March 2023
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above - **Towards CSR contribution**	1.34	-

C. Details related to amount spent/ unspent

Particulars	31 March 2024	31 March 2023
Contribution to following Trust		
1. Omkar Andh Apang Samajik Sanstha	0.75	-
2. Kalawati Devi Memorial Charitable Society	0.59	-
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
TOTAL	**1.34**	**-**

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

D. Details of CSR expenditure in respect of other than ongoing projects

Nature of Activity	Balance unspent as at 1 April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.22	1.34	-

Nature of Activity	Balance unspent as at 1 April 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2023
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	0.86	-	-

E. Details of excess CSR expenditure

Nature of Activity	Balance excess as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	0.11	1.22	1.34	0.23

F. Contribution to Related Parties/ CSR Expenditure incurred with Related Parties- Not Applicable

G. Disclosures on Shortfall

Particulars	31 March 2024	31 March 2023
Amount Required to be spent by the Company during the year	1.22	0.86
Actual Amount Spent by the Company during the year	1.34	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	NA	NA

47 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

48 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:

According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows

Particulars		31 March 2024	31 March 2023
(a)	(i) Amount remaining unpaid to any supplier at the end of each accounting year:		
	Principal	0.30	0.17
	Interest	-	-
	Total	**0.30**	**0.17**
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

49 Details of Benami Property held

There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

50 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

51 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other 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 mainly comprises of current liabilities which represents-Packing Credit. 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.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

		31 March 2024	31 March 2023
Total equity excluding revaluation reserve	(I)	**322.15**	**280.44**
Total debt		156.60	160.75
Less: Fixed deposits liened (refer note 12)		32.35	42.27
Less: Cash and cash equivalents (refer note 11)		35.44	61.42
Total net debt	(ii)	**88.79**	**57.06**
Overall financing	(iii) = (i) + (ii)	410.94	337.50
Gearing ratio	(ii)/ (iii)	0.22	0.17
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.			

52 Contingent Liability and commitments

	31 March 2024	31 March 2023
Bank Guarantees	2.32	1.01

The Company has not capital commitment as at year end

53 Segment reporting

(A) The Company is engaged in only one segment viz 'Manufacturing of home textiles' such as bathmat, rugs, throws, curtains, etc., there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

(B) Geographical Information

The revenues from operation have been allocated to countries based on location of the customers as shown below:

	31 March 2024	31 March 2023
(a) Within India (including rebate/drawback of Taxes and Duties)	102.89	68.93
(b) Outside India		
United States of America (USA)	262.70	344.15
United Kingdom	100.17	70.62
Europe	46.55	33.07
Rest of the world	23.54	31.15
Total	**535.85**	**547.92**

(C) Information about major customers

The following table gives details in respect of percentage of revenue generated (sale of products) from the top ten customers.

Particulars	31 March 2024	31 March 2023
	%	%
Revenue from top 10 Customers	62%	71%

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

54 Disclosures pursuant to securities and exchange board of India (Listing obligations and disclosure requirements) Regulations, 2015 and section 186 of the Companies Act 2013:

Loan to Subsidiary:	As at March 31, 2024	As at March 31, 2023
Mats and More Private Limited	12.65	5.30
Maximum amount outstanding at anytime during the year	18.52	7.14

(Mats & More Private Limited has utilised this loan for working capital requirements. The loan is repayable after 3 years at 8.15% (31 March 23 7.4%) Interest rate)

55 Loans or Advances in the nature of loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to Subsidiary		
Mats and More Private Limited	12.65	5.30
Repayable on demand	No	No
Terms/Period of repayment is specified	Yes	Yes
Percentage to the total Loans and Advances in the nature of loans	100%	100%

56 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

57 Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2024 and signing of standalone financial statements as on 23 May 2024 which have material impact on the financials of the Company.

58 Approval of standalone financial statements

The standalone financial statements were approved for issue by the board of directors on 23 May 2024.

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

INDEPENDENT AUDITOR'S REPORT

To the Members of Faze Three Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Faze Three Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, Management Discussion and Analysis Report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 19.62 Crores as at March 31, 2024, total revenues of Rs. 21.65 Crores and net cash flows amounting to Rs. 0.16 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 3.99 Crores as at March 31, 2024, total revenues of Rs. 9.72 Crores and net cash flows amounting to Rs. (0.06) Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to reliance on the work done and the reports of the other auditor and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

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 except for the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g)

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g)

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. There were no pending litigations which would impact the consolidated financial position of the Group.

    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

iv.

(1) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used accounting software's for maintaining its books of account during the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except for a software which is used for maintaining its books of account relating to revenue and inventory transactions, in respect of which the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes in the accounting software throughout the year ended March 31,2024.
Further, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with, in respect of the accounting software's for the period for which the audit trail feature was enabled and operating.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditor of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSG4567

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FAZE THREE LIMITED

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated 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 the management and Board of Directors.

- Conclude on the appropriateness of the management and Board of Directors 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSG4567

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FAZE THREE LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Faze Three Limited on the consolidated Financial Statements for the year ended March 31, 2024]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Faze Three Limited (hereinafter referred to as "the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company which are companies incorporated in India, 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: May 23, 2024

Amrish Vaidya
Partner
Membership No. 101739
UDIN: **24101739BKEZSG4567**

Consolidated Balance Sheet as at 31 March 2024

(Amount in crores, unless otherwise stated)

Particulars	Notes	As At 31 March 2024	As At 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	240.53	204.34
Capital work-in-progress	4	6.60	4.04
Right-of-use Assets	3 (b)	11.17	11.69
Intangible Assets	5	0.18	0.05
Financial assets			
i. Investments	6	0.21	0.21
ii. Other financial assets	7	3.22	2.00
Income tax asset (net)	14	3.17	0.63
Other non-current assets	8	6.26	6.33
Total non-current assets		**271.34**	**229.29**
Current assets			
Inventories	9	132.95	80.46
Financial assets			
i. Investments	6	14.25	12.13
ii. Trade receivables	10	75.20	96.27
iii. Cash and cash equivalents	11	35.71	61.84
iv. Bank balances other than cash and cash equivalent	12	32.64	42.31
v. Other financial assets	13	0.43	1.42
Other current assets	15	30.96	22.85
Total current assets		**322.14**	**317.28**
Total assets		**593.48**	**546.57**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	24.32	24.32
Other equity	17	356.34	310.29
Total equity		**380.66**	**334.61**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities	35	9.21	10.93
ii. Other financial liabilities	18	0.11	0.26
Provisions	19	2.12	1.90
Deferred tax liability (net)	32	6.14	4.63
Total non-current liabilities		**17.58**	**17.72**
Current liabilities			
Financial liabilities			
i. Borrowings	20	156.59	160.75
ii. Lease Liabilities	35	3.88	2.34
iii. Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		0.30	0.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18.34	15.68
iv. Other financial liabilities	18	10.81	11.25
Other current liabilities	22	1.18	0.84
Provisions	19	3.38	2.48
Current tax liabilities (net)	23	0.76	0.73
Total current liabilities		**195.24**	**194.24**
Total equity and liabilities		**593.48**	**546.57**

See accompanying notes to the consolidated financial statements 1-59

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Consolidated Statement of Profit and Loss for year Ended 31 March 2024

(Amount in crores, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	24	564.52	558.18
Other income	25	7.80	5.58
Total income		**572.32**	**563.76**
Expenses			
Cost of material consumed	26	286.65	215.84
Changes in inventories of finished goods and work-in-progress	27	(29.78)	26.64
Employee benefits expense	28	81.85	69.23
Finance costs	29	11.25	7.84
Depreciation and amortization expense	30	20.60	14.47
Other expenses	31	139.30	152.12
Total expenses		**509.87**	**486.14**
Profit before tax		62.45	77.62
Tax expense			
Current tax	32	14.16	17.96
Deferred tax	32	1.70	1.36
Total income tax expense		**15.86**	**19.32**
Profit for the year		**46.59**	**58.30**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
(a) Remeasurements of post-employment defined benefit plans		(0.75)	(0.22)
(b) Income tax effect on the above		0.19	0.06
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
(a) Exchange difference on translation of a foreign operation		0.00	(0.47)
(b) Income tax effect on the above		-	-
Total other comprehensive income for the year		**(0.56)**	**(0.63)**
Total comprehensive income for the year		**46.03**	**57.67**
Earnings per share			
Basic (₹/ Share)	33	19.16	23.97
Diluted (₹/ Share)	33	19.16	23.97

See accompanying notes to the consolidated financial statements 1-59
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

(A) Equity share capital

Particulars	**March 31, 2024 No. of shares**	**Amount**
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 01 April 2023	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
Balance as at 31 March 2024	**2,43,19,000**	**24.32**

Particulars	**March 31, 2023 No. of shares**	**Amount**
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 01 April 2022	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	**2,43,19,000**	**24.32**

(B) Other equity

Particulars	**Reserves and surplus**					**Total**
	Capital Reserve	**Revaluation Reserve**	**Securities premium**	**General reserve**	**Retained earnings**	
Balance as at 1 April 2023	**5.73**	**56.23**	**24.44**	**91.93**	**131.96**	**310.29**
Profit for the year	-	-	-	-	46.59	46.59
Transferred to retained earnings	-	(0.14)	-	-	0.14	-
Other comprehensive income	-	-	-	-	(0.56)	(0.56)
Balance as at 31 March 2024	**5.73**	**56.09**	**24.44**	**91.93**	**178.13**	**356.34**

Particulars	**Reserves and surplus**					**Total**
	Capital Reserve	**Revaluation Reserve**	**Securities premium**	**General reserve**	**Retained earnings**	
Balance as at 1 April 2022	**5.73**	**56.37**	**24.44**	**93.15**	**74.30**	**253.99**
Profit for the year	-	-	-	-	58.30	58.30
Transfer to retained earnings	-	(0.14)	-	-	-	(0.14)
Other comprehensive income	-	-	-	(1.22)	(0.64)	(1.86)
Balance as at 31 March 2023	**5.73**	**56.23**	**24.44**	**91.93**	**131.96**	**310.29**

See accompanying notes to the consolidated financial statements 1-59
The accompanying notes are an integral part of the financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Statement of Consolidated Cash Flows for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	62.45	77.62
Adjustments for:		
Depreciation and amortization expenses	20.60	14.47
Finance cost	11.25	7.49
Loss on sale of Property, plant and equipment	0.40	0.07
Unrealised foreign exchange gain/ (loss) (net)	(0.24)	0.39
Fair valuation adjustments of investments	(1.02)	(1.44)
Interest income	(5.94)	(3.00)
Operating profit before working capital changes	**87.50**	**95.60**
Changes in working capital		
Decrease/(Increase) in inventories	(43.25)	34.70
Increase in trade receivables	19.07	(8.61)
Decrease/(Increase) in financial assets	(1.07)	13.90
Decrease/(Increase) in other current assets	(10.27)	3.77
(Decrease)/Increase in trade payables	0.83	(9.41)
(Decrease)/Increase in other financial liabilities	1.55	(0.28)
(Decrease)/Increase in other current liabilities	0.36	(1.95)
Increase in Provisions	0.35	0.37
Decrease/(Increase) in other non-current assets	0.60	-
Cash generated from operations	**55.67**	**128.09**
Income tax paid (net of refund)	(18.66)	(18.08)
Net cash generated from / (used in) operating activities (A)	**37.01**	**110.01**
Cash flow from Investing activities		
Purchase of property, plant and equipment	(60.24)	(54.69)
Proceeds from sale of property, plant and equipment	-	0.07
Payment for purchase of investments	(1.10)	(0.48)
Interest received	6.22	3.06
Investment in fixed deposits (original maturity more than 3 months but less than 12 months) (net)	9.67	8.21
Net cash used in investing activities (B)	**(45.45)**	**(43.83)**
Cash flow from Financing activities		
Payment of interim dividend	-	(1.21)
Repayments of/ Proceeds from borrowings (net)	(4.16)	2.83
Repayment of Lease Liabilities	(4.63)	(3.34)
Interest paid	(9.97)	(4.32)
Net cash generated from / (used in) financing activities (C)	**(18.76)**	**(6.04)**
Net increase in cash and cash equivalents (A+B+C)	(27.20)	60.14
Cash and cash equivalents at the beginning of the year	61.84	2.20
Effect of exchange rate changes on cash and cash equivalents	1.07	(0.50)
Cash and cash equivalents at the end of the year (refer note 11)	**35.71**	**61.84**
Cash and cash equivalents comprise		
Balances with banks		
In current accounts	3.56	5.45
Fixed deposits with original maturity of less than three months	17.81	42.98
Bank balance on EEFC account	14.23	13.37
Cash on hand	0.11	0.04
Total cash and cash equivalents at end of the year	**35.71**	**61.84**

Statement of Consolidated Cash Flows for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

Notes :

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

ii) Disclosure as required by Ind AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

Particulars	31 March 2024	31 March 2023
Opening balance - Borrowings (including interest accrued)	161.26	156.28
Non Cash movement		
- Accrual of interest	9.93	6.47
Cash movement		
- Repayment of / Proceeds from borrowings (net)	(4.16)	2.83
- Interest payment	(9.97)	(4.32)
Closing balance - Borrowings (including interest accrued)	**157.06**	**161.26**

See accompanying notes to the consolidated financial statements 1-59
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

1. General Information

Faze Three Limited (the "Company") and its subsidiaries (collectively, the Group), are, established in 1985, is engaged in manufacturing and exports of home textiles products items viz. bathmats, rugs, blankets, throws, cushions, etc. It has seven manufacturing locations across Gujarat, Union territories (UT) of (Dadra and Nagar Haveli and Daman and Diu) DNHDD, Haryana and Maharashtra in India. The Company is a direct exporter to top retail store chains in USA, UK and Europe. The Company is a public listed company incorporated and domiciled in India and has its registered office in Dapada, Silvassa, UT of DNHDD. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange.

The consolidated financial statements for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2024.

2. Material accounting policies

(A) **Statement of Compliance**

These consolidated Ind AS financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(B) Basis of presentation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

(C) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land classified under property, plant and equipment at Fair value
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

A historical cost is a measure of value used in accounting in which the value of an asset on the balance sheet is recorded at its original cost when acquired by the Group.

Fair Value Measurement :- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(D) Use of estimates

The preparation of the consolidated financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. The areas involving critical estimates or judgements are:

Useful life of property, plant and equipment:

The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value. Increasing an asset’s expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Group’s assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Defined benefit obligations

The cost of defined benefit gratuity plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Recognition of Deferred Tax Assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

(E) Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

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. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group 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 repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are 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 provisions are met.

Freehold Land and Leasehold land are carried at fair value based on periodic valuation by the external independent valuers. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. An annual transfer from the revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred directly to retained earnings. Increase in the carrying amounts arising on revaluation of freehold and leasehold land are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders equity.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of the profit and loss when the asset is derecognised.

Depreciation methods, estimated useful lives

The Group depreciates property, plant and equipment using the straight line method over their estimated useful lives of assets which are determined based on technical parameters / assessment.

Useful life of property, plant and equipment:

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods. The estimated useful lives of assets are as follows:

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

Property, plant and equipment	Useful Lives
Leasehold land	Lease period
Building	5-30 years
Plant & Machinery	2-15 years
Furniture and Fixtures	2-15 years
Office Equipment	2-10 years
Electrical Installations	2-15 years
Fire Hydrant Systems	15 years
Vehicles	5-10 years
Computers	2-5 years

Individual assets costing up to ₹ Five thousand are depreciated in full in the year of purchase.

The Group has adopted a policy to transfer from revaluation reserve to profit or loss, an amount equivalent to depreciation on account of gain in revaluation reserve recognised earlier, at every period end.

Based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The residual value of Property, plant and Equipment are within the limit specified in Schedule II (Part C) of Companies act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences. The estimated useful life of asset is as follows:

Intangible assets	Useful Lives
Software licences	6 Years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life. Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

2.4 Impairment of Non Financial Assets

The Group 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 Group 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 Group 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 in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.5 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.

2.6 Foreign currency transactions

Functional and presentation currency

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

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Revenue recognition

(A) Sale of goods

The majority of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development.

(B) Rendering of services:

Revenues from services are recognised as and when services are rendered and on the basis of contractual terms with the parties. The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer.

(C) Rebate / Drawback of Taxes and Duties

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme, Rebate of State and Central Taxes and Levies and Remission of Duties or Taxes on Export Products Scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(D) Other Income

Interest income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the other income in the statement of profit and loss.

Other Incomes are recognised on accrual basis except financial instruments measured at amortised cost which are recognised using the effective interest rate (EIR).

Dividend income is recorded when the right to receive payment is established.

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.

2.8 Taxes

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(A) Current tax

Current income tax is measured at the amount expected to be recovered from 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 reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 consolidated financial statements. Deferred income tax is also 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 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 realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

(C) Minimum Alternate Tax (MAT)

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset if it is probable that MAT credit will reverse in the foreseeable future and taxable profit will be available against which the deferred tax asset can be utilised.

2.9 Leases

The Group as a Lessee :

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

a) Right-of-use asset (ROU):

The Group recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date (i.e the date the underlying asset is available for use). The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The ROU Asset is subsequently depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the asset from the commencement date to the end of the lease term.

b) Lease Liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group presents ROU Asset separately and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

c) Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU Assets and lease liabilities for

- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets with annual lease rental lesser than or equal to Rs.10 lakhs.

The Group recognises the lease payments associated with these leases as an expense over the lease term.

d) Group as a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

2.10 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, dyes and chemicals, packaging materials and stores and spare parts comprises cost of purchases on weighted average basis.

Cost of work-in progress and finished goods comprises of all cost of purchase, cost of conversion and other cost incurred in incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Slow and non-moving material, obsolesce, defective inventories are duly provided for and valued at actual cost or estimated net realisable value whichever is lower. 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.

2.11 Provisions, contingent liabilities and contingent assets

Provisions :- Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities :- 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 Group 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.

Contingent Asset :- A contingent asset is a possible asset 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 Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the consolidated financial statements where an inflow of economic benefit is possible.

2.12 Cash and cash equivalents & bank balances

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

Bank Balances other than cash and cash equivalents in the balance sheet comprise of unpaid dividend accounts and fixed deposits with an original maturity of more than three months and less than twelve months, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial assets

(i) Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

(ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt Instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(B) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.14 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined Contribution Plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Defined benefit plans

Gratuity: The Group 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 Group'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.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.15 Current Asset and Current Liability

Current Asset – "An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period;

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

Current Liability – "An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.

2.16 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 weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average 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 weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM)(Managing Director) of the Group. The Managing Director is responsible for allocating resources and assessing performance of the operating segments of the Group.

During the period, the Group was engaged in the business of home textile products, which is the only operating segment as per Ind AS 108.

2.18 Rounding off amounts

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

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024

3 Property, plant and equipment

(Amount in crores, unless otherwise stated)

	Gross block					Depreciation					Net block	
Particulars	**As at 1 April 2023**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**
Owned assets												
LeaseLeasehold land	9.21	4.73	-	-	13.94	0.85	0.21	-	-	1.06	12.88	8.36
Freehold land	53.55	0.37	-	-	53.92	-	-	-	-	-	53.92	53.55
Building	47.87	3.46	-	-	51.33	24.11	1.94	-	-	26.05	25.28	23.76
Plant and machinery	158.99	33.08	8.95	-	183.12	70.33	9.87	8.29	-	71.91	111.21	88.65
Furniture and fixtures	29.45	6.58	2.30	-	33.73	8.36	2.85	2.01	-	9.20	24.53	21.09
Vehicles	5.72	0.40	1.50	-	4.62	3.83	0.41	1.44	-	2.80	1.82	1.89
Office equipment	3.16	0.57	0.04	-	3.69	2.31	0.35	0.11	-	2.56	1.13	0.85
Computers	4.97	0.69	0.14	-	5.53	3.87	0.66	0.16	-	4.37	1.16	1.11
Electrical installations	10.68	1.53	0.67	-	11.53	5.96	0.78	0.74	-	6.00	5.53	4.71
Fire hydrants	0.44	2.81	-	-	3.25	0.10	0.08	-	-	0.18	3.07	0.34
Total	**324.04**	**54.22**	**13.60**	**-**	**364.66**	**119.71**	**17.15**	**12.75**	**-**	**124.13**	**240.53**	**204.34**

	Gross block					Depreciation					Net block	
Particulars	**As at 1 April 2022**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2023**	**As at 1 April 2022**	**For the year**	**Deductions/ Adjustments**	**Changes due to Revaluation**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**
Owned assets												
Leasehold land	9.21	-	-	-	9.21	0.68	0.17	-	-	0.85	8.36	8.53
Freehold land	53.55	-	-	-	53.55	-	-	-	-	-	53.55	53.55
Building	43.27	4.60	-	-	47.87	22.61	1.50	-	-	24.11	23.76	20.66
Plant and machinery	122.28	36.81	0.10	-	158.99	63.44	6.90	0.01	-	70.33	88.66	58.84
Furniture and fixtures	11.39	18.06	-	-	29.45	6.78	1.58	-	-	8.36	21.09	4.61
Vehicles	5.30	0.52	0.09	-	5.72	3.54	0.34	0.05	-	3.83	1.89	1.76
Office equipment	2.71	0.44	-	-	3.16	2.00	0.31	-	-	2.31	0.85	0.71
Computers*	4.21	0.77	0.00	-	4.98	3.51	0.36	0.00	-	3.87	1.11	0.70
Electrical installations	9.05	1.78	0.15	-	10.68	5.55	0.56	0.15	-	5.96	4.72	3.50
Fire hydrants	0.21	0.23	-	-	0.44	0.08	0.02	0.00	-	0.10	0.34	0.12
Total	**261.17**	**63.21**	**0.34**	**-**	**324.04**	**108.19**	**11.73**	**0.21**	**-**	**119.71**	**204.34**	**152.98**

* Amounts represented by '0' (zero) construes value less than ` fifty thousand.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024 (Amount in crores, unless otherwise stated)

3.1 Property, plant and equipment pledged as security

Refer to Note 20 for information on property, plant and equipment pledged as security by the Company.

3 (b) Right-of-use Assets

	Gross Carrying Amount				Depreciation				Net Carrying Amount
Particulars	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
Buildings	18.83	2.92	-	21.75	7.19	3.39	-	10.58	11.17
Vehicles	0.99	-	-	0.99	0.94	0.05	-	0.99	-
Total	**19.82**	**2.92**	**-**	**22.74**	**8.13**	**3.44**	**-**	**11.57**	**11.17**

	Gross Carrying Amount				Depreciation				Net Carrying Amount
Particulars	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023
Buildings	13.17	6.90	1.24	18.83	5.51	2.78	1.10	7.19	11.64
Vehicles	0.99	-	-	0.99	0.84	0.10	-	0.94	0.05
Total	**14.16**	**6.90**	**1.24**	**19.82**	**6.35**	**2.88**	**1.10**	**8.13**	**11.69**

4 Capital-Work-in Progress (CWIP)

Capital work-in-progress ageing schedule

31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	6.28	0.32	-	-	6.60

31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	4.04	-	-	-	4.04

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to original plan.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024 (Amount in crores, unless otherwise stated)

5 Intangible assets

	Gross block				Depreciation				Net block	
Particulars	**As at 1 April 2023**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Deductions/ Adjustments**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**
Intangible Assets										
Software	0.06	0.14	-	0.20	0.01	0.01	0.00	0.02	0.18	0.05

	Gross block				Depreciation				Net block	
Particulars	**As at 1 April 2022**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**As at 31 March 2023**	**As at 1 April 2022**	**For the year**	**Deductions/ Adjustments**	**As at 31 March 2023**	**As at 31 March 2023**	**As at 31 March 2022**
Intangible Assets										
Software	0.03	0.03	-	0.06	0.01	0.00	0.00	0.01	0.05	0.02

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

6

Financial assets- Investments	31 March 2024	31 March 2023
Non-current Investments		
Investment in Others		
Quoted equity shares (Designated and carried at fair value through profit or loss)		
14,53,042 (31 March, 2023: 14,53,042) Equity shares of ₹ 10 each fully paid-up in V R Woodart Limited	0.21	0.21
Unquoted equity shares (At Cost)		
5,000 (31 March, 2023: 5,000) Equity shares of ₹10 each fully paid-up in Saraswat Co-op Bank Limited	0.01	0.01
40 (31 March, 2023 : 40) Equity shares of ₹ 25 each fully paid-up in Greater Bombay Co-operative Bank Limited *	0.00	0.00
Total	**0.21**	**0.21**
Current Investments		
Investments in Mutual Funds (Designated and carried at fair value through profit or loss)		
Investments in Nippon Ind ETF Gold Bees (Quoted) (Refer footnote i)	9.41	8.49
Investment in Nippon India Silver ETF Fund (Quoted) (Refer footnote i)	4.84	3.64
Total	**14.25**	**12.13**
Aggregate book value of:		
Quoted investments	14.46	12.34
Unquoted investments	0.01	0.01
Aggregate market value of:		
Quoted investments	15.38	12.86
Unquoted investments	0.01	0.01

* Amounts represented by ‘0’ (zero) construes value less than ₹ fifty thousand.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

Footnotes:

i. Details of Investments in Mutual Funds (Designated and carried at FVTPL):

Particulars	Quantity		Amount	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Nippon India ETF Gold Bees	16,61,500	16,61,500	9.41	8.49
Nippon India Silver ETF Fund	6,68,750	5,15,500	4.84	3.64
Total	**23,30,250**	**21,77,000**	**14.25**	**12.13**

7	Other financial assets (non-current)	31 March 2024	31 March 2023
	Security deposits	3.12	1.24
	Deposit account with banks (Deposits with original maturity for more than 12 months from balance sheet date)	0.10	0.08
	Other receivable	-	0.68
	Total	**3.22**	**2.00**

8	Other non-current assets	31 March 2024	31 March 2023
	Capital advance	6.26	6.33
	Total	**6.26**	**6.33**

9	Inventories * (At lower or cost or net realisable value)	31 March 2024	31 March 2023
	Raw material	46.69	24.66
	Work in progress	61.02	30.61
	Finished goods (including in transit)	19.66	20.29
	Store and spares parts	2.49	2.20
	Dyes and chemicals	3.09	2.70
	Total	**132.95**	**80.46**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

10	Trade receivables*	31 March 2024	31 March 2023
	Secured, considered good	-	-
	Unsecured		
	-Considered good	75.20	96.27
	Total	**75.20**	**96.27**
	Further classified as:		
	Receivable from related parties (Refer note 36)	6.17	0.19
	Receivable from others	69.03	96.08
		75.20	**96.27**
	Footnote i : Include due from entities in which Key Management nel (KMP) has a control:		
	Faze Three Autofab Limited	6.17	0.19
		6.17	**0.19**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Ageing of Trade Receivables as on 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	57.93	17.24	-	0.03	75.20
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**57.93**	**17.24**	**-**	**0.03**	**75.20**

Ageing of Trade Receivables as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	78.54	17.73	-	-	96.27
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**78.54**	**17.73**	**-**	**-**	**96.27**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

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Cash and cash equivalents	31 March 2024	31 March 2023
Balances with banks		
In current accounts	3.56	5.45
In EEFC accounts	14.23	13.37
Fixed deposits with original maturity of less than 3 months	17.81	42.98
Cash on hand	0.11	0.04
Total	**35.71**	**61.84**

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Bank balances other than cash and cash equivalent	31 March 2024	31 March 2023
Deposit with original maturity for more than 3 months but less than 12 months	32.60	42.27
Unpaid Dividend Accounts	0.04	0.04
Total	**32.64**	**42.31**

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Other financial assets (current)	31 March 2024	31 March 2023
Unsecured, considered good (at amortised cost)		
Interest accrued on fixed deposits	0.43	0.70
Advance to others *	0.00	0.00
Unsecured, considered good (at FVTPL)		
MTM gain on currency forward contracts	-	0.72
Total	**0.43**	**1.42**

* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

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Non-Current tax assets (net)	31 March 2024	31 March 2023
Advance income tax	3.17	0.63
(net of provisions (31 March 2024 - ₹ 65.56 crores))		
(net of provisions (31 March 2023 - ₹ 51.46 crores))		
Total	**3.17**	**0.63**

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Other current assets	31 March 2024	31 March 2023
Unsecured, considered good		
Balance with Government authorities*		
GST input credit	8.18	8.90
GST rebate receivable	10.24	3.82
Rebate / Drawback of taxes and duties receivable*	7.07	6.85
Advance to suppliers	3.93	1.67
Staff advances	0.33	0.38
Prepaid expenses	1.20	1.23
Receivable from others	0.01	-
Total	**30.96**	**22.85**

* Hypothecated as charge against short term - borrowings. Refer note 20.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

16	Equity share capital	31 March 2024	31 March 2023
	Authorized		
	2,60,00,000 (31 March 2023: 2,60,00,000) Equity Shares of ₹ 10/- each	26.00	26.00
	Total	**26.00**	**26.00**
	Issued, subscribed and paid up		
	2,43,19,000 (31 March 2023: 2,43,19,000) Equity Shares of ₹10/- each fully paid	24.32	24.32
	Total	**24.32**	**24.32**
	Total	**24.32**	**24.32**

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

Particulars	31 March 2024		31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,43,19,000	24.32	2,43,19,000	24.32
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,43,19,000**	**24.32**	**2,43,19,000**	**24.32**

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Group has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

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

Particulars	31 March 2024		31 March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ajay Anand	78,67,206	32.35	77,30,812	31.79
Ajay Jindal	28,12,450	11.56	28,12,450	11.56
Instyle Investments Pvt. Ltd.	23,94,625	9.85	23,94,625	9.85
Salim Govani	15,06,500	6.19	15,91,837	6.55
Vishnu Anand	13,89,875	5.72	13,89,875	5.72
Ashish Kacholia	13,17,554	5.42	12,71,382	5.23

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

(d) Details of Shares held by Promoters at the end of the year

Promoter Name	31 March 2024			31 March 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ajay Anand	78,67,206	32.35%	0.56%	77,30,812	31.79%	0.27%
Instyle Investments Private Limited	23,94,625	9.85%	-	23,94,625	9.85%	-
Vishnu Anand	13,89,875	5.72%	-	13,89,875	5.72%	4.61%
Sanjay Anand	8,81,026	3.62%	(0.56%)	10,17,420	4.18%	-
Ajay Anand (HUF)	6,62,500	2.72%	-	6,62,500	2.72%	-
Rashmi Anand	3,43,990	1.41%	-	3,43,990	1.41%	-
Mamata Finvest Private Limited	87,500	0.36%	-	87,500	0.36%	-
Rohina Anand	20,875	0.09%	-	20,875	0.09%	-
Anadry Investments Private Limited	9,500	0.04%	-	9,500	0.04%	-

(e) 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.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

17 Other equity

Particulars	31 March 2024	31 March 2023
Capital reserve	5.73	5.73
Securities premium	24.44	24.44
General reserve	91.93	91.93
Revaluation reserve	56.09	56.23
Retained earnings	178.13	131.96
Total	**356.34**	**310.29**

Nature and purpose of reserves

A Capital reserve

Particulars	31 March 2024	31 March 2023
Opening balance	5.73	5.73
Add/(Less): Transferred to reserves	-	-
Closing balance	**5.73**	**5.73**

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/ received or vice versa in a common control demerger of business/investment.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

B Securities Premium

Particulars	31 March 2024	31 March 2023
Opening balance	24.44	24.44
Add/(Less): Transferred to reserves	-	-
Closing balance	**24.44**	**24.44**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

C General reserve

Particulars	31 March 2024	31 March 2023
Opening balance	93.93	93.15
Add/(Less): Transferred to reserves	-	(1.22)
Closing balance	**93.93**	**93.15**

The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the entity.

D Revaluation reserve

Particulars	31 March 2024	31 March 2023
Opening balance	56.23	56.37
Add/(Less): Transferred to reserves	(0.14)	(0.14)
Closing balance	**56.09**	**56.23**

This reserve represents the cumulative gains and losses arising on the revaluation of leasehold land and freehold land on the balance sheet date measured at fair value through other comprehensive income.

E Retained earnings

Particulars	31 March 2024	31 March 2023
Opening balance	131.96	75.86
Add/(Less): Profit during the year	46.59	58.30
Add/(Less): Transfer to revaluation reserves	0.14	(0.75)
Add / (Less): Other comprehensive income	(0.56)	(1.45)
Add/(Less): Transfer to reserves *		
Closing balance	**178.13**	**131.96**

This reserve represents undistributed accumulated earnings of the entity as on the balance sheet date.

* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

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Other financial liabilities	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Security deposits	0.11	0.26	-	-
Interest accrued and but not due	-	-	0.46	0.51
Salary & reimbursement payable	-	-	7.27	4.93
Expenses payable	-	-	2.71	3.67
Unpaid Dividend*	-	-	0.04	0.04
Capital Creditors	-	-	0.05	2.10
MTM on currency forward contracts	-	-	0.28	-
Total	**0.11**	**0.26**	**10.81**	**11.25**

*As at 31st March, 2024, ₹ 0.04 crores (Previous year - ₹ 0.04 crores) is the amount of unclaimed dividend which remains unpaid by the hodling company, and shall be transferred to Investor Education and Protection Fund (‘IEPF’) as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Company.

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Provisions	Non-Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provision for employee benefits (refer note 34)				
Provision for gratuity (funded)	2.12	1.90	3.38	2.48
Total	**2.12**	**1.90**	**3.38**	**2.48**

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Short -term borrowings	31 March 2024	31 March 2023
Secured, from bank (carried at amortised cost)		
Packing Credit in Rupee Scheme (PCRS) (refer footnote (i))	156.59	160.55
Current maturities of Vehicle Loan from NBFC	-	0.20
Total	**156.59**	**160.75**

Terms and conditions of loans

(i) Packing Credit in Rupee Scheme (PCRS) is secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.

The Company has interest rate subvention of 2% (previous year 3%), Interest rates for PCRS Scheme(post subvention) ranges from 5.00% to 6.75% (March 31, 2023 3.27% to 5.40%)

The above mentioned PCRS is secured by way of lien over Fixed Deposits amounting to Rs. 47.31 crores (March 31, 2023 Rs. 65.58) to be exercised at the time of release of funds.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

(ii) Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	31 March 2024	31 March 2023
Current assets		
Inventories	132.95	80.46
Trade receivables	75.20	96.27
Export incentive receivable	7.07	6.85
GST input credit	8.18	8.90
GST rebate receivable	10.24	3.82
Total Current assets pledged as security	**233.64**	**196.30**
Non-Current assets		
Property, plant and equipment	203.05	169.41
Total Non-Current assets pledged as security	**203.05**	**169.41**
Total Assets pledged as security	**436.69**	**365.71**

Borrowings from Yes Bank Limited, ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank and Federal Bank Limited which are 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 Property, plant and equipment of the Company.

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Trade payables	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 48)	0.30	0.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	18.34	15.68
Total	**18.34**	**15.68**

Ageing of Trade Payables as on 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(I) MSME	0.30	-	-	-	-	0.30
(ii) Disputed dues - MSME	-	-	-	-	-	
(iii) Others	15.53	2.47	0.08	0.14	0.12	18.34
(iv) Disputed dues -Others	-	-	-	-	-	
Total	**15.83**	**2.47**	**0.08**	**0.14**	**0.12**	**18.64**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

Ageing of Trade Payables as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(I) MSME	0.17	-	-	-	-	0.17
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	13.86	1.43	0.33	0.02	0.04	15.68
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**14.03**	**1.43**	**0.33**	**0.02**	**0.04**	**15.68**

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Other current liabilities	31 March 2024	31 March 2023
Statutory dues payable	1.10	0.78
Advance from customer	0.08	0.06
Total	**1.18**	**0.84**

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Current tax liabilities (net)	31 March 2024	31 March 2023
Provision for taxation		
(net of advance tax 31 March 2024 - ₹ 56.64 crore)		
(net of advance tax 31 March 2023 - ₹ 41.49 crore)	0.76	0.73
Total	**0.76**	**0.73**

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Revenue from operations	31 March 2024	31 March 2023
Revenue from contracts with customers		
-Sale of products - finished goods	499.15	504.16
-Sale of services	39.76	26.80
	538.91	**530.96**
Other operating revenues		
- Rebate / Drawback of Taxes and Duties	25.61	27.22
Total	**564.52**	**558.18**

Notes:

A) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

Particulars	31 March 2024	31 March 2023
- Sale of manufactured products	499.15	504.16
	499.15	**504.16**

Geographic revenue

Particulars	31 March 2024	31 March 2023
- India	97.21	41.71
- Rest of the world	441.70	489.25
	538.91	**530.96**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

B) Reconciliation of revenue recognised:

Particulars	31 March 2024	31 March 2023
Gross Revenue	538.91	530.96
Rebates, discounts	-	-
Adjustment for credit notes	-	-
	538.91	**530.96**

Note:

i) The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.

ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration

iii) The Company has recognised revenue of ₹ 0.02 crores (March 31, 2023 - ₹ 2.07 crores) from the amounts included under advance received from customers at the beginning of the year.

C) The changes in Contract Liabilities are as follows:

Particulars	31 March 2024	31 March 2023
Contract Liabilities - Opening	0.06	2.07
Add: Additions during the year, excluding amounts recongised as revenue during the year	0.04	0.06
Less: Revenue recongnised in the current year which was included in Contract Liabilities	0.02	2.07
Contract Liabilities - Closing	**0.08**	**0.06**

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Other income	31 March 2024	31 March 2023
Rental income	0.71	0.58
Interest income on financial assets designated at amortised cost		
- on fixed deposits	5.02	3.05
- on security deposits	0.07	0.25
- on others	-	0.25
-Fair valuation adjustments of investments	1.02	1.44
-Miscellaneous income	0.98	0.01
Total	**7.80**	**5.58**

26

Cost of material consumed	31 March 2024	31 March 2023
Opening Stock	27.36	22.69
Add: Purchases during the year	309.07	220.51
Less: Closing Stock	49.78	27.36
Total	**286.65**	**215.84**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

27

Changes in inventories of finished goods and work-in-progress	31 March 2024	31 March 2023
Inventories at the beginning of the year		
-Finished goods	20.29	38.89
-Work-in-progress	30.61	38.65
	50.90	**77.54**
Less: Inventories at the end of the year		
-Finished goods	19.66	20.29
-Work-in-progress	61.02	30.61
	80.68	**50.90**
Net decrease/ (increase)	**(29.78)**	**26.64**

28

Employee benefits expense	31 March 2024	31 March 2023
Salaries, wages, bonus and other allowances	75.58	64.61
Contribution to Provident Fund and other funds	3.53	2.43
Gratuity expenses (Refer Note 34)	0.86	0.75
Staff welfare expenses	1.88	1.44
Total	**81.85**	**69.23**

29

Finance costs	31 March 2024	31 March 2023
Interest on borrowing	9.93	6.47
Interest Expense on lease liability	1.32	1.37
Total	**11.25**	**7.84**

30

Depreciation and amortization expense	31 March 2024	31 March 2023
Depreciation (refer note 3 (a))	16.96	11.56
Depreciation on Right of Use Assets (refer note 3 (b))	3.44	2.88
Amortisation	0.20	0.17
Less: transfer to revaluation reserve	-	(0.14)
Total	**20.60**	**14.47**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

31 Other expenses	31 March 2024	31 March 2023
Sewing, stitching,weaving & finishing charges	23.74	10.39
Power & fuel	29.84	31.14
Clearing and forwarding expenses	18.97	29.26
Plant & machinery	3.37	2.77
Building	1.81	1.26
Other manufacturing expenses	11.58	30.20
Jobwork Expenses	1.06	-
Rent, rates & taxes	1.68	4.24
Stores and spares consumed	3.17	2.62
Audit fees (refer note i below)	0.21	0.19
Fair Valuation of License in Hand	0.10	0.12
Bank charges	10.41	7.21
Corporate Social Responsilbity Expenditure (refer note 46)	1.34	-
Security expenses	2.36	2.17
Courier expenses	2.58	2.31
Travelling, vehicle & conveyance expenses	4.92	4.26
Loss on sale of Property, plant and equipment	0.40	0.07
Loss on foreign currency fluctuation	2.73	1.96
Legal & professional fees	4.29	5.62
Insurance charges	1.27	1.17
Selling & distribution expenses	10.09	11.63
Miscellaneous expenses	3.38	3.53
Total	**139.30**	**152.12**

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

	31 March 2024	31 March 2023
As auditor:		
Statutory audit fees (including for quaterly limited reviews)	0.20	0.18
Reimbursement of expenses	0.01	0.01
Total	**0.21**	**0.19**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

32 Income Tax

(A)

Income Tax recognised in profit or loss	31 March 2024	31 March 2023
Current tax	14.16	17.96
	14.16	**17.96**
Deferred tax charge / income		
Deferred tax charge / income	1.70	1.36
	1.70	**1.36**
Total Income Tax recognised in profit or loss	**15.86**	**19.32**

Income Tax recognised in other comprehensive income	31 March 2024	31 March 2023
Items that will not be reclassified to profit or loss		
Re-measurement on net defined benefit plans	0.19	0.06
Total Income Tax recognised in other comprehensive income	**0.19**	**0.06**

(B) **Deferred tax assets/ (liabilities) (net):**

Particulars	Balance as at 1 April 2023	Charge / (Credit) to Profit or Loss	Utilisation of MAT Credit	Balance as at 31 March 2024
Deferred tax assets				
Provision for employee benefits	1.44	0.18	0.19	1.82
Capital losses	1.82	(0.92)	-	0.90
On Temporary Difference on account of ROU	2.58	(0.06)	-	2.52
Other	-	-	-	-
Deferred tax liabilities				
On Temporary Difference on account of leases	(2.16)	0.14	-	(2.02)
Fiscal allowances on property, plant and equipment	(8.31)	(1.05)	-	(9.36)
Total deferred tax assets / (liabilities), net	**(4.63)**	**(1.71)**	**0.19**	**(6.14)**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

Particulars	Balance as at 1 April 2022	Charge / (Credit) to Profit or Loss	Utilisation of MAT Credit	Balance as at 31 March 2023
Deferred tax assets				
Provision for employee benefits	1.24	0.14	0.06	1.44
Capital losses	2.33	(0.51)	-	1.82
On Temporary Difference on account of ROU	2.27	0.31	-	2.58
Minimum alternate tax carried forward	-	-	-	-
Other	0.01	(0.01)	-	-
Deferred tax liabilities				
On Temporary Difference on account of leases	(1.97)	(0.19)	-	(2.16)
Fiscal allowances on property, plant and equipment	(7.21)	(1.10)	-	(8.31)
Total deferred tax assets / (liabilities), net	**(3.33)**	**(1.35)**	**0.06**	**(4.63)**

(C) Capital Tax losses of 31 March 2017: ₹ 9.98 crores are available for offsetting for a maximum period of eight years against future taxable profits of the Company.

(D)

Reconciliation of tax charge	31 March 2024	31 March 2023
Profit before tax	62.45	77.62
Statutory Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	15.72	19.54
Tax effects of:		
- Other items	0.14	(0.22)
Income tax expense	**15.86**	**19.32**

33 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

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

	31 March 2024	31 March 2023
Profit attributable to equity holders	46.59	58.30
Add/Less: Transactions during the year	-	-
Profit attributable to equity holders	46.59	58.30
Weighted average number of shares outstanding during the year	2,43,19,000	2,43,19,000
Basic earnings per share (₹) (Equity share of ₹ 10 each)	19.16	23.97
Diluted earnings per share (₹) (Equity share of ₹ 10 each)	19.16	23.97

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

34 Employee benefits

(A)

Defined Contribution Plans	31 March 2024	31 March 2023
During the year, the Group has recognized the following amounts in the Statement of Profit and Loss		
Employers' Contribution to Provident Fund and ESIC (Refer note 27)	3.53	2.43

(B) Defined benefit plans

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by Life Insurance Corporation of India that is legally separated from the entity. The Group does not fully fund the liability and maintains the funding from time to time based on estimations of expected gratuity payments.

These plans typically expose the Group to the following actuarial risks:

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk - A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Asset Liability matching risk - The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk - Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk - Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

		31 March 2024	31 March 2023
	a) Gratuity payable to employees		
i)	**Actuarial assumptions**		
	Discount rate (per annum)	7.18%	7.31%
	Rate of increase in Salary (per annum)	4.00%	4.00%
	Attrition rate		
	For service 2 years and below	45%	45%
	For service 3 years to 4 years	30%	30%
	For service 5 years and above	10%	10%
	Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	'Indian Assured Lives Mortality (2006-08) Ultimate
ii)	**Changes in the present value of defined benefit obligation**	**Employee's gratuity fund**	
	Present value of obligation at the beginning of the year	**4.44**	**3.85**
	Interest cost	0.32	0.23
	Current service cost	0.54	0.52
	Benefits paid directly by employer	(0.49)	(0.38)
	Actuarial (gain)/ loss on obligations	0.75	0.22
	Present value of obligation at the end of the year*	**5.56**	**4.44**
	*Included in provision for employee benefits (refer note 19)		
iii)	**Expense recognized in the Statement of Profit and Loss**	**Employee's gratuity fund**	
	Current service cost	0.54	0.52
	Interest cost	0.32	0.23
	Total expenses recognized in the Statement Profit and Loss*	**0.86**	**0.75**
	*Included in Employee benefits expense (Refer note 28). Acturial Loss of ₹ 0.22 crores (31 March 2023 - ₹ 0.36) is included in other comprehensive income.		
iv)	**Remeasurement (gain)/ loss recognized in other comprehensive income**	**31 March 2024**	**31 March 2023**
	Acturial gain/(Loss) on obligation for the period	0.75	0.22
	Recognized in other comprehensive income	**0.75**	**0.22**
v)	**Changes in the fair value of plan assets are, as follows :**	**31 March 2024**	**31 March 2023**
	Opening balance of fair value of plan assets	0.06	0.06
	Interest Income *	0.00	0.00
	Return on plan assets (excluding amount of interest income) *	(0.00)	0.00
	Closing balance of fair value of plan assets	**0.06**	**0.06**
	* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.		
vi)	Assets and liabilities recognized in the Balance Sheet:	**Employee's gratuity fund**	
		31 March 2024	**31 March 2023**
	Present value of unfunded obligation as at the end of the year	5.56	4.44
	Fair value of the plan assets at the end of the year	(0.06)	(0.06)
	Unfunded net (asset) / liability recognized in Balance Sheet*	**5.50**	**4.38**
	*Included in provision for employee benefits (Refer note 19)		

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

vii) A quantitative sensitivity analysis for significant assumption as at 31 March 2024 and 31 March 2023 is as shown below:

Impact on defined benefit obligation	Employee's gratuity fund	
	31 March 2024	**31 March 2023**
Discount rate		
1% increase	(0.29)	(0.24)
1% decrease	0.33	0.26
Employee Turnover		
1% increase	0.06	0.05
1% decrease	(0.07)	(0.06)
Rate of increase in salary		
1% increase	0.32	0.26
1% decrease	(0.30)	(0.24)

viii) Maturity profile of defined benefit obligation

Maturity profile of defined benefit obligation	Employee's gratuity fund	
	31 March 2024	**31 March 2023**
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.67	0.54
2nd Following Year	0.61	0.50
3rd Following Year	0.61	0.53
4th Following Year	0.65	0.46
5th Following Year	0.69	0.48
Sum of Years 6 to 10	2.41	2.05
Sum of 11 and above	3.54	2.88

(C) The company's expected contribution during next year is Nil (31 March 23 : Nil)

35 Leases

a) As Lessee

The Company's leasing arrangements are in respect of operating leases for buildings (corporate office, factory building etc.) and motor cars. These range between 5-8 years and usually renewable on mutually agreed terms.

(a) The following is the movement in lease liabilities during the year ended 31 March 2024 and 31 March 2023:

Particulars	Category of ROU Asset
	Leasehold Building
Balance as at 1 April 2022	**9.01**
Additions	6.69
Lease Payments	(2.43)
Balance as at 31 March 2023	**13.27**
Additions	4.15
Lease Payments	(4.33)
Balance as at 31 March 2024	**13.09**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

(b) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 and 31 March 2023 on an undiscounted basis:

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
Less than one year	4.97	3.66
One to Five years	10.01	12.71
More than 5 years	-	-
Total	**14.98**	**16.37**

(c) The following is the break-up of current and non-current lease liabilities as at 31 March 2024 and 31 March 2023

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
Current lease liability	3.88	2.34
Non-Current lease liability	9.21	10.93

(d) Amounts recognised in Statement of Cash Flows:

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
Total cash outlow for leases	3.97	3.72

(e) Amounts recognised in profit and loss

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
Interest expense on lease liabiities	1.32	1.37
Amortisation of right-of-use assets	3.44	2.88

36 Related Party Disclosures:

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

Entities in which the Key Management Personnel (KMP) has control

V R Woodart Limited

Faze Three Autofab Limited

Ajay Anand (HUF)

Instyle Investments Private Limited

Next Interiors Private Limited

ARR Bath & Home Private Limited

Mamata Finvest Private Limited

Anadry Investments Private Limited

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

Key Management Personnel (KMP)

In accordance with Ind AS 24 - Related Party Disclosures and the Companies Act, 2013, following personnels are considered as KMP.

Name of related party	Relationship
Ajay Anand	Managing Director
Sanjay Anand	Whole-time Director
Ankit Madhwani	Chief Financial Officer
Samruddhi Varadkar	Company Secretary (upto October 5, 2023)
Akram Sati	Company Secretary (from January 5, 2024)

Others

Name of related party	Relationship
Rohina Anand Khira	Daughter of Managing Director
Ashok Anand	Brother of Managing Director
Vishnu Anand	Son of Managing Director

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

	31 March 2024	31 March 2023
Entities in which the Key Management Personnel (KMP) has control		
Faze Three Autofab Limited		
Sale of services	39.76	26.80
Sale of Goods	0.08	-
Purchase of goods	13.91	3.32
Purchase of Services	2.17	-
Jobwork expense	-	0.45
Purchase of Fixed Asset	0.05	-
Reimbursement of Expenses	0.07	0.46
ARR Bath & Home Private Limited		
Sale of goods	-	1.92
Next Interiors Private Limited		
Sale of goods	1.09	0.79
Purchase of goods	0.03	-
Reimbursement of Expenses	-	0.17
Sub Zero Insulation Technologies Private Limited		
Sale of Goods	0.22	-
Purchase of Fixed assets	0.18	-
Others		
Ashok Anand (towards payment of employee benefit)	0.09	0.09
Vishnu Anand (towards payment of employee benefit)	0.60	0.72
Key Management Personnel (KMP)		
Compensation of key management personnel (Short term employee benefits)	1.82	1.87
Amount due to related party as on	**31 March 2024**	**31 March 2023**
Trade Receivable		
Faze Three Autofab Limited	6.17	0.19
Trade Payable		
Faze Three Autofab Limited	0.03	-
Rohina Anand	0.01	-

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

(C) **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 2024, the Group 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.

37 Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value			
As at 31 March 2024	**FVTPL**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Investments (Non Current)	0.21	0.01	0.21	-	0.21	-	0.21
Other financial assets (Non Current)	-	3.22	3.22	-	-	-	-
Trade Receivables	-	75.20	75.20	-	-	-	-
Investments (Current)	14.25	-	14.25	14.25	-	-	14.25
Cash & Cash Equivalents	-	35.71	35.71	-	-	-	-
Bank balances other than cash and cash equivalent	-	32.64	32.64	-	-	-	-
Other financial assets (Current)	-	0.43	0.43	-	-	-	-
	14.46	**147.21**	**161.66**	**14.25**	**0.21**	**-**	**14.46**
Financial liabilities							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	9.21	9.21	-	-	-	-
Other financial liabilities (Non Current)	-	0.11	0.11	-	-	-	-
Borrowings (Current)	-	156.59	156.59	-	-	-	-
Lease Liabilities (Current)	-	3.88	3.88	-	-	-	-
Trade payables	-	18.64	18.64	-	-	-	-
Other financial liabilities (Current)	-	10.81	10.81	-	-	-	-
	-	**199.24**	**199.24**	**-**	**-**	**-**	**-**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

	Carrying Amount			Fair Value			
As at 31 March 2023	**FVTPL**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Investments (Non Current)	0.21	0.01	0.21	-	0.21	-	0.21
Other financial assets (Non Current)	-	2.00	2.00	-	-	-	-
Trade Receivables	-	96.27	96.27	-	-	-	-
Investments (Current)	12.13	-	12.13	12.13	-	-	12.13
Cash & Cash Equivalents	-	61.84	61.84	-	-	-	-
Bank balances other than cash and cash equivalent	-	42.31	42.31	-	-	-	-
Other financial assets (Current)	-	1.42	1.42	-	-	-	-
	12.34	**203.85**	**216.18**	**12.13**	**0.21**	**-**	**12.34**
Financial liabilities							
Borrowings - Non Current	-	-	-	-	-	-	-
Lease Liabilities - Non Current	-	10.93	10.93	-	-	-	-
Other financial liabilities - Non Current	-	0.26	0.26	-	-	-	-
Borrowings - Current	-	160.75	160.75	-	-	-	-
Lease Liabilities - Current	-	2.34	2.34	-	-	-	-
Trade payables	-	15.85	15.85	-	-	-	-
Other financial liabilities - Current	-	11.25	11.25	-	-	-	-
	-	**201.38**	**201.38**	**-**	**-**	**-**	**-**

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).

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

38 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group 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 Group exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

	31 March 2024	**31 March 2023**
Variable rate borrowings	**123.98**	**118.48**

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 Group'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 2024	100 bps	1.24
FY 2023	100 bps	1.18

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities.

The Group is exposed to foreign currency risk arising mainly on export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.
(Amount in INR crores, unless otherwise stated)

Exposure to currency risk	31 March 2024		31 March 2023	
	INR	USD/EURO/ GBP	INR	USD/EURO/ GBP
Trade receivables (hedged)	62.23	0.74	88.00	1.07
Trade receivables (unhedged)	-	-	-	-
Capital Creditors (hedged)	-	-	-	-
Capital Creditors (unhedged)	0.05	0.00	0.44	0.00

* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

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 Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The Group realises 90% of its sales in USD, based on the hedging policy followed by the Group in case of normal volatality in USD / INR, the following effect is estimated.

	Change in USD rate	Effect on profit before tax
2024		
USD / INR	0.50%	-
2023	0.50%	-
USD / INR		

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

Trade Receivables: The Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. The concentration of credit risk arising from trade receivables is limited due to large customer base. Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior and analysis of customer credit risk.

Before accepting new customer, the Group has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Group to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method. The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

Financial instruments and cash deposits: The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Group.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Group manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

	Less than 1 Year	1 to 5 years	More than 5 years	Total
31 March 2024				
Short term borrowings	156.59	-	-	156.59
Trade payables	18.30	0.34	-	18.64
Salary & reimbursement payable	7.27	-	-	7.27
Lease Liabilities	4.97	10.01	-	14.98
Capital Creditors	0.05	-	-	0.05
Expenses payable	2.71	-	-	2.71
Interest accrued but not due	0.46	-	-	0.46
Dividend payable	0.04	-	-	0.04
	190.39	**10.35**	**-**	**200.74**

	Less than 1 Year	1 to 5 years	More than 5 years	Total
31 March 2023				
Short term borrowings	160.75	-	-	160.75
Trade payables	15.46	0.39	-	15.85
Salary & reimbursement payable	4.93	-	-	4.93
Lease Liabilities	3.66	12.71	-	16.37
Capital Creditors	2.10	-	-	2.10
Expenses payable	3.67	-	-	3.67
Interest accrued but not due	0.51	-	-	0.51
Dividend payable	0.04	-	-	0.04
	191.12	**13.10**	**-**	**204.22**

39 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

The Group has obtained borrowings from bank on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with bank are in agreement with the books.

40 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

41 Registration of charges or satisfaction with Registrar of Companies

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

42 Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes forming part of the Financial Statements for the year ended 31 March 2024

(Amount in crores, unless otherwise stated)

43 Ratios

Sr. No.	Ratio	Unit	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
				Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(a)	Current Ratio	No. of times	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Bank balances other than cash and cash equivalent + Other financial assets + Other current assets	Current Liability= Short term borrowings + Lease Liabilities + Trade Payables + Other financial Liability + Other Current Liability + Provisions + Current tax (Liabilities)	322.14	195.24	317.28	194.24	1.65	1.63	1%	NA
(b)	Debt-Equity Ratio	No. of times	Debt / Equity	Debt= Current borrowings	Equity= Equity + Reserve and Surplus	156.59	380.66	160.75	334.61	0.41	0.48	-14%	NA
(c)	Debt Service Coverage Ratio	No. of times	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	78.43	167.83	80.61	168.59	0.47	0.48	-2%	NA
(d)	Return on Equity Ratio	%	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	46.59	380.66	58.30	334.61	0.12	0.17	-30%	Increase in Shareholder Equity on account of accumulation of previous year profits leads to decline in Return on Equity Ratio
(e)	Inventory Turnover Ratio	No. of times	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	256.87	106.71	242.48	97.77	2.41	2.48	-3%	NA
(f)	Trade Receivables Turnover Ratio	No. of times	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	538.91	85.74	530.96	89.05	6.29	5.96	5%	NA
(g)	Trade Payables Turnover Ratio	No. of times	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	309.07	17.25	220.51	18.75	17.92	11.76	52%	A substantial increase of 50% is noted in purchases leading to high Trade Payable Turnover Ratio
(h)	Net Capital Turnover Ratio	No. of times	Revenue / Average Working Capital	Revenue	Average Working Capital= Total of Current assets – Current liabilities	564.52	126.91	558.18	126.10	4.45	4.43	0%	NA
(i)	Net Profit Ratio	%	Net Profit / Net Sales	Net Profit	Net Sales	46.59	538.91	58.30	530.96	0.09	0.11	-21%	A substantial increase of 50% purchases leading to fall in Net Profit Ratio
(j)	Return on Capital Employed	No. of times	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	73.70	380.66	85.46	334.61	0.19	0.26	-24%	Increase in Capital Employed on account of accumulation of previous year profits leads to decline in Return on Capital Employed Ratio
(k)	Return on Investment	%	Interest Income / Avg Investment	Interest Income = Interest income - on fixed deposits + Fair valuation adjustments of investments	Avg Investment= (Opening Fixed deposits + Opening Investments in Mutual Funds + Closing Fixed deposits + Closing Investments in Mutual Funds)/2	6.04	81.02	4.49	79.04	0.07	0.06	31%	Ratio has improved on account of better treasury yields and change in investment's mix

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

44 Utilisation of Borrowed funds

(i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45 Undisclosed income

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

46 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a group, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mainly for environmental sustainability, promotion of education, health care, etc. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

A.

Particulars	**31 March 2024**	**31 March 2023**
Gross Amount required to be spent as per Section 135 of the Act	1.22	0.86
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	1.22	0.86
Amount approved by the Board to be spent during the year	**1.22**	**0.86**

B.

Amount spent during the year on	**31 March 2024**	**31 March 2023**
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above - **Towards CSR contribution**	1.34	-

C. **Details related to amount spent/ unspent**

Particulars	**31 March 2024**	**31 March 2023**
Contribution to following Trust		
1. Omkar Andh Apang Samajik Sanstha	0.75	-
2. Kalawati Devi Memorial Charitable Society	0.59	-
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
TOTAL	**1.34**	**-**

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

D. Details of CSR expenditure in respect of other than ongoing projects

Nature of Activity	Balance unspent as at 1 April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.22	1.34	-

Nature of Activity	Balance unspent as at 1 April 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2023
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	0.86	-	-

E. Details of excess CSR expenditure

Nature of Activity	Balance excess as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	0.11	1.22	1.34	0.23

F. Contribution to Related Parties/ CSR Expenditure incurred with Related Parties- Not Applicable

G. Disclosures on Shortfall

Particulars	31 March 2024	31 March 2023
Amount Required to be spent by the Company during the year	1.22	0.86
Actual Amount Spent by the Company during the year	1.34	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	NA	NA

47 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

48 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:

According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Group has amounts due to Micro, Small and Medium Enterprises under the said Act as follows

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

Particulars		31 March 2024	31 March 2023
(a)	(i) Amount remaining unpaid to any supplier at the end of each accounting year:		
	Principal	0.30	0.17
	Interest	-	-
	Total	**0.30**	**0.17**
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

49 Details of Benami Property held

There are no proceedings initiated or are pending against the group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

50 Wilful Defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

51 Capital management

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

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of current liabilities which represents - Packing Credit. The Group 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.

		31 March 2024	31 March 2023
Total equity excluding revaluation reserve	(I)	**324.57**	**278.38**
Total debt		156.59	160.75
Less: Fixed deposits liened (refer note 12)		32.60	42.27
Less: Cash and cash equivalents (refer note 11)		35.71	61.84
Total net debt	(ii)	**88.27**	**56.64**
Overall financing	(iii) = (i) + (ii)	412.84	335.02
Gearing ratio	(ii)/ (iii)	0.21	0.17

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2024.

(Amount in INR crores, unless otherwise stated)

52 Contingent Liability and commitments

	31 March 2024	31 March 2023
Bank Guarantees	2.32	1.01

The Company has not capital commitment as at year end

53 Segment reporting

(a) The Group is engaged in only one segment viz 'Manufacturing of home textiles' such as bathmat, rugs, throws, curtains, etc., there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Group's operations are predominantly confined in India.

(b) Geographical Information

The revenues from operation have been allocated to countries based on location of the customers as shown below:

	31 March 2024	31 March 2023
(a) Within India (including rebate/drawback of Taxes and Duties)	122.82	68.93
(b) Outside India		
United States of America (USA)	271.44	354.41
United Kingdom	100.17	70.62
Europe	46.55	33.07
Rest of the world	23.54	31.15
Total	**564.52**	**558.18**

(c) Information about major customers

The following table gives details in respect of percentage of revenue generated (sale of products) from the top ten customers.

Particulars	31 March 2024	31 March 2023
	%	%
Revenue from top 10 Customers	68%	69%

54 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

55 Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2024 and signing of consolidated financial statements as on 23 May 2024 which have material impact on the financials of the Group.

56 Approval of consolidated financial statements

The consolidated financial statements were approved for issue by the board of directors on 23 May 2024.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2024
(Amount in crores, unless otherwise stated)

57 Statutory Group Information

	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
Name of the entity in the group	As % of consolidated net assets	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of consolidated total comprehensive income	INR
Parent								
Faze Three Limited								
Balance as at 31 March 2024	99.36%	378.24	90.39%	42.11	100.62%	(0.56)	90.27%	41.55
Balance as at 31 March 2023	100.62%	336.67	98.53%	57.44	25.06%	(0.16)	99.32%	57.28
Subsidiaries								
Indian								
Mats and More Private Limited								
Balance as at 31 March 2024	0.84%	3.19	6.83%	3.18	0.00%	-	6.87%	3.16
Balance as at 31 March 2023	0.03%	0.11	0.02%	0.01	0.00%	-	0.02%	0.01
Foreign								
Faze Three US LLC								
Balance as at 31 March 2024	(0.20)%	(0.77)	2.79 %	1.30	(0.62)%	0.00	2.87 %	1.32
Balance as at 31 March 2023	(0.65)%	(2.17)	1.46 %	0.85	74.94 %	(0.47)	0.66 %	0.38
Total								
Balance as at 31 March, 2024	**100.00%**	**380.66**	**100.01%**	**46.59**	**100.00%**	**(0.56)**	**100.00%**	**46.03**
Balance as at 31 March, 2023	**100.00%**	**334.61**	**100.00%**	**58.30**	**100.00%**	**(0.63)**	**100.00%**	**57.67**

58 Non-controlling Interest

The subsidiaries of the Group having non-controlling interests, all of which have been included in this consolidated financial statements, are as follows:

Name of the Company	Country of incorporation and principal place of business	Proportion of ownership interest		Proportion of equity interest held by non-conttrolling interests ("NCI"	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Mats And More Private Limited	India	100.00%	100.00%	0.00%	0.00%
Faze Three US LLC	United States of America (USA)	100.00%	100.00%	0.00%	0.00%

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : 23 May 2024

For and on behalf of Board of Directors of
Faze Three Limited
CIN: L99999DN1985PLC000197

Ajay Anand
Managing Director
DIN: 00373248

Sanjay Anand
Whole-time Director
DIN: 01367853

Ankit Madhwani
Chief Financial Officer

Akram Sati
Company Secretary
M No: A50020