

NOTICE
34TH ANNUAL GENERAL MEETING

Notice is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Members of **FAZE THREE LIMITED** will be held on Monday, 30th September, 2019 at 10.00 a.m. at Plot No. 146, Waghdhara Village Road, Dadra – 396 193, UT of Dadra & Nagar Haveli, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2019 and the Report of the Auditors and the Report of Board of Directors thereon.
2. To appoint a Director in place of Mr. Sanjay Anand (DIN: 01367853), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Regularisation of appointment of Mrs. Rashmi Anand (DIN: 00366258) as a Non-Executive Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 152 and 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Rashmi Anand (DIN: 00366258), who was appointed as an Additional (Non-Executive) Director of the Company by the Board of Directors at its meeting held on 23rd August 2019, and who holds office upto the date of this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a notice under Section 160 of the Act in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, whose office shall be liable to retire by rotation.”

4. **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 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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), approval of the members be and is hereby accorded to re-appoint Mr. Ajay Anand (DIN: 00373248), as the Managing Director of the Company for a period of three (3) years with effect from April 1, 2019 upto March 31, 2022 on the terms and conditions and payment of such remuneration to Mr. Ajay Anand, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **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 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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), approval of the members be and is hereby accorded to re-appoint Mr. Sanjay Anand (DIN: 01367853), as the Whole-time Director of the Company for a period of three (3) years with effect from April 1, 2019 upto March 31, 2022 on the terms and conditions and payment of such remuneration to Mr. Sanjay Anand, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Approval of Related Party Transactions

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

“RESOLVED THAT pursuant to provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 and rules made thereunder as amended from time to time, the consent of the members of the Company be and is hereby accorded to the related party transactions entered into / to be entered into by the Company with Aunde Faze Three Autofab Limited (CIN: L17120DN1997PLC000196), a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2019-20.”

“RESOLVED FURTHER THAT the consent be and is hereby accorded for the material related party transactions between the Company and Aunde Faze Three Autofab Limited as per the details mentioned under the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.”

By Order of the Board of Directors
For Faze Three Limited

Place: Mumbai
Date: 23rd August, 2019

Ankit Parekh
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder of the Company. Proxy form is annexed to this report.

2. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.

3. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses set out in the notice is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Monday, 23rd September, 2019 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e. 23rd September, 2019, shall be entitled to avail the facility of remote e-voting or voting in the general meeting.
7. Electronic copy of the Annual Report including Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the Company by sending an e-mail to investors@fazethree.com. The members who have not registered their e-mail address are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants.

8. Members are requested:
 - i. To write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards to the Audited Accounts for the financial year ended 31st March 2019, so as to enable the Company to keep the information ready.
 - ii. To bring their copy of Attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. To inform to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
 - iv. To quote Registered Folio No. or DP ID / Client ID No. in all their correspondence.
 - v. To approach the R&TA of the Company for consolidation of folios.
 - vi. To avail Nomination facility by filing in and forwarding the nomination form to the R&TA, if not already done.
 - vii. To send all share transmission/ duplicate certificate requests / correspondence to the R&TA of the Company, M/s. Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083 upto the date of book closure.
9. The shares of the Company are listed on the BSE Limited. The listing fees till date have been paid.

10. All the documents referred to in the Notice are open for inspection at the Registered as well as Corporate Office of the Company between 10:00 a.m. to 5:00 p.m. on all working days until the date of the Annual General Meeting or any adjournment(s) thereof.
11. i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- ii. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The Members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The e-voting period commences on Friday, 27th September, 2019 (9:00 am) and ends on Sunday, 29th September, 2019 (5:00 pm). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 23rd September, 2019, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

STEP BY STEP PROCESS FOR E-VOTING:

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

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

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

Details on Step 1 is mentioned below:

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
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.

Details on Step 2 is given below:

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

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

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.co.in**.
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 toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

12. The route map showing directions to reach the venue of the 34th AGM is annexed hereto.
13. The Company has appointed Mr. Sanjay Dholakia, Practicing Company Secretary (Membership No. FCS-2655 and CP No.1798) as the Scrutinizer to count the votes cast in favour or against the resolutions proposed from item No. 1 to 6 of the Notice and to comply with the provisions of Section 108 of the Companies Act, 2013.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company at www.fazethree.com and on the website of NSDL at www.evoting.nsdl.com within two days of passing of resolutions at the AGM of the Company. The results shall also be immediately forwarded to BSE Limited, Mumbai where the shares of the Company are listed.
17. **A brief profile of Director(s) proposed to be appointed/ re-appointed at this Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:**

Name of the Director	Mrs. Rashmi Anand	Mr. Ajay Anand	Mr. Sanjay Anand
Date of Birth	24.09.1958	16.10.1954	28.11.1961
Qualification	BA, LLB	Graduate	Graduate
Expertise	Policy making and strategic decision making, setting up of textile business, social activities.	Business Management, operations, research and development, particularly in Home and Automotive textiles business.	Operations and Business development.
Experience	25 years	More than 30 years	30 years
Disclosure of relationship with Directors inter-se	Wife of Mr. Ajay Anand, Managing Director of the Company	Husband of Mrs. Rashmi Anand, Non-Executive Director and brother of Mr. Sanjay Anand, Whole-time Director.	Brother of Mr. Ajay Anand, Managing Director
Names of other listed entities where the Director holds directorship and membership of committees of the Board	Aunde Faze Three Autofab Limited	Aunde Faze Three Autofab Limited	V.R.Woodart Limited

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out material facts relating to the business under Item No. 3 to 6.

Item No. 3

Pursuant to provisions of Section 161 of Companies Act, 2013, the Board of Directors of the Company at its meeting held on 23rd August, 2019 appointed Mrs. Rashmi Anand (DIN: 00366258) as an Additional Director, designated as Non-Executive Director.

As per the provisions of Section 161(1) of the Act, Mrs. Rashmi Anand holds office of Additional Director up to the date of this Annual General Meeting of the Company and is eligible to be appointed as a Director. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, along with the requisite deposit.

Brief Profile of Rashmi Anand: Mrs. Rashmi Anand, Indian Inhabitant, aged 60 years, is a Law Graduate and has vast experience in policy making and strategic decision making. A socially active person, she has been instrumental in contributing towards the society well-being and uplifting through various initiatives. She has adequate expertise of the operations of textile industry and has led a number of assignments related to setting up of textile businesses independently. She is wife of the Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Limited. She has been a part of the management of the Company in the past.

Except Mrs. Rashmi Anand, appointee Director, Mr. Ajay Anand, Managing Director and Mr. Sanjay Anand, Wholetime Director, none of the Directors or Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

The Board recommends the passing of the Resolution set out in the Notice convening the Meeting. Members are requested to approve the appointment of Mrs. Rashmi Anand as a Non-Executive Director on the Board of the Company.

Item No. 4

Mr. Ajay Anand (DIN: 00373248) was appointed as the Managing Director, through a special resolution passed by the members of the Company at their 29th Annual General Meeting held on 29th September, 2014, for a period of 5 years with effect from 1st April, 2014. Recognizing the significant role of Mr. Ajay Anand 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 29th May, 2019, on the recommendation of the Nomination and Remuneration Committee, has approved the reappointment of Mr. Ajay Anand as the Managing Director of the Company for a period of 3 years, subject to retirement by rotation, with effect from 1st April, 2019, on the terms and conditions as set out hereunder, subject to the approval of the members.

The re-appointment of Mr. Ajay Anand for a period of 3 years and the terms of re-appointment including the payment of remuneration has been recommended by the Nomination and Remuneration Committee at its meeting held on 01st April, 2019 and approved by the Audit Committee at its meeting held on 29th May, 2019.

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

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

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

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 or Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

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

Basic Salary: Upto 96.00 lacs (Rupees Ninety Six lacs) per annum.

Commission: Upto 1% of annual net profits

Perquisites: In addition to the remuneration as stated above, Mr. Ajay Anand shall also be entitled, as per Rules of the Company, to perquisites like accommodation (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 re-enactment(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.

Item No. 5

Mr. Sanjay Anand (DIN: 01367853) was appointed as the Whole-time Director, through a special resolution passed by the members of the Company at their 29th Annual General Meeting held on 29th September, 2014, for a period of 5 years with effect from 1st April, 2014. Recognizing the contribution of Mr. Sanjay Anand in the field of production and marketing and keeping in view the role and responsibilities shouldered by him, the Board of Directors at its meeting held on 29th May, 2019, on the recommendation of the Nomination and Remuneration Committee, has approved the reappointment of Mr. Sanjay Anand as the Whole-time Director of the Company for a period of 3 years, subject to retirement by rotation, with effect from 1st April, 2019, on the terms and conditions as set out hereunder, subject to the approval of the members.

The reappointment of Mr. Sanjay Anand for a period of 3 years and the terms of re-appointment has been recommended by the Nomination and Remuneration Committee at its meeting held on 01st April, 2019 and approved by the Audit Committee at its meeting held on 29th May, 2019.

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

Members are informed that the re-appointment of Mr. Sanjay Anand as Whole-time Director for a further period of 3 years with effect from 1st April, 2019 and the payment of remuneration, as set out hereunder, are/ shall be in conformity with the applicable Sections and Schedule V of the Companies Act, 2013.

The draft agreement, setting out the terms and conditions of the aforementioned re-appointment of Mr. Sanjay Anand as Whole-time Director would be available for inspection by the members of the Company at the Registered Office of the Company on any working day between 09.00 A.M. and 5.00 P.M.

Except Mr. Sanjay Anand, the appointee Whole-time Director, Mr. Ajay Anand, Managing Director and Mrs. Rashmi Anand, Non-Executive Director, none of the Directors or Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in the said resolution.

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

Basic Salary: Upto 48.00 lacs (Rupees Forty Eight lacs) per annum.

Commission: Upto 0.50% of annual net profits

Perquisites: In addition to the remuneration as stated above, Mr. Sanjay Anand shall also be entitled, as per Rules of the Company, to perquisites like accommodation (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 re-enactment(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.

Item No. 6

Faze Three Limited has entered into an exclusive manufacturing and processing agreement with Aunde Faze Three Autofab Limited for use of Faze Three Ltd's dyeing unit at Vapi for dyeing of Automotive Fabrics as per the laid down standards. The agreement also lays down terms for dealing with other units of Faze Three Limited and Aunde Faze Three Autofab Limited in case of any specific requirement of capacity or technology sharing.

Aunde Faze Three Autofab Limited is engaged into manufacturing of automotive textile fabric having its unit located in Dadra, UT of D&NH. The transactions are made in the ordinary course of business and are at arm's length price and requisite approvals have been taken from the Board and Audit Committee.

As per the requirement of Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, all Material Related Party Transactions require approval of the Members through resolution if the transaction or transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated

turnover of the Company as per the last audited financial statements of the Company. Aunde Faze Three Autofab Limited is a Related Party and the transaction as described hereunder are likely to exceed 10% of the annual turnover of the Company as per the audited financial statements of the Company and thus, in terms of the aforesaid Regulation, the transactions would require the approval of the members by way of Ordinary Resolution:

Brief details of the proposed transaction:

S No.	Description	Details		
1	Name of the related party	Aunde Faze Three Autofab Limited		
2	Name of the related Director or KMP	Mr. Ajay Anand		
3	Nature of relationship	Entity which has common Promoter-Director as per IndAS – 24		
		31/03/2018 Actual	31/03/2019 Actual	31/03/2020 Proposed
4	Value of transactions (Dyeing income) (Amt. in crores)	12.80	24.61	25.00

None of the Directors or Key Managerial Personnel or their relatives except Mr. Ajay Anand, Managing Director and Mrs. Rashmi Anand, Non-Executive Director of the Company are in any way concerned or interested in the said resolution.

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

I. General Information

1. Nature of industry:

Faze Three Limited is engaged in manufacturing and exports of Home Textile Products, cotton handlooms, furnishing fabrics and textile made ups. It has 6 state of the art manufacturing units Silvassa, Vapi and Panipat. It has a diversified product basket which includes cotton and rubber backed bathmats, durries, 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 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 (93.01% in FY 2018) 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 is as stated below: (in crores)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Revenue from Operations	268.55	239.73	243.77
Profit before tax	17.82	15.54	27.27
Profit for the year	15.05	16.83	37.86

5. Foreign investments or collaborations, if any:

There is no foreign direct investment in the Company or any foreign collaboration. The business of the Company is managed and controlled by Indian Promoters.

II. Information about the appointee:

1. Background details :

Mr. Ajay Anand

Mr. Ajay Anand, Indian Inhabitant, aged 63 years, is the founder promoter of the Company and is associated with the Company since its inception. He was re-appointed as Chairman and Managing Director effective from 1st April 2014 for a period of 5 years. Mr. Ajay Anand holds graduate level qualification with expert and specialized knowledge in the field of home and automotive textiles. He has nearly 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 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 year 2018-19:

Mr. Ajay Anand - Rs. 68.40 lacs

Mr. Sanjay Anand – Rs. 38.40 lacs

3. Recognition or awards

None

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 calibre 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 item no 4 and 5 of the 'Statement pursuant to section 102(1) of the Companies Act, 2013' 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 is appropriate. The executive remuneration in the industry if compared to the Companies operating in the similar/ partly similar line of business has been increasing significantly in last few years.

Considering the rich experience, competence, and the growth and development of the Company under the leadership of the above Managerial Personnel, the terms of the remuneration are considered fair and reasonable.

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

Except for receiving remuneration, Mr. Ajay Anand and Mr. Sanjay Anand has no other pecuniary relationship with the Company.

III. Other information:

1. Reasons of loss or inadequate profits

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

2. Steps taken or proposed to be taken for improvement

The Company is taking a number of steps including exploring new markets and customers in the US and European countries by engaging local firms in the respective countries for business development. It is also working to restrict the fixed costs so as to increase the profit margin.

3. Expected increase in productivity and profits in measurable terms

The Company expects a growth in the range of 18-20% and increase in the profit margin by 10-15% in the next two years.

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

**Place: Mumbai
Date: 23th August, 2019**

**Ankit Parekh
Company Secretary**