

## NOTICE

### 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Members of Faze Three Limited will be held on Friday, 30th September, 2016 at 3.30 p.m. at Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli, to transact the following business:

#### ORDINARY BUSINESS:

**1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2016 together with the Report of the Auditors' and Directors' thereon.

**“RESOLVED THAT** the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report and Directors' Report thereon be and are hereby received, considered and adopted.”

**2. Appointment of a Director**

To appoint a Director in place of Mr. Rajiv Rai Sachdev (holding DIN: 00910936), who is liable to retire by rotation and has expressed his unwillingness to continue as director of the Company and vacates his office from the conclusion of this Annual General Meeting.

**3. Appointment of Auditor**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and read with rules under the Companies (Audit and Auditors) Rules, 2014, the Company's Auditors M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N), who holds office up to the date of this Annual General Meeting being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### SPECIAL BUSINESS

**4. Appointment of Mr. Bheemanna Chikkerur as Executive Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Bheemanna Chikkerur (holding DIN: 07371496) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 21st December 2015, pursuant to the provisions of Section 161 of the Act and who holds office up to date of this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

**“RESOLVED FURTHER THAT** in accordance with the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, under (including any statutory modification(s) or re-enactments thereof for the time being in force), approval of the Company be and is hereby accorded to appoint Mr. Bheemanna Chikkerur, as Executive Director of the Company, for a period of 5 (five) years w.e.f. 21.12.2015, on the terms and conditions including remuneration as setout in statement annexed to the Notice”

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

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### 5. Appointment of Mr. Manan Shah as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manan Shah (holding DIN: 07589737), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 12th August, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12th August, 2016 and to hold office until the 36th Annual General Meeting of the Company.”

### 6. Appointment of Ms. Shweta Jain as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Shweta Jain (holding DIN: 07589768), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 12th August, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12th August, 2016 and to hold office until the 36th Annual General Meeting of the Company.”

### 7. Appointment of Mr. Vinit Rathod as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinit Rathod (holding DIN: 07589863), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 12th August, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12th August, 2016 and to hold office until the 36th Annual General Meeting of the Company.”

### 8. Revision of remuneration of Mr. Ajay Anand, Chairman & Managing Director of the Company

To consider and if thought fit, to pass with or without modifications(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** in partial modification of Resolution passed at the Annual General Meeting of the Company held on 27th September 2014 for the appointment and terms of remuneration of Mr. Ajay Anand, Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Ajay Anand as the Managing Director of the Company, by way of change in the maximum amount of basic salary payable to Mr. Ajay Anand (including the remuneration to be paid in the event of loss or

inadequacy of profits in any financial year during the tenure of his appointment) with authority 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 fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April 2016 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

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

#### 9. Approval of Related Party Transactions

To consider and, if thought fit, to pass, with or without modification(s), 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, approval of the Members be and is hereby accorded to the Material Related Party transactions entered into and proposed to be entered into and carried out in ordinary course of business and at arm's length price with Aunde India Ltd., having its Registered office Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli, 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”

“**RESOLVED FURTHER THAT** the consent be and is hereby accorded for existing Material Related Party Transaction between the Company and Aunde India Limited as per the details mentioned under Item No. 9 of the Explanatory Statement annexed to this Notice.”

By order of the Board of Directors

Place: Mumbai  
Date : 12th August, 2016

Ankit Parekh  
Company Secretary

#### Notes:

1. Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself 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.
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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking appointment / re-appointment as Director under Item No. 4, 5, 6 and 7 of the Notice, are given in the explanatory statement.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive).
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID /Folio No.

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6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 23rd September, 2016 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, 2016, shall be entitled to avail the facility of remote e-voting or voting in the Annual General Meeting.

7. Members may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 31st 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 Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by Companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measures, members who have not registered their e-mail address are requested to register their e-mail address and in respect of electronic holdings, with the Depository through their concerned Depository Participants.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

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 2016, 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).
- 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 transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.

9. The Company has listed its shares on 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 Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays 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 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 Tuesday, 27th September, 2016 (9:00 a.m.) and ends on Thursday, 29th September, 2016 (5:00 p.m.). During this period, Members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, Friday, 23rd September, 2016, 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.

**For Members receiving e-mail on their registered email ids from NSDL:**

- a. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
- b. Launch internet browser by typing the URL <https://www.evoting.nsd.com>
- c. Click on "Shareholder -Login".
- d. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- e. If you are logging in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- f. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- g. Select "EVEN" (E-voting Event Number) of FAZE THREE LIMITED which is 105368.
- h. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Kindly note that vote once cast cannot be modified.
- l. Members can cast their vote online from 9.00 a.m. on Tuesday, 27th September, 2016 till Thursday, 29th September, 2016, 5.00 p.m.
- m. E-Voting shall not be allowed beyond 5.00 p.m. on Thursday, 29th September, 2016.
- n. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail : [sanjayrd65@gmail.com](mailto:sanjayrd65@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- o. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no: 1800-222-990.
- p. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- q. Voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, 23rd September, 2016.
- r. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the date, 30th August 2016 (cut-off date), may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.

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### **For Members whose e-mail address is not registered:**

1. Initial password is provided separately in the Annual report posted for the AGM: EVEN (e-voting Event Number) USER ID PASSWORD
2. Please follow all steps from Sl. No. 11 (iv) (b) to Sl. No. (o) Above, to cast vote.
3. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
12. The Company has appointed Mr. Sanjay Dholakia, Practising 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 9 of the Notice for point No. 11 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
13. 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.
14. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
15. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai.
16. The route map showing directions to reach the venue of the 31st AGM is annexed hereto.
17. A brief resume of Directors proposed to be appointed/re-appointed at this Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is given under explanatory statement :

Place: Mumbai  
Date : 12th August, 2016

By order of the Board of Directors

Ankit Parekh  
Company Secretary

## Explanatory Statement

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statements sets out material facts relating to the business under items 4-9.

### Item No. 4

Mr. Bheemanna Chikkerur was appointed as an Additional Director of the Company with effect from 21st December, 2015 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Bheemanna Chikkerur holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from Members in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Bheemanna Chikkerur is graduated in Commerce from Karnataka University and he is an Inter CA. He joined Faze Three Limited on 4th May 2009 as Plant Head of dyeing unit and he oversees the entire operation of the Unit. He has wide range of experience entailing all aspects of textile industry and specially dying process. He gives valued insights to the Board regarding improvements in the process and operations of the Unit. The Board expects that the association of Mr. Bheemanna Chikkerur on Board of the Company would be immense benefit to the Company. Members are requested to approve the appointment of Mr. Bheemanna Chikkerur as an Executive Director of the Company.

The details of his remuneration are as follows:

- (i) Salary of ₹ 69,000/- per month

The annual increments which will be effective from 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's Performance.

- (ii) Benefits, perquisites and allowances as per Company's policy

None of the Directors or key managerial personnel of the Company except Mr. Bheemanna Chikkerur is concerned or interested in the Resolution. The Board recommends the passing of the Resolution set out in the Notice convening the Meeting.

### Item No. 5, 6, 7

The Board of Directors of the Company had appointed Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod as Additional (Independent) Directors with effect from 12th August, 2016 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing Annual General Meeting.

The Company has received consent from appointees in writing to act as Directors in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he/she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

The Company has received notices in writing from Members along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidature of Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod for the office of Directors of the Company, to be appointed as such under the provisions of Section 149 of the Act.

Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the Annual General Meeting), Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod as Independent Directors of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from 12th August 2016 and to hold office till 36th AGM.

Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod, directors, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the

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appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Manan Shah graduated in Commerce from Mumbai University and is a member of the Institute of Chartered Accountants of India. He has about 5 years of comprehensive expertise in management of various domestic and international taxation matters.

Ms. Shweta Jain is a qualified Chartered Accountant from Institute of Chartered Accountants of India. She has good working experience in the area of Audit, Assurance, Mergers & Acquisitions etc. Ms. Shweta Jain has worked on various engagements involving strategic and private equity investment across Canada, Germany, UK and Australia, covering a wide range of industries including consumer business, business services and health care and energy resources.

Mr. Vinit Rathod graduated in Commerce from Mumbai University and is a member of the Institute of Chartered Accountants of India. He has worked in the field of tax audits and corporate taxation and has hands on experience in handling legal tax matters.

The directors will provide valued insights and perspectives to the Board deliberations on complex financial, internal control and taxation issues. The Board will draw on their experience and skills in the areas of accounts, taxation and finance. The Board expects that the association of Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod would be immense benefit to the Company. Members are requested to approve the appointment of independent directors.

None of the Directors or key managerial personnel of the Company except Mr. Manan Shah, Ms. Shweta Jain and Mr. Vinit Rathod is concerned or interested in the Resolution. The Board recommends the passing of the Resolution set out in the Notice convening the Meeting.

### Item No. 8

The Members at the 29th Annual General Meeting of the Company held on 27th September, 2014, had approved the appointment of Mr. Ajay Anand as Chairman and Managing Director of the Company and the terms of remuneration payable to him for the period of 5 years from 1st April, 2014 to 31st March, 2019.

The members had inter alia approved payment of remuneration with the authority to the Board to pay annual increment based on Company's performance and increment policy. The details of his remuneration are as follows:

(I) Salary of ₹ 2,00,000/- per month

The annual increments which will be effective from 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's Performance.

(ii) Commission @ 1% of net profits

(iii) Benefits, perquisites and allowances as per the terms of his appointment.

The Board of Directors at their meeting held on April 26, 2016 has resolved to pay Mr. Ajay Anand an increased remuneration, subject to the approval of the Members at the General Meeting, based on the industry standards, responsibilities handled by the Managing Director and contributions made by him towards growth of the Company. Considering his expertise in textile segment and more than 2 decades of experience in the industry, the Board of Directors unanimously approved to increase Mr. Ajay Anand's remuneration from ₹ 38,40,000/- per annum, to ₹ 68,40,000/- per annum. The details are given here below.

(I) Salary :Maximum of ₹ 5,50,000/- per month

The annual increments which will be effective from 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's Performance.

(ii) Commission @ 1% of net profits

(iii) Benefits, perquisites and allowances as per the terms of his appointment.

All other conditions of appointment of Mr. Ajay Anand remain unchanged. Terms of remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said the Companies Act, 2013.



None of the Directors or Key Managerial personnel of the Company except Mr. Ajay Anand and Mr. Sanjay Anand is concerned or interested in the Resolution. The Board recommends the passing of the Resolution set out in the Notice convening the Meeting.

**Item No. 9**

Faze Three Limited has entered into an Exclusive Manufacturing Agreement with Aunde India Limited under which Aunde India is using Faze Three Limited dyeing unit facilities for dyeing of its fabric.

M/s. Aunde India 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 and requisite approvals have been taken from the Board and Audit Committee.

As per the requirement of Section 188 of the Companies Act, 2013, all material Related Party Transactions shall require approval of the Members through Special 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 India 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 Section, the transactions would require the approval of the members by way of Special Resolution:

| Sr. No. | Description                                | Details                         |                        |                        |                        |
|---------|--|---------------------------------|------------------------|------------------------|------------------------|
|         |  |                                 | Actual                 | Actual                 | Proposed               |
| 1       | Name of the Related Party                  | M/s. Aunde India Limited        |                        |                        |                        |
| 2       | Name of the Director or KMP who is related | Mr. Ajay Anand                  |                        |                        |                        |
| 3       | Nature of relationship                     | Associate as defined in AS - 18 |                        |                        |                        |
| 4       | Material transactions (₹ in Lacs)          | <b>Year Ended</b>               | <b>31st March 2015</b> | <b>31st March 2016</b> | <b>31st March 2017</b> |
|         |  | Sale of Goods                   | Nil                    | 0.14                   | 5.00                   |
|         |  | Dyeing Income                   | 1791.00                | 2857.00                | 3000.00                |
|         |  | Lease Rental Income             | 19.33                  | 36.78                  | 40.00                  |
|         |  | Lease Rental Expense            | Nil                    | 12.86                  | 15.00                  |

By order of the Board of Directors

Place: Mumbai  
Date : 12th August, 2016

Ankit Parekh  
Company Secretary

ROUTE MAP OF AGM VENUE  
**Vapi Railway Station to Aunde India Ltd**

Drive 9.3 km, 23 min

