



**32nd Annual Report
2016-2017**

NOTICE
32ND ANNUAL GENERAL MEETING

Notice is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the Members of **FAZE THREE LIMITED** will be held on Wednesday, 27th September, 2017 at 11.30 am at the Conference Hall, Plot No. 146, Waghdhara Village Road, Dadra – 396 193, UT of Dadra & Nagar Haveli, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Statement of Profit and Loss, Cash Flow Statement, for the financial year ended 31st March, 2017, the Balance Sheet as at that date, the Report of the Auditors and the Report of Board of Directors thereon.
2. To appoint a Director in place of Mr. Bheemanna Chikkerur (DIN: 07371496), who retires 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. To appoint the Auditors of the Company and to fix their remuneration and in this regard to pass 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, read with rules under the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. MSKA & Associates (Firm Registration No. 105047W), Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, (Firm Regn. No. 000038N), the retiring Statutory Auditors and to hold office for a period of 5 years from the conclusion of this 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting to be held during the calendar year 2022 subject to ratification by the members at every Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which it may deem necessary in this behalf.”

SPECIAL BUSINESS:

4. **Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification (s) or reenactment thereof, for the time being in force) the draft Articles as contained in the Articles of Association, submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the provisions contained in the existing Articles of Association of the Company.

5. **Revision of remuneration of Mr. Ajay Anand, Chairman & Managing Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 196,197,198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder as amended from time to time and other Government/other regulatory approvals as may be required from time to time and with partial modification of the resolution passed by the members of the Company in their respective meetings held on 27th September, 2014 and 30th September 2016, the Company hereby approves the revision of remuneration of Mr. Ajay Anand as Chairman and Managing Director of the Company w.e.f 01st April, 2016 for a period of 3 years i.e. till the remaining term of his contract upto 31st March, 2019.

RESOLVED FURTHER THAT the yearly remuneration (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) and perquisites to be paid to Mr. Ajay Anand, Chairman and Managing Director, for a period of three years with effect from 1st April, 2016 shall be as under:

Remuneration:

Salary: Upto Rs. 96,00,000/- (Rupees Ninety Six lacs) per annum (In grade of 5% increase every year)

Commission:

Upto 1% of net profits.

Perquisites:

Benefits, perquisites and allowances as per the existing terms of his contract

RESOLVED FURTHER THAT the aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of Section 197 of the Companies Act, 2013 read with Schedule V shall be within the limits as specified in the event of absence or inadequacy of profits computed in the manner provided under the said provisions.”

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all the necessary 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, 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 carried out in ordinary course of business and at arm’s length price with Aunde India 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.”

“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. 6 of the Explanatory Statement annexed to this Notice.”

By Order of the Board of Directors
For Faze Three Limited

Place: Mumbai
Date: 1st September, 2017

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. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business 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 Wednesday, 20th September, 2017 to Wednesday, 27th September, 2017 (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 Wednesday, 20th September, 2017 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. 20th September, 2017, 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 32nd 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. To support the 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 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 2017, 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 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 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 Office of the Company between 10:00 a.m. to 5:00 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 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 Sunday, 24th September, 2017 (9:00 am) and ends on Tuesday, 26th September, 2017 (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, Wednesday, 20th September, 2017, 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.

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For Members receiving e-mail on their registered e-mail ID 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.nsdl.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.
- 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 casted cannot be modified.
- l. Members can cast their vote online from 9.00 am on Sunday, 24th September, 2017 till Tuesday, 26th September, 2017, 5.00 pm.
- m. E-Voting shall not be allowed beyond 5.00 pm on Tuesday, 26th September, 2017.
- 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 with a copy marked to 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.nsdl.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, 20th September, 2017.
- 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, 20th September 2017 (cut-off date), may obtain the login ID and password by sending a request at 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.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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For Members whose e-mail ID 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 route map showing directions to reach the venue of the 32nd 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 resume of Directors proposed to be appointed/re-appointed, if any at this Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is given in the explanatory statement to this notice as well as the Corporate Governance Report which forms a part of the Annual Report:

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

As required by Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 4-6.

Item No. 4

The Articles of Association of the Company as currently in force were adopted under the Companies Act, 1956, prevalent at that time. Further amendments were adopted from time to time, over the past years including the substantial changes as per Companies Act, 1956. The references to specific Sections of the Companies Act, 1956 in the existing Articles of Association are no longer in conformity with the Companies Act, 2013. Considering that substantive Sections of the Companies Act, 2013 which deal with the general working of the Companies stand notified, it is proposed to amend the existing Articles of Association of the Company to align it with the provisions of the Companies Act, 2013 including the Rules framed thereunder and adoption of specific Sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

Certain provisions of existing Articles of Association have been simplified by providing reference to relevant provisions of the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety.

The draft articles, proposed to be passed in this meeting are open for inspection at the Registered Office of the Company during the office hours between 10.00 A.M. and 5.00 P. M. on all working days except Sundays up to the date of the Meeting and shall also be available at the venue.

Provisions of the company law make it mandatory to seek approval of shareholders by way of special resolution to amend the articles of the company.

None of the Directors and Key Managerial Personnel is interested in this resolution.

Item No. 5

The members of the Company at the 31st Annual General Meeting held on 30th September, 2016, had approved the revision of remuneration of Mr. Ajay Anand as Chairman and Managing Director of the Company w.e.f 1st April, 2016 till the remainder of his contract term i.e. 31st March, 2019.

Now, in supersession of the resolution passed on 30th September, 2016 it has been proposed to increase the remuneration of Mr. Ajay Anand as Chairman and Managing Director of the Company w.e.f. 01st April, 2016 till the remaining term of his contract.

The Nomination and Remuneration committee in its meeting held on 06th May, 2017 has considered and recommended for increase in remuneration of Mr. Ajay Anand as Chairman and Managing Director at a remuneration as set out in resolution given in item No. 5.

Mr. Ajay Anand is founder and promoter of the Company and is associated with the Company since its inception. He has diverse knowledge and experience in textiles and technical textiles, particularly in home furnishing products and automotive fabrics. Having more than two 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 thirst for developing products first-hand, craftsmanship and business development skills has made the Company being recognized amongst the most sought after brand in home furnishing category in the US and UK markets. Under his continuous leadership, guidance and efforts the Company boasts itself of an established supplier to customers and retail giants having worldwide presence. It is his vision that has led the Company achieve constant growth over the years. Keeping in view the dedication and contribution of Mr. Ajay Anand in the Company's performance, it is proposed to re-appoint him for a period of three years and increase his remuneration as stated in the resolution.

None of Directors or Key Managerial Personnel except Mr. Ajay Anand, himself and Mr. Sanjay Anand, Director of the Company, being relative of Mr. Ajay Anand is interested in this resolution.

Item No. 6

Faze Three Limited has entered into an exclusive manufacturing and processing agreement with Aunde India Limited for use of Faze Three'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 and Aunde India Limited in case of any specific requirement of capacity or technology sharing.

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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 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 of all Material Related Party Transactions shall 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 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:

S No.	Description	Details		
1	Name of the related party	M/s. Aunde India Limited		
2	Name of the related Director or KMP	Mr. Ajay Anand		
3	Nature of relationship	Associate as defined in AS-18		
		31/03/2016 Actual	31/03/2017 Actual	31/03/2018 Proposed
4	Value of transactions (Dyeing income)	28.57	13.32	20.00

None of the Directors except Mr. Ajay Anand, Managing Director of the Company is interested in the said resolution.

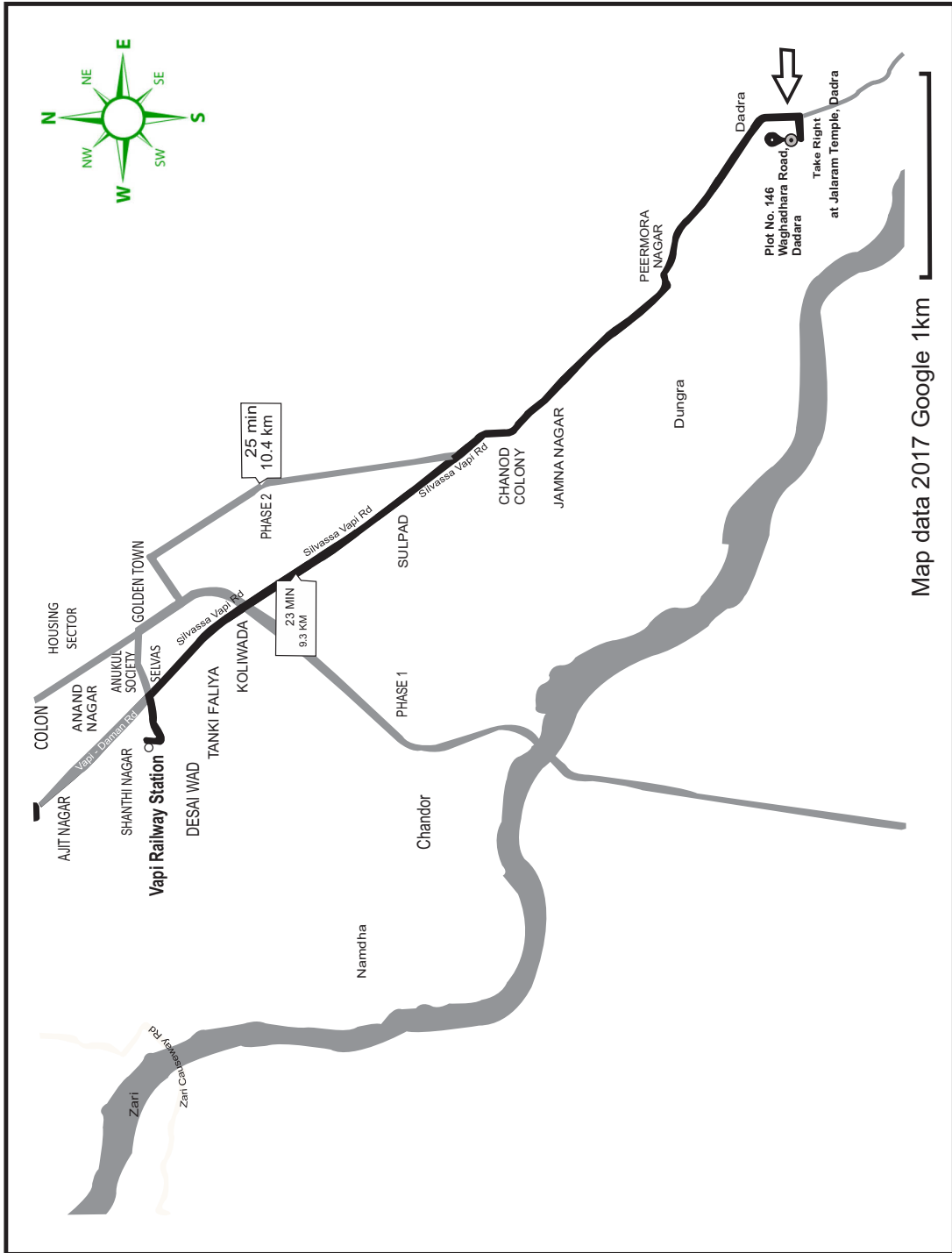
By Order of the Board of Directors
For Faze Three Limited

Place: Mumbai
Date: 1st September, 2017

Ankit Parekh
Company Secretary

ROUTE MAP OF AGM VENUE
Vapi Railway Station to AGM VENUE

Drive 9.3 km, 23 min



FAZE THREE LIMITED

CIN: L99999DN1985PLC0000197

Regd. Office: Survey No. 380/1, Khanvel Silvassa Road, Dapada –396230 Union Territory of Dadra & Nagar Haveli

ATTENDANCE SLIP

(To be presented at the entrance)

32nd Annual General Meeting to be held on Wednesday, 27th September, 2017 at 11.30 a.m.

FolioNo. _____ DPIDNo. _____ ClientIDNo. _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

- 1. Only Member / Proxyholder can attend can attend the Meeting.
- 2. Member / Proxyholder should bring his / her copy of the Annual Report for reference at the Meeting.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L99999DN1985PLC000197		
Name of the company	FAZE THREE LIMITED		
Registered office	Survey No. 380/1, Khanvel Silvassa Road, Dapada – 396230, UT of Dadra & Nagar Haveli		
Name of the member(s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting to be held on 27th September, 2017 at 11.30 a.m. at Conference Hall, Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	For	Against
1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017, together with the Report of Auditors' and Directors' thereon.		
2. To appoint a Director in place of Mr. Bheemanna Chikkerur who retires by rotation.		
3. Re-appointment of Auditors.		
4. Adoption of new Articles of Association of the Company.		
5. Revision of remuneration of Mr. Ajay Anand, Chairman and Managing Director of the Company.		
6. Approval of Related Party Transactions		

Signed this..... day of..... 2017

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.