

THAKUR, VAIDYANATH AIYAR & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI, MUMBAI, KOLKATTA, PATNA,  
CHENNAI, CHANDIGARH AND SECUNDERABAD

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## LIMITED REVIEW REPORT

To  
The Board of Directors  
Faze Three Ltd.,  
Shiv Smriti Chambers,  
Dr. Annie Besant Road, Worli  
Mumbai 400 018.

### **Introduction**

We have reviewed the unaudited Standalone Financial results of Faze Three Ltd. for the Quarter and Half year ended September 30,2013 prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialed by us for identification purposes. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

### **Scope of Review**

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Thakur, Vaidyanath Aiyar & Co

## Basis for Qualified Opinion

The Company has not restated its foreign exchange assets and liabilities at the exchange rate prevailing as on 30-09-2013, as required by Accounting Standard 11 (AS-11) relating to the Company's credit facilities with banks, liability for corporate guarantee given for foreign subsidiary and trade receivable,. Consequently the loss has been understated by Rs. 1132.88 lacs, short term borrowings by Rs.419.03 lacs, Other current liabilities by Rs. 739.19 lacs and Trade receivables by Rs. 25.34 lacs.

## Conclusion

Based on our review with the exception of the matter described in the preceding paragraph, and read further with notes forming integral part of the financial results, nothing has come to our attention that causes us to believe that the statement prepared, fairly in all material respect, in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules 2006 as per section 211(3c) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have only traced the disclosures regarding "Public Shareholding" and Promoters and Promoter Group Shareholding in the Statement from the disclosures made by the Management and are therefore not expressing a review opinion thereon.

For THAKUR, VAIDYANATH AIYAR & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000038 N



C.V.PARAMESWAR  
PARTNER  
Membership No. 11541

Place: Mumbai  
Date: 14.11.2013



Thakur, Vaidyanath Aiyar & Co

## FAZE THREE LIMITED



Regd. Off. : Survey No. 380/1, Khanvel Silvassa Road, Village Dapada, Silvassa - 396 230

Unaudited Financial Results For the Quarter and Half Year Ended 30th September 2013

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Half year Ended		Year Ended
		Unaudited 30.09.2013	Unaudited 30.06.2013	Unaudited 30.09.2012	Unaudited 30.09.2013	Unaudited 30.09.2012	(Audited) 31.03.2013
1	<b>Income from operations</b>						
	(a) Net sales/income from operations (Net of excise duty)	4998.33	4995.52	4886.70	9993.85	9409.48	17,675.96
	(b) Other operating income	366.42	257.64	193.10	624.06	572.42	1,204.54
	<b>Total Income from operations (net)</b>	<b>5364.75</b>	<b>5253.16</b>	<b>6079.80</b>	<b>10617.91</b>	<b>9981.90</b>	<b>18,880.50</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	2785.49	1494.32	2315.93	4279.81	4811.85	10,241.58
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1.64)	658.75	-395.27	657.11	(1038.80)	(644.23)
	(d) Employee benefits expense	508.14	441.36	506.95	949.49	942.84	1,757.49
	(e) Depreciation and amortization expense	121.21	124.61	125.12	245.82	267.18	489.87
	(f) Other expenses	1425.81	2109.56	2266.44	3535.38	3985.57	7,278.77
	<b>Total expenses</b>	<b>4839.02</b>	<b>4828.60</b>	<b>4819.17</b>	<b>9667.61</b>	<b>8968.65</b>	<b>19,123.48</b>
3	<b>Profit / (Loss) from operations before other Income, finance costs and exceptional items (1-2)</b>	<b>525.73</b>	<b>424.57</b>	<b>260.63</b>	<b>950.30</b>	<b>1013.27</b>	<b>(242.99)</b>
4	Other income	54.61	100.22	18.57	154.84	56.59	525.29
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+ -4)</b>	<b>580.35</b>	<b>524.79</b>	<b>279.20</b>	<b>1,105.13</b>	<b>1069.86</b>	<b>282.30</b>
6	Finance costs	361.60	344.12	381.65	705.72	724.98	1,489.99
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5+ -6)</b>	<b>218.75</b>	<b>180.67</b>	<b>-102.45</b>	<b>399.42</b>	<b>344.88</b>	<b>(1187.69)</b>
8	Exceptional items	389.56	656.17	0.00	1,055.73	755.24	917.31
9	<b>Profit / (Loss) from ordinary activities before tax (7+ -8)</b>	<b>-170.81</b>	<b>-485.50</b>	<b>-102.45</b>	<b>(656.31)</b>	<b>(410.36)</b>	<b>(2105.00)</b>
10	Tax expense	2.06	16.16	-25.25	18.21	(25.25)	45.96
11	<b>Net Profit / (Loss) from ordinary activities after tax (9+ -10)</b>	<b>-172.87</b>	<b>-501.65</b>	<b>-77.20</b>	<b>(674.53)</b>	<b>(385.11)</b>	<b>(2150.96)</b>
12	Extraordinary items	-	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11+ - 12)</b>	<b>-172.87</b>	<b>-501.65</b>	<b>-77.20</b>	<b>(674.53)</b>	<b>(385.11)</b>	<b>(2150.96)</b>
14	Paid-up equity share capital (Face Value of the Share shall be indicated)	1218.88	1218.88	1218.88	1218.88	1218.88	1,218.88
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	-
16.I	Earnings per share (before extraordinary items) (of Rs. /- each) (not annualized):						
	(a) Basic	(1.42)	(4.12)	(0.63)	(5.53)	(3.16)	(17.65)
	(b) Diluted	(10.39)	(4.12)	(0.63)	(5.53)	(3.16)	(17.65)
16.II	Earnings per share (after extraordinary items) (of Rs. /- each) (not annualized):						
	(a) Basic	(10.39)	(4.12)	(0.63)	(5.53)	(3.16)	(17.65)
	(b) Diluted	(10.39)	(4.12)	(0.63)	(5.53)	(3.16)	(17.65)
A	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public shareholding						
	- Number of shares	5622053.00	5622053.00	5622053.00	5,622,053	5,622,053	5,622,053
	- Percentage of shareholding	46.12%	46.12%	46.12%	46.12%	46.12%	46.12%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non - encumbered						
	- Number of shares	6566744.00	6566744.00	6566744.00	6,566,744	6,566,744	6,566,744
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	53.88%	53.88%	53.88%	53.88%	53.88%	53.88%
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
B	<b>Particulars</b>				<b>Quarter Ended 30.09.2013</b>		
	<b>INVESTORS COMPLAINTS</b>						
	Pending at the beginning of the quarter						-
	Received during the quarter						-
	Disposed off during the quarter						-
	Remaining unresolved at the end of the quarter						-

**Notes:**

- The above results were reviewed by the Audit committee and taken on record by the Board of Directors of the Company at their respective meetings held on 14th November 2013 and Statutory Auditors of the company have carried out a Limited Review of the same.
- During the quarter the company's transaction has been only in the segment of manufacturing viz. Home Furnishings
- Exceptional item of Rs. 389.56 lacs is on account of restatement of FCCB liability due to depreciation of the Rupee against US Dollar.
- Forex Assets and Liabilities are restated at the exchange rate prevailing on 30.09.2013 except for credit facilities from bank in the form of PCFC / BRD and Restatement of liability on account of corporate guarantee for foreign subsidiary will be provided at the year end.
- Tax expense for the quarter comprises of deferred tax. The Company does not have any current tax liability for the quarter.
- The Figures have been regrouped / reclassified wherever necessary.

By Order of the Board  
For Faze Three Limited

  
(Ajay Anand)  
Whole Time Director
Place: Mumbai  
Date: 14.11.2013

**FAZE THREE LIMITED**

**Statement of Assets & Liabilities as at 30th September 2013**

		(₹ in Lacs)	
Sr.No.	Particulars	As at 30th September 2013 (₹) (Unaudited)	As at 31st March 2013 (₹) (Audited)
[A]	<b>EQUITY AND LIABILITIES</b>		
	<b>Shareholders' funds</b>		
(a)	Share capital	1,219	1,219
(b)	Reserves and surplus	(5,241)	(4,567)
	<b>Sub-Total-Shareholders' Fund</b>	<b>(4,022)</b>	<b>(3,348)</b>
	<b>Non-current liabilities</b>		
(a)	Long-term borrowings	289	541
(b)	Deferred tax liabilities (Net)	1,393	1,375
(c)	Long-term provisions	215	199
	<b>Sub-Total-Non-Current Liabilities</b>	<b>1,897</b>	<b>2,114</b>
	<b>Current liabilities</b>		
(a)	Short-term borrowings	6,365	6,106
(b)	Trade payables	3,297	3,412
(c)	Other current liabilities	14,426	12,504
(d)	Short-term provisions	891	490
	<b>Sub-Total-Current Liabilities</b>	<b>24,980</b>	<b>22,512</b>
	<b>Total Equity and Liabilities</b>	<b>22,854</b>	<b>21,278</b>
[B]	<b>ASSETS</b>		
	<b>Non-current assets</b>		
(a)	Fixed assets		
	(i) Tangible assets	7,769	7,955
(b)	Non-current investments	21	21
(c)	Long-term loans and advances	267	261
	<b>Sub-Total-Non-Current Assets</b>	<b>8,057</b>	<b>8,237</b>
	<b>Current assets</b>		
(a)	Inventories	7,718	7,283
(b)	Trade receivables	4,270	3,295
(c)	Cash and cash equivalents	842	649
(d)	Short-term loans and advances	1,227	1,136
(e)	Other current assets	740	679
	<b>Sub-Total-Current Assets</b>	<b>14,797</b>	<b>13,041</b>
	<b>Total Assets</b>	<b>22,854</b>	<b>21,278</b>