



September 07, 2020

Corporate Relationship Department  
BSE Limited,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
P.J. Towers, Dalal Street,  
Fort, Mumbai – 400 001.

Dear Sirs,

**Sub: Un-Audited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2020**

**Ref: Faze Three Limited (STOCK CODE: 530079)**

Pursuant to the provisions contained in Regulation 33 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company (the "Board") at its meeting held today has, *inter alia*, approved the Un-Audited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2020.

We enclose herewith a copy of the said Un-Audited Financial Results together with Limited Review Report of even date issued by MSKA & Associates, Statutory Auditors of the Company and the Press Release.

The meeting of the Board of Directors commenced at 2.30 p.m. and concluded at 03.30 p.m.

You are requested to kindly take the same on record and bring it to the notice of your constituents.

Yours faithfully

**For FAZE THREE LIMITED**

  
**ANKIT PAREKH**  
Company Secretary  
M No. 31990



FAZE THREE LIMITED

(CIN: L99999DN1985PLC000197)

Regd. Office: Survey 380/1, Khanvel Silvassa Road, Village Dapada, UT of Dadra & Nagar Haveli – 396 230.

Corporate Office: 63, 6<sup>th</sup> Floor, Wing C, Mittal Court, Nariman Point, Mumbai - 400021.

Tel. : 91 (22) 43514444, 66604600 \* Fax : 91 (22) 24936811 \* E-mail : [info@fazethree.com](mailto:info@fazethree.com) \* Website : [www.fazethree.com](http://www.fazethree.com)

**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To,  
**The Board of Directors**  
**Faze Three Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of Faze Three Limited ('the Company') for the quarter ended June 30, 2020 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W



**Amrish Vaidya**  
Partner  
Membership No.: 101739  
UDIN: 20101739AAAAEO5829

Place: Mumbai  
Date: September 07, 2020

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Faze Three Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors**  
**Faze Three Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Faze Three Limited ('the Holding Company') and its subsidiary (the Holding Company and a subsidiary together referred to as the 'Group') for the quarter ended June 30, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entity:

| Sr. No | Name of the Company | Relationship with the Holding Company |
|--------|---------------------|---------------------------------------|
| 1.     | Faze Three US LLC   | Wholly owned subsidiary               |



# MSKA

## & Associates

Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the financial information of a subsidiary located outside India included in the Statement, whose financial information reflect total revenues of Rs. 0.87 crores, total net loss after tax of Rs. 0.01 crores and total comprehensive income of Rs. (0.01) crores for the quarter ended June 30, 2020, as considered in the Statement. This financial information is unaudited and have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial information approved by the Management. According to the information and explanations given to us by the Management, this financial information is not material to the Group.  
Our conclusion on the Statement is not modified in respect of this matter.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W



Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 20101739AAAAEP3403

Place: Mumbai

Date: September 07, 2020

# FAZE THREE LIMITED



CIN : L99999DN1985PLC000197 | www.fazethree.com | info@fazethree.com | 022 435 14444 |

Regd off: Survey no 380/1, Khanvel Silvassa road, Village Dapada, Silvassa - 396 230

Statement of Unaudited Financial Results for the quarter ended June 30, 2020

(₹ in Crores)

| Particulars   | Standalone    |                               |               |                |
|---|---------------|-------------------------------|---------------|----------------|
|   | Quarter Ended |                               |               | Year Ended     |
|   | June 30, 2020 | March 31, 2020 (Refer Note 5) | June 30, 2019 | March 31, 2020 |
|   | Unaudited     | Audited                       | Unaudited     | Audited        |
| I Revenue from operations   | 40.09         | 73.45                         | 74.47         | 302.19         |
| II Other income   | 0.10          | 0.46                          | 1.17          | 4.12           |
| III <b>Total Income (I + II)</b>  | <b>40.19</b>  | <b>73.91</b>                  | <b>75.64</b>  | <b>306.31</b>  |
| IV <b>Expenses</b>  |               |                               |               |                |
| (a) Cost of materials consumed and other inputs                           | 16.76         | 26.47                         | 31.91         | 132.63         |
| (b) Changes in inventories of finished goods and work-in-progress         | (1.16)        | 8.67                          | 4.81          | 5.50           |
| (c) Employee benefits expense   | 9.57          | 12.51                         | 12.77         | 52.26          |
| (d) Finance costs   | 1.38          | 2.07                          | 1.93          | 8.61           |
| (e) Depreciation and amortisation expense                                 | 2.06          | 2.06                          | 1.93          | 7.96           |
| (f) Other expenses  | 8.55          | 18.83                         | 16.68         | 77.03          |
| <b>Total expenses (IV)</b>  | <b>37.16</b>  | <b>70.61</b>                  | <b>70.03</b>  | <b>283.99</b>  |
| V <b>Profit before exceptional items and tax (III-IV)</b>                 | <b>3.03</b>   | <b>3.30</b>                   | <b>5.61</b>   | <b>22.32</b>   |
| VI Exceptional Items  | -             | -                             | -             | -              |
| VII <b>Profit before tax (V-VI)</b>                                       | <b>3.03</b>   | <b>3.30</b>                   | <b>5.61</b>   | <b>22.32</b>   |
| VIII <b>Tax expense</b>   |               |                               |               |                |
| (a) Current tax   | 0.88          | 0.19                          | 1.33          | 4.24           |
| (b) Deferred tax (net)  | 0.02          | (0.25)                        | (0.42)        | (1.20)         |
| <b>Total tax expense (VIII)</b>   | <b>0.90</b>   | <b>(0.06)</b>                 | <b>0.91</b>   | <b>3.04</b>    |
| IX <b>Profit for the period / year (VII-VIII)</b>                         | <b>2.13</b>   | <b>3.36</b>                   | <b>4.70</b>   | <b>19.28</b>   |
| X <b>Other comprehensive income</b>                                       |               |                               |               |                |
| Items that will not be reclassified to profit or loss                     |               |                               |               |                |
| (a) Remeasurement of the net defined benefit obligations                  | (0.08)        | (0.14)                        | (0.07)        | (0.35)         |
| (b) Tax relating to items that will not be reclassified to profit or loss | 0.02          | 0.03                          | 0.02          | 0.10           |
| <b>Other comprehensive income for the period / year (X)</b>               | <b>(0.06)</b> | <b>(0.11)</b>                 | <b>(0.05)</b> | <b>(0.25)</b>  |
| XI <b>Total comprehensive income (IX+X)</b>                               | <b>2.07</b>   | <b>3.25</b>                   | <b>4.65</b>   | <b>19.03</b>   |
| Paid-up Equity Share capital (Face Value ₹ 10 per Share)                  | 24.32         | 24.32                         | 24.32         | 24.32          |
| Other Equity (excluding revaluation reserve)                              |               |                               |               | 124.41         |
| <b>Earnings per share (₹) (not annualised for the quarters) :</b>         |               |                               |               |                |
| Basic   | 0.88          | 1.38                          | 1.93          | 7.93           |
| Diluted (refer note 4)  | 0.88          | 1.38                          | 1.93          | 7.93           |

Notes as annexed to this Financial Results



Mumbai  
September 07, 2020



By Order of the Board  
For Faze Three Limited

Ajay Anand  
Managing Director  
DIN: 00373248



## FAZE THREE LIMITED

CIN : L99999DN1985PLC000197 | www.fazethree.com | info@fazethree.com | 022 435 14444 |  
 Regd off: Survey no 380/1, Khanvel Silvassa road, Village Dapada, Silvassa - 396 230  
 Statement of Unaudited Financial Results for the quarter ended June 30, 2020

(₹ in Crores)

| Particulars   | Consolidated  |                                     |               |                |
|---|---------------|-------------------------------------|---------------|----------------|
|   | Quarter Ended |                                     |               | Year Ended     |
|   | June 30, 2020 | March 31,<br>2020 (Refer Note<br>6) | June 30, 2019 | March 31, 2020 |
|   | Unaudited     | Audited                             | Unaudited     | Audited        |
| I Revenue from operations   | 40.84         | 73.30                               | 74.50         | 302.17         |
| II Other income   | 0.10          | 0.46                                | 1.17          | 4.12           |
| III <b>Total Income (I + II)</b>  | <b>40.94</b>  | <b>73.76</b>                        | <b>75.67</b>  | <b>306.29</b>  |
| IV <b>Expenses</b>  |               |                                     |               |                |
| (a) Cost of materials consumed and other inputs                               | 17.26         | 26.40                               | 31.91         | 132.56         |
| (b) Changes in inventories of finished goods and work-in-progress             | (1.19)        | 8.68                                | 4.87          | 5.51           |
| (c) Employee benefits expense   | 9.57          | 12.51                               | 12.77         | 52.26          |
| (d) Finance costs   | 1.39          | 2.07                                | 1.93          | 8.61           |
| (e) Depreciation and amortisation expense                                     | 2.06          | 2.06                                | 1.93          | 7.96           |
| (f) Other expenses  | 8.80          | 19.13                               | 17.14         | 78.21          |
| <b>Total expenses (IV)</b>  | <b>37.89</b>  | <b>70.85</b>                        | <b>70.55</b>  | <b>285.11</b>  |
| V <b>Profit before exceptional items and tax (III-IV)</b>                     | <b>3.05</b>   | <b>2.91</b>                         | <b>5.12</b>   | <b>21.18</b>   |
| VI Exceptional Items  | -             | -                                   | -             | -              |
| VII <b>Profit before tax (V-VI)</b>   | <b>3.05</b>   | <b>2.91</b>                         | <b>5.12</b>   | <b>21.18</b>   |
| VIII <b>Tax expense</b>   |               |                                     |               |                |
| (a) Current tax   | 0.88          | 0.19                                | 1.33          | 4.24           |
| (b) Deferred tax (net)  | 0.02          | (0.25)                              | (0.42)        | (1.20)         |
| <b>Total tax expense (VIII)</b>   | <b>0.90</b>   | <b>(0.06)</b>                       | <b>0.91</b>   | <b>3.04</b>    |
| IX <b>Profit for the period / year (VII-VIII)</b>                             | <b>2.15</b>   | <b>2.97</b>                         | <b>4.21</b>   | <b>18.14</b>   |
| X <b>Other comprehensive income</b>   |               |                                     |               |                |
| Items that will not be reclassified to profit or loss                         |               |                                     |               |                |
| (a) Remeasurement of the net defined benefit obligations                      | (0.08)        | (0.14)                              | (0.07)        | (0.35)         |
| (b) Tax relating to items that will not be reclassified to profit or loss     | 0.02          | 0.03                                | 0.02          | 0.10           |
|   | <b>(0.06)</b> | <b>(0.11)</b>                       | <b>(0.05)</b> | <b>(0.25)</b>  |
| Items that will be reclassified to profit or loss                             |               |                                     |               |                |
| (a) Exchange differences on translation of a foreign operation (refer note 9) | 0.00          | -                                   | -             | -              |
| (b) Income tax effect on above  | 0.00          | -                                   | -             | -              |
|   | <b>0.00</b>   | <b>-</b>                            | <b>-</b>      | <b>-</b>       |
| <b>Other comprehensive income for the period / year (X)</b>                   | <b>(0.06)</b> | <b>(0.11)</b>                       | <b>(0.05)</b> | <b>(0.25)</b>  |
| XI <b>Total comprehensive income (IX+X)</b>                                   | <b>2.09</b>   | <b>2.86</b>                         | <b>4.16</b>   | <b>17.89</b>   |
| Paid-up Equity Share capital (Face Value ₹ 10 per Share)                      | 24.32         | 24.32                               | 24.32         | 24.32          |
| Other Equity (excluding revaluation reserve)                                  |               |                                     |               | 121.99         |
| Earnings per share (₹) (not annualised for the quarters) :                    |               |                                     |               |                |
| Basic   | 0.88          | 1.22                                | 1.73          | 7.46           |
| Diluted (refer note 4)  | 0.88          | 1.22                                | 1.73          | 7.46           |

Notes as annexed to this Financial Results



Mumbai  
September 07, 2020



By Order of the Board  
For Faze Three Limited

  
 Ajay Anand  
 Managing Director  
 DIN: 00373248

Notes to Unaudited Standalone and Consolidated Financial Results for quarter ended June 30, 2020

1. The Statement of unaudited Standalone and Consolidated Financial Results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors at their respective meetings held on September 07, 2020. The statutory auditors have expressed an unmodified opinion on these results.
2. These financial results have been prepared in accordance with the recognition and measurement principles under Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
3. The Company operates in only one reportable segment viz. manufacturing of home textiles.
4. There is no dilution to the basic EPS as there are no outstanding potentially dilutive shares.
5. In the standalone results, the figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year ended March 31, 2020 and the unaudited year to date figures upto December 31, 2019. .
6. In the consolidated results, the figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year ended March 31, 2020 and the unaudited year to date figures upto December 31, 2019.
7. Total revenue for the quarter ended June 20 is ₹ 40.19 crores versus ₹ 75.64 crores in quarter ended June 19 only due to manufacturing interruption for almost half of the quarter owing to COVID lockdown norms, safety measures and time taken for full resumption. The Company has not had any order cancellations and has delivered entire order book on hand on March 2020 till date. Further, exports for month of June 2020 (₹ 24.73 crores) were greater than June 2019 (₹ 23.46 crores) by ₹ 1.27 crores.

COVID 19 was declared a global pandemic on March 11, 2020 and consequently the Government of India declared lockdown on March 23, 2020 until May 2020. The pandemic and lockdown impacted normal operations by way of interruption in production, supply chain disruption, customer order deferrals, unavailability of personnel, etc. However, Manufacturing and Exports commenced by first week of May 2020 in all units of the Company based on permissions from relevant authorities. The Management has made a detailed assessment on recoverability and carrying value of its assets comprising of Property, Plant and Equipment, Right of use assets, Investments, Deferred Tax Assets, Inventory and Trade Receivables. Based on current visibility of future business environment, economic conditions and liquidity position of the Company, the Company expects to recover the carrying amount of all the assets.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended June 30, 2020 and has concluded that there is no impact which is required to be recognised in the financial results. Accordingly, no adjustments have been made to the financial results. However, the Company shall continue to closely monitor any material developments in the external business environment and future economic conditions which may have significant impact on its business.

8. Consolidated Financial Results includes, results of the Company's wholly owned foreign subsidiary (Faze Three US LLC). For the purpose of consolidation, the unaudited financial information have been converted and approved by the management as per Ind AS and stated in Indian currency (INR).
9. The unaudited consolidated financial results are rounded to the nearest crores, except when otherwise indicated. Amounts represented by '0' (zero) construes value less than Rupees fifty thousand.
10. The figures for the previous period/year have been regrouped / reclassified wherever necessary, to make them comparable.
11. For more details on Business and full year guidance, kindly refer the annexed press release.



Mumbai  
September 07, 2020



By Order of the Board  
For Faze Three Limited



Ajay Anand  
Managing Director  
DIN: 00373248



**PRESS RELEASE: Faze Three Limited announces its financial results for the quarter ended June 30, 2020**

**Business Update & Key Highlights:**

The company's Revenue (over 85%) comes from Exports of Home Textile products to USA, UK and EUROPE region. Refer [www.fazethree.com](http://www.fazethree.com) for more details on the company.

Total Standalone Income for the QE June 2020 stands at Rs. 40.19 crores versus Rs. 75.64 crores for QE June 2019. Net Profit after Tax for QE June 2020 at Rs 2.13 versus Rs. 4.70 crores for QE Jun 2019. The reduction in Income and profit is only attributable to manufacturing interruption for almost half of the quarter owing to COVID lockdown norms, safety measures and time for full resumption of supply chain for materials and manpower. The company has not had any order cancellations and has delivered entire orderbook on hand on March 2020 till date. Further, Export income for month of June 2020 (` 24.73 crores) were greater than June 2019 (` 23.46 crores) by ` 1.27 crores.

The company has undertaken Capital expenditure (Capex) of over ~ Rs 34 crores from internal accruals over last 36 months. The Capex is directed towards building capabilities of innovative & value added offerings, automation, de-bottlenecking operations, etc. of the total Capex, ~70% is under the Plant and Machinery block.

**As on June 30, 2020:**

The company is rated BBB+ by CARE ratings (reaffirmed on July 22, 2020) for company's sanctioned limits of export credit of INR 87 crores. The Company has Nil Long Term Debt.

Current assets i.e Inventories and Receivables stand at Rs. 103.35 crores as on June 30,2020 (Rs. 105.31 crores on March 31, 2020) and Export Packing Credit outstanding net of cash and cash equivalent at Rs. 26.71 crores as on June 30, 2020 (Rs. 38.74 crores on March 31, 2020)

The company has a balance of MAT credit of Rs. 8.51 crores as on June 30, 2020 (Rs 8.87 crores as on March 31, 2020) available for adjustment against future tax payouts. The company expects to utilize the same over next 2-3 years.

**FY 20-2021 – Q2 estimates and Full Year Guidance:**

Based on confirmed orders on hand, management estimates & projections, the Total Revenue and Net Profit after Tax for:

- a) Q2 of FY 2021 is estimated to exceed Q2 of FY 2020.
- b) H2 of FY 2021 (Oct 20-Mar21) is projected to exceed H2 of FY 2020 (Oct 19 to March 20). The company expects to continue improve the growth momentum in the current year with improved capacity utilization alongside benefits of Capex.
- c) Projection / expectation for H2 of FY 2021 is subject to assumption that no abnormal uncertainty or a second complete lockdown owing to COVID pandemic is declared.

**Other Update:**

On 20 November 2019, the Company was awarded Dun and Bradstreet- RBL Bank SME Business Excellence Awards 2019 in the Mid-Corporate Segment for excellence in the Textiles Sector.

**Disclaimer**

Statements describing the Company's objective, projections, estimates, expectations, or predictions may be forward looking statements. It may be noted that the actual results may differ from that expressed or implied herein.