



August 14, 2025

To,

<b>BSE Limited</b> Department of Corporate Services, P. J. Towers, Dalal Street, Mumbai – 400 001. <b>Scrip Code: 530079</b>	<b>National Stock Exchange of India Limited</b> Listing Compliance Department, Exchange Plaza, Plot No. C/ 1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. <b>Symbol: FAZE3Q</b>
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Dear Sir/Ma'am,

**Sub: Submission of Notice of 40<sup>th</sup> Annual General Meeting ('AGM') of the Company along with the Annual Report for the Financial Year ended March 31, 2025**

Pursuant to Regulation 30 and 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation"), we are submitting herewith the 40<sup>th</sup> Annual Report of the Company for the Financial Year ended March 31, 2025 along with the Notice convening the 40<sup>th</sup> AGM of the Company scheduled to be held on Friday, September 05, 2025 at 05:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The aforesaid Notice and Annual Report are being sent to all the members of the Company whose email addresses are registered with the Company and/or Depository Participant(s)/ MUFG Intime India Private Limited (Company's Registrar and Transfer Agent) and the same is also available on the Company's website on the link referred below:

Link: <https://www.fazethree.com/investors/financial-results> > 2024-25 > Annual Report

You are requested to kindly take the same on record.

Thanking You,

Yours Sincerely,

**For Faze Three Limited**

**Akram Sati**  
**Company Secretary & Compliance Officer**  
**M. No.: A50020**

**Encl: a/a**



**40<sup>th</sup> Annual Report  
2024-25**

**FAZE THREE LIMITED**  
**40<sup>TH</sup> ANNUAL REPORT 2024-25**

- |   |   |
|---|---|
| 1. Day and Date of Annual General Meeting | Friday, September 05, 2025  |
| 2. Time and venue                         | 05.00 p.m. through Video Conferencing   |
| 3. E-voting period                        | Tuesday, September 02, 2025- 09.00 A.M. IST to Thursday, September 04, 2025- 05.00 P.M. IST |

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## **BOARD OF DIRECTORS AND MANAGEMENT TEAM**

**Mr. Ajay Anand**  
(DIN: 00373248)  
Chairman & Managing Director

**Mr. Sanjay Anand**  
(DIN: 01367853)  
Whole-time Director

**Mrs. Rashmi Anand**  
(DIN: 00366258)  
Non-Executive Director

**Mr. Ankit Madhwani**  
Chief Financial Officer

**Mr. Akram Sati**  
Company Secretary & Compliance Officer

## **INDEPENDENT DIRECTORS**

**Mr. Vinit Rathod**  
(DIN: 07589863)

**Mr. Manan Shah**  
(DIN: 07589737)

**Mr. Devajyoti Bhattacharya**  
(DIN: 00868751)  
*(w.e.f. November 13, 2024)*

**Mr. James Barry Leonard**  
(DIN: 09744803)

**Mr. Chuji Kondo**  
(DIN: 09744760)

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. Vinit Rathod (Chairman)  
Mr. Ajay Anand  
Mr. Manan Shah

### **Nomination & Remuneration Committee**

Mr. Vinit Rathod (Chairman)  
Mrs. Rashmi Anand  
Mr. Manan Shah

### **Stakeholders Relationship Committee**

Mr. Vinit Rathod (Chairman)  
Mr. Ajay Anand  
Mr. Manan Shah

### **CSR Committee**

Mr. Ajay Anand (Chairman)  
Mr. Sanjay Anand  
Mr. Manan Shah

## **BANKERS**

Yes Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
Federal Bank Limited  
Kotak Mahindra Bank Limited

## **STATUTORY AUDITORS**

M/s. MSKA & Associates,  
Chartered Accountants, Mumbai.

## **SECRETARIAL AUDITORS**

M/s. Sanjay Dholakia & Associates,  
Practicing Company Secretary

## **REGISTRAR AND SHARE TRANSFER AGENT**

M/s. MUFG Intime India Pvt. Ltd.  
C-101, 247 Park, LBS Marg, Vikhroli (West),  
Mumbai – 400 083.  
Phone: 022 - 4918 6270 / 1800 1020 878  
Website: <https://in.mpms.mufg.com/>  
Email: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

## **CORPORATE OFFICE**

63, Mittal Court, Wing C, Nariman Point,  
Mumbai – 400 021.  
Phone: 022 4351 4444/400

## **MANUFACTURING UNITS**

### **Dapada (Reg. Office)**

Survey No. 380/1, Khanvel Silvassa Road,  
Dapada, Silvassa – 396230  
UT of Dadra and Nagar Haveli

### **Dadra**

Survey No. 1551, Village Dadra,  
Dadra, Silvassa – 396193  
UT of Dadra and Nagar Haveli

### **Vapi**

Plot No. 71, Phase I, GIDC Indl. Estate,  
Vapi – 396195, Gujarat

### **Panipat**

**Unit 1:** Jatal Road, Anand Nagar, Panipat, Haryana

**Unit 2:** G.T. Road, Opposite B.B.M.B. Residency Colony,  
Panipat 132103, Haryana

**Unit 3:** Panipat Gohana National Highway -71A, Village  
Mehrana Distt., Panipat-132103, Haryana

### **Aurangabad**

**Unit 1:** H- 33, MIDC Waluj, Aurangabad – 431 136

**Unit 2:** L-16/17 MIDC, Waluj, Aurangabad – 431 136



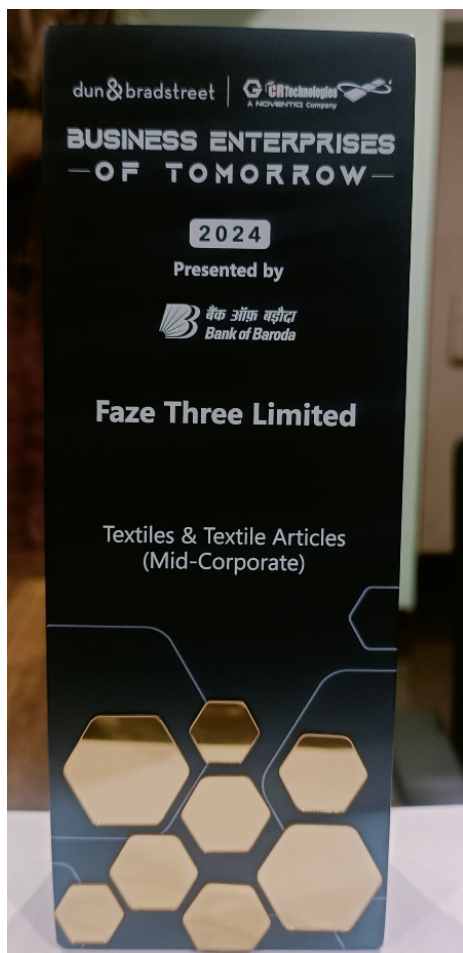
**Faze Three Limited was declared as the Award Winner of:**

**“Dun & Bradstreet Business Enterprises of Tomorrow Summit 2025” Business Excellence Awards of Best Global Business in the Category- Mid Corporate– Textile & Textile Articles**



**The Publication- ‘Rethinking the Future of India’s Small and Mid-Sized Businesses 2025’ with Interview of Mr. Ajay Anand - Managing Director & Mr. Vishnu Anand - President can be viewed at: <https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx>**





Faze Three Limited was declared as the Award Winner of Dun & Bradstreet – “G7 CR Technologies Business Enterprises of Tomorrow Summit 2024” Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles.



The Publication- ‘Leading Mid-Corporates of India 2024’ with Interview of Mr. Ajay Anand - Managing Director & Mr. Vishnu Anand - President can be viewed at: <https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx>



**Faze Three Limited was declared as the Award Winner of  
Dun & Bradstreet – “Business Enterprises of Tomorrow Awards 2022”  
Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles.**



**The Publication can be viewed at:  
<https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx>**



**Faze Three Limited was declared as the Award Winner of Dun & Bradstreet – Business Enterprises of Tomorrow Awards 2021 under Best Global Business Category (Mid-Corporates).**



**The Dun & Bradstreet Business Enterprises of Tomorrow Awards 2021 Trophy**

The award presentation can be viewed at:  
<https://youtu.be/EwWKfyHEwPw>





The RBL Bank SME Business Excellence Awards 2019 trophy



# LEADING MID-CORPORATES OF INDIA

• 2020 •

Faze Three Limited being part of Leading Mid Corporates of India 2020 published in India by Dun & Bradstreet Information Services India Pvt. Ltd.

The Publication can be viewed at

<https://www.dnb.co.in/events/business-enterprises-of-tomorrow/#aboutPub>



Mr. Ajay Anand and Mr. Sanjay Anand, Directors of Faze Three Limited accepting the **Dun and Bradstreet- RBL Bank SME Business Excellence Awards 2019 in the Mid-Corporate Segment for excellence in the Textiles Sector** alongside Shri Pratap Chandra Sarangi, Hon'ble Minister of State for MSME and Animal Husbandry, Dairying and Fisheries.

**NOTICE**  
**40TH ANNUAL GENERAL MEETING OF**  
**FAZE THREE LIMITED**

NOTICE is hereby given that the **40th (Fortieth) Annual General Meeting ('AGM')** of the Members of **FAZE THREE LIMITED** will be held on Friday, September 05, 2025 at 05.00 p.m. (IST) through Video Conferencing ('VC')/ Other Audio -Visual Means ('OAVM'), to transact the following businesses:

**ORDINARY BUSINESSES:**

- 1. To receive, consider and adopt the:**
  - a) Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025 together with the Reports of the Board of Directors and Auditors thereon.
  - b) Audited Consolidated Financial Statements for the Financial Year ended March 31, 2025 together with the Report of the Auditors thereon.
- 2. To appoint a director in place of Mrs. Rashmi Anand (DIN: 00366258), who retires by rotation and being eligible, offers herself for re-appointment as a director of the Company.**

**SPECIAL BUSINESS:**

- 3. To appoint Mr. Sanjay Dholakia of M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years.**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors of the Company, Mr. Sanjay Dholakia of M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries (Membership No.: 2655 / Certificate of Practice No.: 1798) be and is hereby appointed as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years commencing from April 01, 2025 to March 31, 2030, to conduct the Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to Mr. Sanjay Dholakia during his tenure as the Secretarial Auditor of the Company, as determined by the Audit Committee in consultation with Mr. Sanjay Dholakia.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary and expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

**Place:** Mumbai  
**Date:** August 12, 2025

**By Order of the Board of Directors,**  
**Faze Three Limited**

**Registered Office address:**  
Survey No. 380/1, Khanvel Silvassa Road, Village Dapada,  
UT of D&NH and D&D 396230 , India

**CIN:** L99999DN1985PLC000197  
**Website:** [www.fazethree.com](http://www.fazethree.com)  
**Email id:** [cs@fazethree.com](mailto:cs@fazethree.com)  
**Tel:** 91 (22) 43514444/ 66604600

**Sd/-**  
**Akram Sati**  
**Company Secretary & Compliance**  
**Officer**  
**Mem. No.: A50020**

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the 'Act') in respect of business to be transacted at the 40th Annual General Meeting ('AGM'), as set out under Item No. 3 above and the relevant details of the Director being re-appointed as mentioned under Item No. 2 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. Ministry of Corporate Affairs ('MCA') vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, and 9/2024 dated September 19, 2024 ('MCA Circulars') has permitted the holding of the Annual General Meeting through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. The Company has availed the services of National Securities Depository Limited (NSDL) for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Serial no. 18).
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company (deemed venue of the AGM).
4. Pursuant to the MCA Circulars read with Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/PoD2/P/2023/120 dated July 11, 2023 and Circular No. SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, as the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to this Notice. Also, attendance slip and route map is not annexed to this Notice.
5. Bodies Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Such shareholders are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of their authorized signatory(ies) to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in. Such shareholders can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution/ Authority Letter' displayed under 'e- voting' tab in their login.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In accordance with the MCA Circulars, the Notice of 40th AGM and Annual Report for the Financial Year 2024-25 are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Further, the Notice of 40th AGM along with Annual Report for the Financial Year 2024-25 is also available on the website of the Company at [www.fazethree.com](http://www.fazethree.com), on the website of Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the MCA Circulars, the Company is pleased to provide the facility to the Members to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
11. Members whose email address is not registered are requested to follow the below instructions:
  - For shares held in Electronic form: Register/ update the details in your demat account as per the process advised by your DP;
  - For Shares held in Physical form: Register/ update the details by sending duly filled Form ISR-1 (uploaded on the website of the Company/RTA) along with relevant proof to the Registrar and Share Transfer Agent, MUFG Intime India Private Limited at 247 Park, C-101, 1st floor, L.B.S Marg, Vikhroli (West), Mumbai-400083 or via email through your registered email address at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com).
  - Members holding shares in physical form could also use the facility for registration of email Id available at [https://web.in.mpms.mufg.com/EmailReg/Email\\_Register.html](https://web.in.mpms.mufg.com/EmailReg/Email_Register.html)
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [cs@fazethree.com](mailto:cs@fazethree.com).
13. The Board of Directors have appointed Mr. Sanjay Dholakia of M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries (Membership No. 2655, CP No. 1798), as the Scrutinizer for scrutinizing the voting process for the AGM in a fair and transparent manner and he has communicated his willingness to be appointed for the said purpose.
14. The Scrutinizer shall, after scrutinizing the votes cast through e-voting during the meeting and through remote e-voting, not later than two working days from the conclusion of the Meeting, make a Scrutinizer's Report and submit the same to the Chairperson or a person authorized by him who shall declare the results. Results of the voting will be declared by placing the same along with the Scrutinizer's report on the Company's website at [www.fazethree.com](http://www.fazethree.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will also be communicated to BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).
15. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is MUFG Intime India Private Limited having its office premises at C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai – 400083.
16. Members who would like to share their views, ask queries/ questions on the Annual Report/ Financial Statements/ affairs of the Company, etc., speak at the AGM, may send an email from their registered email address mentioning their name, DP ID and Client ID/folio number and mobile number to [cs@fazethree.com](mailto:cs@fazethree.com), at least 48 hours before the AGM scheduled time which shall be addressed at the AGM suitably.
17. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('The Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more are to be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account. As on the date of this notice, the Company has 95,393 shares lying in the IEPF Demat Account as the dividend on such shares was not claimed or paid for a consecutive period of seven years. The said shares were transferred to IEPF on July 17, 2025.
18. **The instructions for members for remote e-voting and joining annual general meeting are as under:**  
 The remote e-voting period begins on **Tuesday, September 02, 2025 at 09.00 A.M. IST** and ends on Thursday, **September 04, 2025 at 05.00 P.M. IST**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. Friday, August 29, 2025**, may cast their vote electronically. The voting right of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Friday, August 29, 2025**.

**How do I vote electronically using NSDL e-Voting system?**

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

**Step 1: Access to NSDL e-Voting system**



### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
  - a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [sanjayrd65@gmail.com](mailto:sanjayrd65@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-Voting' tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to (Mr. Sagar Gudhate) at [evoting@nsdl.com](mailto:evoting@nsdl.com)



**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@fazethree.com](mailto:cs@fazethree.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@fazethree.com](mailto:cs@fazethree.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of 'VC/OAVM' placed under 'Join meeting' menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**19. OTHERS:**

- Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at [cs@fazethree.com](mailto:cs@fazethree.com).

- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed forms as available on the website of the RTA at <https://web.in.mpms.mufg.com/client-downloads.html> and on the website of the Company at <https://www.fazethree.com/important-announcement-for-physical-shareholders/>
- SEBI has, vide its Master Circular dated May 07, 2024, made it mandatory for holders of physical securities to furnish details of PAN, KYC (Postal Address, Mobile Number, E-mail, Bank Details, Signature) and Nomination/ Optout of Nomination. Accordingly, we urge Members holding shares of the Company in physical form to furnish their PAN, KYC and Nomination details in the required forms with the supporting documents. The said SEBI circulars, key highlights of said circulars and the necessary forms are available on the Company' website for shareholder's information at <https://www.fazethree.com/important-announcement-for-physical-shareholders-2/>.
- During the 40th AGM, the Chairman shall respond to the questions raised by the Members in advance sent through email.

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

**Place:** Mumbai  
**Date:** August 12, 2025

Sd/-  
**Akram Sati**  
Company Secretary & Compliance Officer  
M. No. A50020

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

### ITEM NO. 3

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('the Act') read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on August 12, 2025 have recommended the appointment of Mr. Sanjay Dholakia of M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries (Membership No.: 2655 / Certificate of Practice No.: 1798) as Secretarial Auditor of the Company for a term of 5 (Five) consecutive years commencing from April 01, 2025 to March 31, 2030. The disclosures as per Regulation 36(5) of the Listing Regulations with respect to the proposed appointment are detailed below-

- a. **Term of appointment:** 5 (Five) consecutive years commencing from April 01, 2025 to March 31, 2030.
- b. **Proposed Fees:** Upto Rs. 3,30,000/- (Rupees Three Lakh Thirty Thousand only) plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit for Financial Year ending March 31, 2026, and for subsequent year(s) of their term, such fee as determined by the Board, on recommendation of Audit Committee in consultation with the Secretarial Auditor.

The proposed fee is based on scope of work, knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark.

The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board, on the recommendation of the Audit Committee in consultation with the Secretarial Auditor.

- c. **Basis of recommendation:** The recommendation is based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and the Listing Regulations with regard to the full-time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.
- d. **Credentials:** Mr. Sanjay Dholakia (Membership No.: 2655/ Certificate of Practice No.: 1798) is the proprietor of M/s. Sanjay Dholakia & Associates established in the year 1991. A seasoned professional in the field of corporate compliance, Mr. Sanjay Dholakia brings with him an extensive experience spanning over 34 years in Company Secretarial and Corporate Law matters. He is also Peer Reviewed in compliance with Regulation 24A(1) of the Listing Regulations holding Certificate No. 2036/2022.

Mr. Sanjay Dholakia has given his consent to act as the Secretarial Auditor of the Company and confirmed that his aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and the Listing Regulations. He has also confirmed that he is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and the Listing Regulations.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommend the resolution set out at **Item No. 3** for approval of the Members as an **Ordinary Resolution**.

**INFORMATION PURSUANT TO SECRETARIAL STANDARD- 2 AND REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Details of the Director proposed to be re-appointed and the terms of proposed remuneration of the Director are given below for Item No. 2:**

Sr. No.	Particulars	Mrs. Rashmi Anand
1.	Director Identification Number	00366258
2.	Designation / Category of Directorship	Non-Independent, Non-Executive Director
3.	Age	66 years
4.	Date of Birth	September 24, 1958
5.	Qualification	B.A., LLB
6.	Brief Resume & Experience/ Expertise	Brief resume with experience and nature of expertise of Mrs. Rashmi Anand is stated in the Directors Profile section and List of Skills & expertise section of the Corporate Governance Report.
7.	Terms and conditions of appointment or re-appointment	Director, liable to retire by rotation
8.	Date of first appointment on the Board	August 23, 2019
9.	Remuneration to be paid	NIL
10.	The last drawn remuneration	NIL
11.	Shareholding in the Company including beneficial ownership as on date	3,43,990 (1.41%) Equity shares
12.	Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Rashmi Anand is the wife of Mr. Ajay Anand (Promoter and Managing Director) and sister -in-law of Mr. Sanjay Anand (Promoter & Whole-time Director) of the Company.
13.	The Number of Meetings of the Board attended during FY 2024-25	1 out of 6
14.	Directorship held in other Companies as on date (excluding Faze Three Limited)	<ul style="list-style-type: none"> <li>i. Faze Three Autofab Limited</li> <li>ii. Next Interiors Private Limited</li> <li>iii. Instyle Investments Private Limited</li> <li>iv. Mamata Finvest Private Limited</li> <li>v. Sub Zero Insulation Technologies Private Limited</li> <li>vi. ARR Bath &amp; Home Private Limited</li> <li>vii. Trimurti Films Private Limited</li> <li>viii. Anadry Investments Pvt Ltd</li> </ul>
15.	Resignation from listed entity, if any in the past three years	None
16.	Memberships / Chairmanship of Committees of other Companies as on date (excluding Faze Three Limited)	<u>Faze Three Autofab Limited</u> <ul style="list-style-type: none"> <li>i. Nomination &amp; Remuneration Committee- Member</li> <li>ii. Corporate Social Responsibility Committee- Member</li> </ul>

By Order of the Board of Directors  
For Faze Three Limited

Place: Mumbai  
Date: August 12, 2025

Sd/-  
**Akram Sati**  
Company Secretary & Compliance Officer  
M. No. A50020



**DIRECTORS' REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

To,  
The members of  
**Faze Three Limited**

The Board of Directors are pleased to present the 40th Annual Report of your Company containing the business performance and the Audited Financial Statements for the Financial Year ended March 31, 2025.

**1. FINANCIAL PERFORMANCE (STANDALONE & CONSOLIDATED)**

(INR in Crores)

Particulars	For the Year ended 31.03.2025 (Standalone)	For the Year ended 31.03.2024 (Standalone)	For the Year ended 31.03.2025 (Consolidated)	For the Year ended 31.03.2024 (Consolidated)
Revenue from Operations	658.91	535.85	689.94	564.52
Other Income	14.02	8.70	11.80	7.80
<b>Total Income</b>	<b>672.93</b>	<b>544.55</b>	<b>701.74</b>	<b>572.32</b>
<b>Less- Total expenses</b>	<b>621.51</b>	<b>487.31</b>	<b>649.09</b>	<b>509.87</b>
<b>Profit before tax</b>	<b>51.42</b>	<b>57.24</b>	<b>52.65</b>	<b>62.45</b>
Less - Tax expense (incl. deferred tax)	11.59	15.13	11.99	15.86
<b>Profit for the year</b>	<b>39.83</b>	<b>42.11</b>	<b>40.66</b>	<b>46.59</b>
Other comprehensive income for the year	(0.28)	(0.56)	(0.27)	(0.56)
<b>Total comprehensive income for the year</b>	<b>39.55</b>	<b>41.55</b>	<b>40.39</b>	<b>46.03</b>
<b>Earnings per share (INR)</b>				
<b>Basic</b>	<b>16.38</b>	<b>17.31</b>	<b>16.72</b>	<b>19.16</b>
<b>Diluted</b>	<b>16.38</b>	<b>17.31</b>	<b>16.72</b>	<b>19.16</b>

The above figures are extracted from the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2025, forming part of this Annual Report, which have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and provisions of Section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

**2. KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE/ STATE OF THE COMPANY'S AFFAIRS**

**Consolidated-**

- Revenue from operations for year ended March 31, 2025 stood at INR 689.94 Crores as against INR 564.52 Crores for the previous year ended March 31, 2024.
- Net Profit after Tax (NPAT) for year ended March 31, 2025 stood at INR 40.66 Crores as against INR 46.59 Crores for year ended March 31, 2024.
- EBIDTA for year ended March 31, 2025 stood at INR 92.23 Crores as against INR 94.3 Crores for year ended March 31, 2024.

**Standalone-**

- Revenue from operations for year ended March 31, 2025 stood at INR 658.91 Crores as against INR 535.85 Crores for the previous year ended March 31, 2024.

- NPAT for year ended March 31, 2025 stood at INR 39.83 Crores versus INR 42.11 Crores for year ended March 31, 2024
- EBIDTA for year ended March 31, 2025 stood at INR 89.72 Crores as against INR 88.37 Crores for year ended March 31, 2024

### 3. DIVIDEND

The Board of Directors have decided to retain the resources to fuel the growth and objectives of the Company and therefore, have not recommended any dividend for the Financial Year ended March 31, 2025. The Directors are confident to derive optimum utilization out of the same, which shall be in the best interest of the stakeholders.

### 4. SHARE CAPITAL

The Authorised Share Capital of the Company is INR 26,00,00,000/- divided into 2,60,00,000 equity shares of face value of INR 10/- each. The paid-up share capital of the Company is INR 24,31,90,000/- divided into 2,43,19,000 equity shares of face value of INR 10/- each.

During the F.Y. 2024-25 there was no change in the share capital of the Company.

### 5. RESERVES

There were no appropriations to reserves/ general reserves during the year under review. The closing balance of the retained earnings of the Company for the FY 2024-25 is INR. 219.64 Crores on standalone basis and INR 222.89 Crores on consolidated basis.

### 6. DEPOSITS/ LOANS FROM DIRECTORS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and Chapter V of the Act. The Company has not accepted any deposit or any loan from the directors during the year under review.

### 7. SUBSIDIARY OR ASSOCIATE OR JOINT VENTURE COMPANY

The Company has two wholly owned subsidiaries as on March 31, 2025, namely:

#### i. Faze Three US LLC

The Company has a wholly owned subsidiary (WOS) in USA viz. Faze Three US LLC which is a front office of the Company in USA and is actively engaged in sourcing local business within USA for supplying the Company's range of products to stores/ retailers.

The Total Income of WOS for FY 2024-25 stood at USD 0.83 MN [INR 6.99 Crores] vs USD 1.17 MN [INR 9.72 Crores] for FY 2023-24. The Profit before Tax for FY 2024-25 stood at USD -0.064 MN [INR 0.5 Crores] as against PAT of USD 0.15 MN [INR 1.32 Crores] during previous year.

#### ii. Mats and More Private Limited

The Company has a wholly owned subsidiary (WOS) incorporated in India viz. Mats and More Private Limited. The WOS is engaged in the business of manufacturing, import, export and dealing in patio mats, floor covering, indoor and outdoor furnishing products including other furnishing products.

The Total Income of WOS for FY 2024-25 stood at INR 26.75 Crores vs INR 21.69 Crores for FY 2023-24. The PBT for FY 2024-25 stood at INR 2.34 Crores vs INR 3.85 Crores for FY 2023-24.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the WOS in Form AOC-1 forms part of this Annual Report as **ANNEXURE I**. Copies of the financial statements of the subsidiary companies are available on the Company's website at <https://www.fazethree.com/investors/financial-results>.

During the year under review, no company has become or has ceased to be a Subsidiary, Associate or Joint Venture of the Company.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Act, with respect to the Director's Responsibility Statement, the Directors hereby confirm that:

- in the preparation of the Annual Financial Statements for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- (ii) such accounting policies as mentioned in Notes to Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Financial Statements for the year ended March 31, 2025 have been prepared on a going concern basis;
- (v) proper internal financial controls were in place to be followed by the Company and that the financial controls were adequate and were operating effectively;
- (vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## 9. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company/ Business policy and strategy apart from other Board businesses. In case of any urgent business need, where the meeting of the Board of Directors is not envisaged, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The details of number of Board meetings of the Company are set out in the Corporate Governance Report, which forms part of this Report. The intervening time gap between two consecutive Meetings was within the period prescribed under the Act.

## 10. COMMITTEES OF THE BOARD

The details of all the Committees of the Board along with their terms of reference, composition and meetings held during the year are provided in the Corporate Governance Report which forms a part of this Report.

## 11. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

As on March 31, 2025, the Board of Directors of the Company comprised of the following:

Mr. Ajay Anand	: Chairman and Managing Director
Mr. Sanjay Anand	: Whole Time Director
Mrs. Rashmi Anand	: Non-Executive Director
Mr. Chuji Kondo	: Independent Director
Mr. James Leonard	: Independent Director
Mr. Manan Shah	: Independent Director
Mr. Vinit Rathod	: Independent Director
Mr. Devajyoti Bhattacharya	: Independent Director

During the year under review, Mr. Devajyoti Bhattacharya was appointed first as an Additional Director by the Board on November 13, 2024, whose appointment was later regularized as an Independent Director by the Shareholders of the Company by passing a Special Resolution on January 16, 2025 via Postal Ballot, thereby changing the composition of the Board.

Moreover, following Directors were re-appointed by the Shareholders of the Company at the last AGM held in 2024 by way of special resolution:

1. Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company for a period of 5 (five) years with effect from April 1, 2025 to March 31, 2030.
2. Mr. Sanjay Anand (DIN: 01367853) as the Whole-time Director of the Company for a period of 5 (Five) years with effect from April 1, 2025 to March 31, 2030

On the basis of the written representations received from the Directors, none of the above Directors is disqualified under Section 164 of the Act.

During the year under review, no changes took place in the position of Key Managerial Personnel.

Accordingly, following are the Key Managerial Personnel of the Company as on March 31, 2025:

Mr. Ajay Anand	:	Managing Director
Mr. Sanjay Anand	:	Whole - time Director
Mr. Ankit Madhwani	:	Chief Financial Officer
Mr. Akram Sati	:	Company Secretary & Compliance Officer

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act.

## 12. PERFORMANCE EVALUATION OF BOARD

Pursuant to Section 178 of the Act read with Schedule IV thereto and Regulation 17 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), a formal evaluation of Board's performance and that of its Chairperson, its Committees and individual directors has been carried out by the Board.

The evaluation of all the directors including independent directors was carried out by the entire Board, except for the director being evaluated. The performance is evaluated after seeking inputs from all the Directors, through a structured questionnaire, on the basis of the criteria such as the Board composition and structure, experience and competencies, attendance, effectiveness of board processes, information and functioning, independent approach, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, attendance of the members, recommendations to the Board and their implementation, effectiveness of committee meetings, etc.

The Independent Directors at their separate meeting held on January 27, 2025 evaluated the performance of the Non-Independent Directors and the Board as a whole, the Chairman of the Board after considering the views of other Directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors expressed their satisfaction with the outcome of the aforesaid performance evaluations.

## 13. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted requisite declarations confirming that they:

- i. meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent;
- ii. have complied with the Code of Conduct laid down under Schedule IV of the Act and
- iii. they have valid registration with the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise required under all applicable laws and the policies of the Databank.

## 14. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Pursuant to the SEBI regulations, the Company organizes Familiarization Programme periodically for the Independent Directors, with a view to familiarize them with their role, rights and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The Board familiarization process comprises of the induction programme for new Independent Directors, sessions on business and functional issues and strategy making. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including finance, sales, and overview of business operations, business strategy and risks involved.



During the year under review, the Independent Directors were familiarized on business model, key updates on business performance, and legal/ regulatory updates at Board Meetings as well as through periodic reports.

The policy for Familiarization Programme for the Independent Directors is available on website of the Company at <https://www.fazethree.com/investors/corporate-governance>.

#### **15. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

In accordance with the provisions of Section 134(3)(e) read with Section 178(2) of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, your Company has adopted a Policy on Nomination & Remuneration which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, and remuneration for the directors, key managerial personnel and other employees. The said policy can be accessed on the website of the Company at <https://www.fazethree.com/investors/policies>

#### **16. DISCLOSURE RELATING TO REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

Disclosure pertaining to remuneration of employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **ANNEXURE II**.

The information pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is provided as a separate Annexure forming part of this report which will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the shareholders and others entitled thereto, excluding the said information, however, it is available for inspection by the shareholders in electronic mode, up to the date of AGM. Members can inspect the same by sending an email to the Company Secretary in advance at [cs@fazethree.com](mailto:cs@fazethree.com).

Further, as on March 31, 2025, the Company has no employee who:

- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate of INR 102.00 Lakhs or more, per annum or
- (ii) if employed for part of the financial year, was in receipt of remuneration, in aggregate of INR 8.50 lakhs or more, per month or
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

#### **17. RECEIPT OF ANY COMMISSION FROM COMPANY OR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY COMPANY BY MD /WTD /ANY DIRECTOR**

During the year under review, the Company has not paid any commission to any of its Directors. Further, the Company does not have a holding company and none of the Directors of the Company have received any commission/ remuneration from its subsidiary companies.

#### **18. ANNUAL RETURN**

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft Annual Return for Financial Year ended March 31, 2025, is placed on the website of the Company at <https://www.fazethree.com/investors/corporate-governance>.

#### **19. CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR)**

A business cannot operate in isolation. To be truly profitable and sustainable, it must actively embrace its social responsibilities. The Company firmly believes that creating a positive synergy between business objectives and social impact is essential for long-term value creation. Social Responsibility has always been regarded as a core pillar of the Company's sustainable growth strategy. Over the years, the Company has contributed meaningfully to various social causes, reflecting its commitment to inclusive development. The management remains dedicated to the upliftment of society and the conservation of natural resources—both of which are vital for holistic and enduring economic progress.

During the FY 2024-25, the Company's CSR obligation was INR 1,35,25,978/- (Rupees One Crore Thirty-Five Lakh Twenty-Five Thousand Nine Hundred and Seventy-Eight Only), being 2% of the average net profit during the preceding 3 year, towards the CSR contribution pursuant to the Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, post set-off of INR 23,16,233/- (Rupees Twenty-Three Lakh Sixteen Thousand Two Hundred and Thirty-Three Only), being excess amount spent in previous financial years, the Company was required to spend INR 1,12,09,745 /- (Rupees One Crore Twelve Lakh Nine Thousand Seven Hundred and Forty-Five Only) during FY 24-25.

However, on recommendation of the CSR Committee, the Company made a total CSR contribution of INR 1,20,00,000/- (Rupees One Crore and Twenty Lakh Only) during FY 2024-25 towards CSR activities by way of donations to Trusts/Societies working for the betterment and holistic upliftment of underprivileged sections of society. These contributions were aimed at supporting initiatives in areas such as health awareness, quality education, vocational training, and empowerment of economically weaker communities. The Company remains committed to making meaningful and focused interventions in line with its CSR policy and continues to support causes that promote inclusive development and social welfare, particularly in underserved regions.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the annual report on Corporate Social Responsibility (CSR) activities as per format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **ANNEXURE III** to this report.

The CSR policy has been posted on the website of the Company at <https://www.fazethree.com/investors/policies>.

## 20. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgoings is annexed to this report as **ANNEXURE IV**.

## 21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions are approved by the Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of the transactions which are repetitive in nature. The transactions entered into pursuant to omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

During the financial year, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act and Listing Regulations. All related party transactions were carried out at arm's length price and in the ordinary course of business.

Further, as per the Listing Regulations, if any related party transaction exceeds Rs 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement, whichever is lower, would be considered as material and require Members approval. In this regard, the Company had taken necessary approval of the Members of the Company for Material Related Party Transactions undertaken with Faze Three Autofab Limited during the year under review. However, there were no material transactions of the Company with any of its related parties as per the Act. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY25 and, hence, the same is not required to be provided.

However, details of Related Parties and the transactions entered with them have been disclosed as required by the Indian Accounting Standards in the notes to the Financial Statements.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available at <https://www.fazethree.com/investors/policies>.

## 22. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes or commitments, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. March 31, 2025 and the date of the Directors' report.

## 23. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of the Listing Regulations, to report concerns about unethical behavior and provide appropriate avenues to the Directors and employees to

bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Conduct of the Company and to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been posted on the website of the Company at <https://www.fazethree.com/investors/policies>

During the year under review, no complaint or adverse reporting was received by the designated officer of the Company.

## 24. **DISCLOSURE AS PER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted Prevention of Sexual Harassment Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is available on the website of the Company at <https://www.fazethree.com/investors/policies>

The Company has complied with the provisions relating to the constitution of the Internal Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints were received during the year under review.

## 25. **RISK MANAGEMENT**

The Company has in place a mechanism to inform Board of Directors about the Risk assessment and risk minimization procedures and periodical reviews to ensure that risk is controlled by the management through the means of a properly laid-out framework. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## 26. **INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal control systems, commensurate with the size, scale and complexity of its operations, which monitors business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels.

## 27. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under Regulation 34 of the Listing Regulations is enclosed as **ANNEXURE V**.

## 28. **CORPORATE GOVERNANCE**

The Company believes in transparency and adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated in the Regulation 15(2) of the Listing Regulations. A report on Corporate Governance is annexed to this report as **ANNEXURE VI**.

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which forms part of the annexed Corporate Governance Report.

## 29. **AUDITORS AND THEIR REPORT**

### A. **STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s. MSKA & Associates Chartered Accountants (Firm Registration No. 105047W), were appointed as the Statutory Auditor by the Members of the Company at the 37th Annual General Meeting of the Company, for a period of 5 years and shall hold the office till the conclusion of the 42nd Annual General Meeting of the Company, to be held in the calendar year 2027.

The Auditor's Report on INDAS Financial Statements (Standalone and Consolidated) of the Company for the FY 2024-25, as submitted by M/s. MSKA & Associates, Chartered Accountants, does not contain any qualifications, reservations or adverse remarks and are self-explanatory.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

## B. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit of the Company for the FY 2024-25 was undertaken by M/s. Sanjay Dholakia & Associates, Practicing Company Secretary, which, inter alia, included audit of compliance with the Companies Act, 2013, and the Rules made thereunder, the Listing Regulations and other Regulations and Acts applicable to the Company. The Secretarial Audit Report is annexed to this report as **ANNEXURE VII**.

The Secretarial Auditors' Report for the Financial Year ended March 31, 2025, does not contain any reservation, qualification or adverse remark.

### 30. COST AUDIT AND RECORDS

The Company maintains the cost records of its products as per the provisions of sub-section (1) of Section 148 of the Act. Pursuant to the provisions of sub-section (2) of Section 148 of the Act read with Rule 4(3)(i) of the Companies (Cost Records and Audit) Rules, 2014, the requirement of Cost Audit is not applicable to the Company.

### 31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act, are provided in the notes to the Financial Statements forming part of this Annual Report.

### 32. DISCLOSURE ON ACCOUNTING TREATMENT

The Company has not used any differential treatment which is not in compliance with Accounting Standards and the financials of the Company depict a true and fair view of the state of affairs of the Company.

### 33. COMPLIANCE WITH SECRETARIAL STANDARDS BY ICSI

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### 34. BUSINESS RESPONSIBILITY AND SUSTAIN ABILITY REPORT ("BRSR")

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective, are provided in the Business Responsibility and Sustainability Report ("BRSR") for the Financial Year 2024-25 which is included as a separate section in the Annual Report. The Company has prepared the BRSR report on a voluntary basis.

### 35. POLICIES AS REQUIRED UNDER VARIOUS LAWS

The Act and the SEBI Regulations mandate the formulation of certain policies for all listed Companies, the same are formulated by the Company, approved by the Board and amended from time to time. The said mandated policies are also available at the website of the Company at <https://www.fazethree.com/investors/policies>. The policies are as follows:

- 'Documents Retention & Archival Policy' as per Regulation 9 and Regulation 30 of the Listing Regulations
- 'Policy for determining Materiality of events / information' as per Regulation 30 of the Listing Regulations
- 'Policy for determining Material Subsidiary' as per Regulation 16(1)(c) of the Listing Regulations
- 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Insider Trading Policy' as per the SEBI (Prohibition of Insider Trading) Regulation, 2015;
- 'Code of Conduct for Directors and Senior Managerial Personnel' as per Regulation 17 (5) of the Listing Regulations.

### 36. EMPLOYEE STOCK OPTION SCHEME

The Company has adopted and implemented **Faze Three Employee Stock Option Scheme 2024** ('the Scheme') which was approved by the Shareholders of the Company at their 39th Annual General Meeting held in 2024 for granting Stock Options to the eligible employees.

The Scheme is in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB & SE Regulations'). There has been no material variation in the Scheme.

The certificate from the Secretarial Auditor of the Company on the implementation of the Scheme in accordance with the SBEB & SE Regulations (including any statutory modification(s) and/or re-enactment(s)

thereof for the time being in force), has been uploaded on the website of the Company at <https://www.fazethree.com/investors/esop>

Further, the details required to be disclosed as per Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 read with Part F of Schedule I of SBEB & SE Regulations are available on the website of the Company at <https://www.fazethree.com/investors/esop>

The disclosure with respect to Section 67(3)(c) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company during the year under review.

### 37. OTHER DISCLOSURES

- There was no change in the nature of the business of the Company during the year under review.
- The Company has not issued any shares with differential rights as to dividend, voting or otherwise during the year under review.
- The Company has not issued any Sweat Equity or Bonus Shares during the year.
- There were no revisions in the financial statements or the Directors' Report of the Company.
- No application has been made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("the IBC, 2016"), hence, the requirement to disclose the details of application made or any proceeding pending under the IBC, 2016 during the year along with their status as at the end of the financial year is not applicable.
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year under review.
- There are no significant material orders passed by the Regulators/ Courts against the Company which would impact the going concern status of the Company and its future operations.
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund (IEPF) as on March 31, 2025. However, the unclaimed interim dividend declared for the financial year 2017-18, which had been duly transferred to the Unclaimed Dividend Account in accordance with the provisions of Section 124 of the Companies Act, 2013, is due for transfer to the IEPF on June 26, 2025. All the concerned shareholders have been duly notified and reminded to claim their respective claims prior to the afore-mentioned date.

### 38. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation extended by all the employees, Bankers, Financial Institutions, various State and Central Government authorities and Stakeholders.

**For and on behalf of Board of Directors**  
**Faze Three Limited**

Date: May 23, 2025  
Place: Mumbai

Sd/-  
**Ajay Anand**  
**Chairman & Managing Director**  
**DIN: 00373248**



**ANNEXURE I**
**FORM NO. AOC- 1 - STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES**

(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries:

Name of the subsidiary	<b>Faze Three US LLC</b> (Foreign Wholly owned subsidiary)	<b>Mats and More Private Limited</b> (Indian Wholly owned subsidiary)
The date since when the subsidiary was acquired	October 16, 2017	March 11, 2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2024 – March 31, 2025	April 01, 2024 – March 31, 2025
Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	Reporting Currency - US Dollar (USD) Exchange Rate as on March 28, 2025 - 1 USD = INR 85.5814	Not applicable
	<b>(Amount in INR Crores)</b>	<b>(Amount in INR Crores)</b>
Share Capital	2.44	0.10
Reserves & surplus	(0.97)	5.12
Total assets	1.55	58.78
Total liabilities (other than equity)	0.27	53.56
Investments	-	-
Turnover	6.99	26.63
Profit / (Loss) before taxation	-0.51	2.34
Tax Expense	-0.01	0.40
Profit / (Loss) after taxation	-0.50	1.94
Proposed Dividend	-	-
% of shareholding	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None
- Information under Part B is not applicable to the Company.

**For and on behalf of Board of Directors**  
**Faze Three Limited**

**Date:** May 23, 2025  
**Place:** Mumbai

**Sd/-**  
**Ajay Anand**  
Chairman & Managing  
Director  
DIN: 00373248

**Sd/-**  
**Sanjay Anand**  
Whole Time Director  
DIN: 01367853

**Sd/-**  
**Ankit Madhwani**  
Chief Financial Officer

**Sd/-**  
**Akram Sati**  
Company Secretary  
M No. A50020

## ANNEXURE II

### Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the Employees
Mr. Ajay Anand	Managing Director	20.42:1
Mr. Sanjay Anand	Whole time Director	11.43:1

**Note:** Since Non-Executive and Independent Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable.

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% Increase / Decrease of remuneration in 2025 as compared to 2024
Mr. Ajay Anand	Managing Director	Nil
Mr. Sanjay Anand	Whole Time Director	Nil
Mr. Ankit Madhwani	Chief Financial Officer	Nil
Mr. Akram Sati	Company Secretary	NA*

\*Mr. Akram Sati was appointed as the Company Secretary w.e.f. January 5, 2024, hence, his remuneration for the Financial Year 2024–25 is not comparable to that of 2023–24.

- The percentage increase in median remuneration of employees in the financial year 15.31%
- There were 857 permanent employees on the rolls of the Company as on March 31, 2025.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The average percentage increase made in the salaries of employees other than managerial remuneration was in the range of **16.32 %** whereas the increase in the remuneration of Managerial personnel was **Nil**
- We hereby affirm that the remuneration paid during the year ended March 31, 2025 is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors  
Faze Three Limited

Date: May 23, 2025  
Place: Mumbai

Sd/-  
Ajay Anand  
Chairman & Managing Director  
DIN: 00373248

### ANNEXURE III

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

##### 1. Brief outline on CSR Policy of the Company

The Company has always recognized that its business is a part of the community where it operates. The CSR activities/projects are aligned to assist weaker and underprivileged sections of the society. The Company strives to implement its CSR programmes directly or in collaboration with other associations/trusts/NGO registered with concerned regulatory authorities who has expertise as well as establish presence in area for effective implementation of projects / use of funds.

The Company has undertaken various CSR initiatives so far including promoting skill and education among children and for the socially & economically marginalized communities especially scheduled castes, scheduled tribes, minorities, BPL's and other backward communities etc. The Company will continue to contribute in these areas and will simultaneously explore the opportunities to contribute towards other social causes through its CSR program.

##### 2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ajay Anand	Chairperson/Executive Director	2	2
2.	Mr. Manan Shah	Member/Independent Director	2	2
3.	Mr. Sanjay Anand	Member/Executive Director	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : *Committee Composition:*  
<https://www.fazethree.com/investors/board-committees>  
*CSR Policy:*  
<https://www.fazethree.com/investors/policies>
4. Executive summary along with web link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable. : Not Applicable
5. (a) Average net profit of the company as per section 135(5): INR 67,62,98,890/-  
(b) Two percent of average net profit of the company as per section 135(5): INR 1,35,25,978/-  
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
(d) Amount required to be set off for the financial year, if any: INR 23,16,233/-  
(e) Total CSR obligation for the financial year (b+c-d): INR 1,12,09,745/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : INR 1,20,00,000/-  
(b) Amount spent in Administrative Overheads: Nil  
(c) Amount spent on Impact Assessment, if applicable: Not Applicable  
(d) Total amount spent for the Financial Year (a+b+c): INR 1,20,00,000/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
1,20,00,000	Nil	N.A.	N.A.	Nil	N.A.

(f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per Section 135(5)*	1,12,09,745
(ii)	Total amount spent for the Financial Year	1,20,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7,90,255
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7,90,255

\*The amount 1,12,09,745/- is the CSR obligation for FY 24-25 after set off of excess amount spent in the previous financial year. Please refer point 5 of this report for clarification.

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1.	FY 2023-24	NIL						
2.	FY 2022-23							
3.	FY 2021-22							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: NotApplicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:



Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent - (₹ in lacs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

For and on behalf of Board of Directors  
Faze Three Limited

Date: May 23, 2025  
Place: Mumbai

Sd/-  
Ajay Anand  
Managing Director  
& Chairman, CSR Committee  
DIN: 00373248

Sd/-  
Sanjay Anand  
Whole Time Director  
& Member, CSR Committee  
DIN: 01367853

## ANNEXURE IV

### STATEMENT PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF CHAPTER IX OF COMPANIES (ACCOUNTS) RULES, 2014.

#### CONSERVATION OF ENERGY

##### Capital investment and steps taken for Conservation of energy and for utilizing alternate sources of energy:

Environmental, Social, and Governance (ESG) principles have been integrated into the core strategy of the Company. In alignment with our commitment to sustainability and responsible manufacturing, the Company has taken several proactive steps towards energy conservation and the adoption of clean energy across its operations.

##### Key Initiatives Undertaken:

- **Transition to Cleaner Fuels:**

The Company transitioned its dyeing operations in North India from coal-based boilers to gas-based boilers. A long-term gas supply agreement has been signed with Indian Oil Adani Gas Private Limited. This shift has significantly reduced the Company's dependence on coal, lowered emissions, and contributed to the improvement of the local environment.

- **Investment in Renewable Energy:**

An aggregate investment of over ₹25 Crores has been made towards renewable and clean energy initiatives, including:

- Installation of **3.5 MW Rooftop Solar Power** across manufacturing units in Silvassa, catering to approximately **35% of the Company's electricity requirements of said unit**.
- Use of **PNG (Piped Natural Gas)** for processing operations.
- Deployment of **lithium-ion (electric) material handling equipment (MHE)** to reduce reliance on fossil fuels within warehouse and production premises.

- **Energy Efficient Infrastructure and Equipment:**

- The Company continues to invest in **energy-efficient machinery**, with energy consumption being a key consideration during procurement.
- The expanded manufacturing capacity at Silvassa has been designed with modern infrastructure including **Li-ion powered warehouse trucks and forklifts**, enhancing operational efficiency and reducing energy consumption.
- Installation of **LED lighting** across all units and use of **transparent roofing and wall panels** in warehouses and factory areas to maximize natural light, thus reducing energy usage.

- **Rainwater Harvesting:**

Rainwater harvesting systems have been implemented across all units in West and North India. These systems aid in **groundwater recharge** and support **water conservation** by collecting and storing rainwater for reuse.

- **Sustainable Materials and Product Design:**

The Company continues to focus on **sustainable raw materials**, including **organic cotton, recycled polyester, and 100% recycled polypropylene** in its product offerings. All manufacturing processes are designed to minimize carbon footprint and are regularly upgraded to enhance environmental performance.

- **Eco-friendly Packing Initiatives:**

The Company has taken significant steps to **reduce the environmental impact of packaging** by:

- Shifting to **recyclable, biodegradable, and reduced-plastic packaging materials** wherever feasible.
- Optimizing packaging dimensions to **reduce material consumption and improve container loading efficiency**, thereby reducing emissions during transportation.
- Collaborating with customers to **co-develop sustainable packaging formats**, including cartons and polybags made from recycled content.
- Introducing **packing solutions** for easier recyclability in alignment with global retailer expectations.

- **Collaboration on Sustainability Projects:**

The Company actively contributes to **customer-led sustainability programs**, reinforcing its position as a responsible manufacturer focused on **resource conservation and circular economy practices**.

In line with its commitment to sustainable manufacturing and energy conservation, the Company's initiatives are reinforced by a robust framework of globally recognized certifications. The **ISO 14001 Environmental Management System** certification underscores the Company's structured approach to minimizing environmental impact through efficient resource utilization and waste reduction. Additionally, certifications such as **OEKO-TEX Sustainable Textile Production (STeP)**, **Global Recycled Standard (GRS)**, **Higg Index**, and **Better Cotton Initiative (BCI)** further validate the Company's adherence to environmentally responsible practices across its energy, water, and material usage. These certifications not only ensure regulatory compliance but also drive continuous improvements in the Company's energy management systems, fostering a culture of sustainability and accountability at all levels of operations.

Energy consumption and sustainability were at the core of new expansions of various units.

The Company has also taken various steps to conserve energy such as installation of transparent sheets in warehouses to receive natural daylight minimizing use of power lights, Electric scooters to transport goods within unit, installation of Turbo ventilators on the roofs of the units.

### RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Faze Three Limited continues to place strong emphasis on innovation, research, and technological advancement to remain ahead in a competitive global market. The Company has made significant investments in new technologies, product development capabilities, and sustainability-focused infrastructure to deliver high-quality, value-driven textile solutions for its global clientele.

With dedicated in-house design, R&D, and product development teams at each manufacturing location - supported by ISO certified laboratories—the Company ensures robust product testing, quality control, and compliance with international standards. A newly added central Design Team at Head Office works in close coordination with marketing and development teams to expand product categories and deliver consumer-centric solutions.

To diversify into outdoor floor coverings, the Company invested in its wholly owned subsidiary, **Mats and More Private Limited**, which has successfully developed and commercialized patio mats. In its third year of operations, the subsidiary generated **₹ 26.63 Crores in revenue** and **₹ 2.34 Crores in PBT**, with a target of **USD 10 million** in revenue over the first 3–4 years.

The Company maintains a strong R&D pipeline by engaging closely with global retail partners, leveraging customer feedback and market insights to co-create products tailored to international markets. Technological upgrades across weaving, tufting, dyeing, and wet-processing machinery have also enabled the Company to deliver more efficient, cost-effective, and environmentally conscious manufacturing.

Importantly, the Company's commitment to **global quality and sustainability standards** is reflected in its wide array of industry-recognized certifications, including:

The integration of these certifications into the Company's R&D, production, and quality systems enhances transparency, customer trust, and global market access.

Through these initiatives, the Company has not only improved its operational efficiency and innovation capabilities but also demonstrated leadership in responsible manufacturing, aligned with the principles of *Amenabar Bharat* and ESG goals.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of the foreign exchange earnings and outgo of the Company during the year in terms of INR (Crores) is as below:

Particular	Amount
Total Foreign Exchange earned	582.53
Total Foreign Exchange used	58.61

For and on behalf of Board of Directors  
Faze Three Limited

Sd/-

Ajay Anand

Chairman & Managing Director

DIN: 00373248

Date: May 23, 2025

Place: Mumbai

## ANNEXURE V

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the Financial Year under review as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

#### ECONOMY AND OUTLOOK

The Indian economy is a standout as a bright spot, with robust growth prospects and an increasingly influential role in the global economic landscape. Macros are very well placed, and growth momentum should improve hereon. The USA economy also continues to be strong with low employment and despite high rates, the economy has performed very well. The European economy has been improving with renewed fiscal spending focus alongside low energy prices. Trade tariffs in USA will reshape the global trade in 2025/2026 and are expected to create new world trade order.

Inflation is gradually being brought under control, allowing central banks—especially the U.S. Federal Reserve and the European Central Bank—to consider policy easing. While rate cuts are anticipated, they are expected to be gradual and measured to avoid reigniting inflationary pressures. At the same time, geopolitical tensions, including ongoing conflicts in Eastern Europe and the Middle East, as well as uncertainties in U.S.–China relations, continue to cast a shadow over the global outlook. These factors could disrupt energy supplies, increase market volatility, and hinder trade flows.

In contrast to the cautious outlook for much of the developed world, emerging markets are expected to perform better, with India leading the pack. The Indian economy is projected to grow at 6.8% in 2025 and 6.9% in 2026, driven by strong domestic demand, structural reforms, and sustained government investment. India's performance is being bolstered by a number of positive factors, including a young and growing workforce, rising urbanization, and increasing digital penetration. The government's focus on infrastructure development, particularly in roads, railways, and energy, is creating a strong foundation for future growth.

India's services sector, especially in information technology and financial services, remains a global leader. At the same time, efforts to boost manufacturing under initiatives like 'Make in India' and Production Linked Incentive (PLI) schemes are beginning to show results. These policies aim to integrate India more deeply into global supply chains and reduce dependence on imports. Furthermore, India's improving ease of doing business, enhanced logistics networks, and digitized public service delivery systems are helping to attract foreign direct investment.

India is also benefiting from the ongoing 'China Plus One' strategy, with global firms expanding their sourcing and manufacturing base in India. This is particularly evident in sectors like technical textiles, MMF-based apparel, and electronics. With global buyers diversifying away from China—exacerbated by sanctions and supply chain recalibrations—India is gaining strategic traction as a competitive and stable manufacturing hub. The fully implemented ban on Chinese cotton globally is also playing to India's advantage, boosting demand for synthetic and value-added textile exports.

#### TEXTILE INDUSTRY

India's textile industry—among the oldest and most diverse in the world—continues to be a cornerstone of the country's economic and social framework. As of 2025, it remains the second-largest employer in India, providing direct employment to over 45 million people and contributing approximately 2% to national GDP and 12% to total exports. Looking ahead to 2026, the industry is positioned for steady growth, driven by expanding domestic consumption, increasing global demand, and strong government support.

The industry spans a wide range of segments, from handloom and handicrafts to advanced technical textiles, catering to markets across price points and geographies. India's status as the second-largest textile and apparel exporter globally, after China, is underpinned by its strong raw material base—especially in cotton, where India ranks as the largest producer worldwide, contributing about 23% of global cotton production.

Domestically, the growth of the sector is being fuelled by rising urbanization, an expanding middle class, and increasing disposable incomes. India's textile consumption is expected to grow at a CAGR of 8–9% over 2025 and 2026, supported by higher retail penetration, fast-growing fashion and lifestyle markets, and booming e-commerce platforms.

On the export front, India's global competitiveness continues to improve. In FY2024, the country's textile and apparel exports were estimated at around USD 36 billion, and this figure is expected to rise to USD 45–47 billion by FY2026, as international brands diversify supply chains beyond China. The United States remains India's largest export market, accounting for over 25% of total textile exports, particularly in segments like home textiles.



Home textiles, in particular, have emerged as a strong growth driver. India has consolidated its position as the second-largest exporter of home textiles globally, accounting for nearly 7% of the global trade in this segment. Bed linen, bath towels, curtains, and rugs are key categories, with bed and bath linen alone making up around 70% of the Indian home textile market. The annual turnover of the home textiles industry in India is estimated to be around INR 780 billion (approx. USD 9.5 billion) as of 2025, and it is expected to grow steadily through 2026, driven by both export and domestic demand.

To support this momentum, the government is implementing large-scale initiatives like the PM MITRA (Mega Integrated Textile Region and Apparel) Parks and the Production Linked Incentive (PLI) scheme, aimed at attracting investment, modernizing infrastructure, and creating globally competitive manufacturing hubs. These reforms are expected to boost production efficiency, job creation, and export competitiveness.

### FAZE THREE LIMITED – COMPANY OVERVIEW

Faze Three Limited (hereinafter referred to as FTL/the Company) is engaged in manufacturing and exporting superior quality high-end Home Textile products supplying to top retailers across the globe. It has a diversified product line, main products include Bathmats, Bath Rugs, Chairpads, Blankets, Rugs, Throws, Floor covering, Bed spreads, Patio Mats, Seat covers etc., The Company is known for its sheer pursuit for innovation, ideas and designs which reflects in its products and has enjoyed being a preferred vendor to most of its customers. Majority of FTL's revenue (90%) is derived from Exports to USA, UK and Europe region. The Company has eight state of the art facilities situated at Dadra and Nagar Haveli, Vapi (Gujarat), Aurangabad (Maharashtra) and Panipat (Haryana) in India. Refer [www.fazethree.com](http://www.fazethree.com) for more details.

The company has significantly invested across all factories / product lines to scale up to 2-3x of current level of operations in terms of capacity. The scale will happen within the same customer base by adding volumes in products or introducing new product category to a customer. We intend to grow and double volumes every 4-5 years sustainably.

### PERFORMANCE - YEAR 2024-25

#### Financial Performance

1. Delivered a robust 5-year CAGR of 18% in Revenue, 20% in EBITDA, 18% in EPS.
2. Q4 FY-2025 Revenue run rate crosses INR 200 Cr for the quarter
3. Total Consolidated Income for year ended March 31, 2025, stood at INR 701.74 Crores vs INR 572.32 Crores for year ended March 31, 2024. Thus, the Company has seen a growth of 22.6%. EBITDA at INR 92 Crores vs INR 94 Crores and PAT at INR 40.7 Crores vs INR 46.6 Crores
4. EBITDA & Net profit for FY 25 have been lower owing to one time product development costs, higher initial operating costs on new product line / capacities (impact of ~1.5%), higher Employee Costs (~2-3%) for prior scale up in capability to service high growth ahead, depreciation on recent capex, increase in Interest rates and certain one-time costs. The Company expects significant operating leverage in coming years leading to improvement in margins to optimum and beyond.
5. Earnings Per Share for year ended March 31, 2025, INR 16.72 per share versus INR 19.16 per share for year ended March 31, 2024.
6. Invested over ~INR 270 Crores from internal accruals across units for Expansion, new machinery, new location, new technologies, new product lines & debottlenecking since FY 2019

#### Awards

- ▶ The Company was awarded 'Dun & Bradstreet - G7 CR Technologies Business Enterprises of Tomorrow Summit 2024' Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles in June 2024.
- ▶ The Company awarded status of Four-Star Export House from Ministry of Commerce & Industry (Upgraded from Three-Star Export House in November 2023)
- ▶ The Company was awarded with Dun & Bradstreet “Business Enterprises of Tomorrow 2022” Business Excellence Awards in Category Mid-Corporate – Textile & Textile Articles on November 29, 2022.
- ▶ The Company was recognized as one of the “Best Global Business Category (Mid - Corporates) in India – 2021” by Dun and Bradstreet's Business Excellence Awards 2021 on November 24, 2021.
- ▶ The Company was recognized as one of the leading “Mid - Corporates in India - 2020” by Dun and Bradstreet's premier publication released on November 25, 2020.

- The Company was awarded the Dun & Bradstreet - RBL Bank SME Business Excellence Awards 2019 in the Mid- Corporate Segment for excellence in the Textile Sector.

### Ratings

- The Credit Rating of the Company was re-affirmed at 'CARE A1 (Short term)'; 'CARE A; Stable (Long term)' (in August 2024).

### Products

The Company has a diversified product basket which includes cotton and rubber backed bathmats, blankets, durries, throws, hand tufted carpets and rugs made of cotton and wool, cushion covers, curtains as well as poly cotton and cotton mask, table covers, patio mats, seat covers amongst many others under the technical textiles' ambit.

### Geographic distribution

Majority (~90%) of Revenue is derived from direct exports to organized retail in USA, UK and Europe region.

### SWOT ANALYSIS

The company's strengths lie in a well-diversified product portfolio and a wide global customer base. Long-standing relationships with reputed international retailers across multiple categories ensure stable revenue visibility. With over three decades of operational experience since its incorporation in 1985, the company has demonstrated resilience through various economic cycles. Its in-house design and development capabilities, coupled with globally benchmarked manufacturing facilities, enable the quick introduction of new products. The business operates with a long-term debt-free capital structure, giving it the flexibility to expand capacity without increasing leverage. Products are positioned in the \$10–\$25 retail price range, a segment that historically remains resilient during downturns. Additionally, the company's expanded capacity and order-backed manufacturing model with direct exports ensure efficient operations and readiness to capture demand surges.

Opportunities for the company are substantial. The current US–China tariff differential, with India enjoying a 20% advantage (10% vs. China's 30%), is driving a “China Plus One” sourcing shift in value-added MMF-based textiles. If this advantage is sustained at 15–20% after the expected policy decisions in late 2025, it could unlock a significant wave of incremental demand, akin to the transformation witnessed in India's sheet and towel exports post-2008. The company is well-positioned to expand in categories historically dominated by China, such as floor coverings, table and outdoor products, window curtains, and other value-added textiles. The strong US jobs market, rising incomes, and post-inflation recovery support sustained consumption in home textiles. Further, its investment in Mats and More Pvt. Ltd. to produce patio mats has the potential to generate USD 10 million in revenue in its first phase within 3–4 years. The possibility of government incentives, such as sector-specific PLI or employment-linked schemes, and the structural shift in sourcing priorities of top US retailers, present major long-term growth catalysts.

On the other hand, the company faces threats that could impact its growth trajectory. A reduction in the US–China tariff differential to below 10% would lessen the urgency for US retailers to diversify sourcing away from China. Broader macroeconomic and geopolitical risks, including potential recessions, shifts in US trade policy, and supply chain disruptions, could also affect demand. Volatility in raw material costs and foreign exchange rates poses ongoing challenges to maintain margins. Additionally, intense competition from China, other South Asian countries, and low-cost producers globally continues to exert pricing pressure. Heavy dependence on export markets means the business remains vulnerable to external demand cycles and global economic conditions.

However, the Company boasts an operational track record spanning four decades, having been incorporated in 1985. Over this period, it has successfully navigated multiple economic, geopolitical, and industry-specific cycles, demonstrating resilience and adaptability in the face of challenges such as global recessions, raw material volatility, currency fluctuations, and shifting trade policies. This long-standing presence in the market reflects not only the stability of its business model but also the depth of its customer relationships, the strength of its leadership team, and its ability to evolve product offerings in line with changing consumer preferences and market trends.

### INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

FTL's internal controls are commensurate with its size and the nature of Company's operations and are working effectively. The affairs of the Company are managed in such a way that there is free flow of information between the management and the same is only communicated on a need-to-know basis. The Internal controls of the Company are designed in such a way that reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies is possible. The framework ensures adherence to regulations, asset safeguarding, detection and prevention of frauds and errors, adequacy and completeness of accounting records, and timely preparation of reliable financial information.

The efficacy of the internal control system is validated by internal auditors and re-examined by the management. The Internal Control systems are quarterly assessed by the Audit Committee and the report of the same is submitted to the Board for its review. Our Audit Committee has concluded that, as of March 31, 2025, our internal financial controls were adequate and operating effectively.

#### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

The Company has 8 state-of-the-art manufacturing facilities situated at Dadra and Nagar Haveli, Gujarat, Haryana and Maharashtra in India and employs over 3000 workers directly and indirectly.

The Company fosters a growth-oriented work culture with a safe, productive, and healthy environment. The Company prioritizes the development of all its employees through personnel management system. The Company is led by an experienced management team with vast domain knowledge. The operations are overlooked by its directors / professional management who are highly qualified and have extensive industry experience. The management is also backed by well-defined second-tier management with designated functional heads for each department. The Professional Management along-with second-tier management & functional heads provides training for skill development as well as grooms leaders as a part of succession planning to ensure business continuity. The Company has continued its investment in Human Resource and Talent acquisition during last year.

The Company continuously taking efforts to provide safe working environment, trainings, strict standards of personal hygiene, necessary infrastructure and equipment across all our operations. We are equally focused on protecting the lives and livelihoods of all our employees. The operations of the Company are conducted in such a manner that it ensures safety and security of all the workers and employees.

#### **POLLUTION AND ENVIRONMENTAL CONTROLS**

The company has continued its efforts to have sustainable practices to conserve energy and adoption of clean energy across our manufacturing operations.

The Company is continuously looking for ways to replace fossil fuel energy with renewable energy. The Company has transitioned its dyeing operation in North India from Coal Based Boilers to Gas Based Boiler and has signed agreement for supply of Gas with Indian Oil Adani Gas Private Limited. These efforts have also helped improve environment in surrounding area as well as reduced reliance on Coal Import for India. The company has invested over INR 25 Cr in aggregate for Rooftop Solar energy 3.5 MW (captive) at Silvassa, which would generate around ~35% of current electricity consumption at said units. Company's finished goods warehouses (capacity upto 130 HQ containers at a time) are operated by fully Electric lithium-ion fleet of forklifts / reach trucks. Apart from being cost effective, it enhances goal & commitment towards ESG. In line with its commitment to sustainable manufacturing and energy conservation, the Company's initiatives are reinforced by a robust framework of globally recognized certifications. The ISO 14001 Environmental Management System certification underscores the Company's structured approach to minimizing environmental impact through efficient resource utilization and waste reduction.

The Company endeavors to have minimum impact on the environment with sustainable production methods, use of energy efficient and environment friendly technology, use of recycled and eco-friendly raw materials, etc. Sustainability has always been a culture in the Company which believes in giving back to the environment and the society. It believes that profitability not only depends on the actual profit but also the benefit derived by the community through the activities of the Company.

Along with collection and processing, your Company is also progressing towards making plastics packaging circular by eliminating unwanted plastics by moving from Conventional polybag to Recycled polybags as well as ensuring there is no plastic waste. The Company continues to focus on sustainable raw materials, including organic cotton, recycled polyester, and 100% recycled polypropylene in its product offerings. All manufacturing processes are designed to minimize carbon footprint and are regularly upgraded to enhance environmental performance. Additionally, certifications such as OEKO-TEX Sustainable Textile Production (STeP), Global Recycled Standard (GRS), Higg Index, and Better Cotton Initiative (BCI) further validate the Company's adherence to environmentally responsible practices across its energy, water, and material usage. These certifications not only ensure regulatory compliance but also drive continuous improvements in the Company's energy management systems, fostering a culture of sustainability and accountability at all levels of operations.

All the manufacturing facilities of the Company have requisite permissions and certificates under the pollution and environmental laws of the state. The Company actively participates in the sustainability programs with international standards by adopting strict measures and alternatives to control the negative impact on the environment which includes optimum production methods, use of renewable energy, responsible sourcing, use of recycled materials,

zero waste, high health and safety standards, etc., Such efforts by the company are regularly applauded by the customers which help them tick their responsible sourcing commitments.

## OUTLOOK

The Company is looking at pipeline of opportunities in all of our core business categories, the growth potential is immense based on customers' projections subject to one's ability to manufacture, bandwidth across design & development to turnaround faster. The Company is looking at very encouraging feedbacks from customer on our enhanced ability to now deliver larger volumes in our core focus on value added home & technical textiles.

## KEY FINANCIAL RATIOS:

Sr. No.	Ratios	2024-25	2023-24	Explanation for significant change (more than 25%)
1.	Debtor Turnover Ratio (times)	7.99	6.04	Increase in non-due receivables leading to high Trade Receivable Turnover Ratio
2.	Inventory Turnover Ratio (times)	2.06	2.36	NA
3.	Current Ratio (times)	1.39	1.63	NA
4.	Debt Equity Ratio (times)	0.40	0.41	NA
5.	Interest Coverage Ratio (times)	0.43	0.54	NA
6.	Operating Profit Margin (%)	13.62	16.49	NA
7.	Net Profit Margin (%)	0.06	0.08	NA
8.	Return on Net Worth (times)	0.15	0.17	NA

## CAUTIONARY STATEMENT

Statements used in the Management Discussion and Analysis should be read in conjunction with the Company's Audited Standalone and Consolidated financials along with the auditor's report as on March 31, 2025 which forms an integral part of the annual report, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

**For and on behalf of Board of Directors  
Faze Three Limited**

Date: May 23, 2025  
Place: Mumbai

**Sd/-  
Ajay Anand  
Chairman & Managing Director  
DIN: 00373248**



## ANNEXURE VI

## REPORT ON CORPORATE GOVERNANCE

## 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are managed in a manner that ensure accountability, transparency and fairness in all the transactions in the widest sense. We at Faze Three Limited are committed to ethical business practices and strive to integrate good corporate governance in our day-to-day operations along-with compliance with laws and regulations leading to effective control and better management of the organization. We believe that an industry can achieve sustainable growth only when it considers human values, ethics and social responsibility as a part of its long-term business plans and strategy. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Faze Three Limited provides maximum service to all the stakeholders in order to enhance shareholders' value and promote national interest. The Company's Board of Directors oversee business strategies and ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in this Report.

## 2. BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. The Board has delegated the operational conduct of the business to the Chairman and Managing Director of the Company. The Managing Director along-with Whole Time Director, KMPs, Plant heads, Senior Management and Functional heads looks after the management of the day-to-day affairs of the Company. The Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematize the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

The area of core expertise of each Board member is given in their respective profiles below:

## i. Brief Profile of Directors:

**Mr. Ajay Anand** is the Founder & Promoter of the Company and is currently designated as Chairman and Managing Director. He has diverse knowledge and experience in textiles and technical textiles and having more than three 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 expertise and contribution towards product innovation and business development has led the Company to become one of the most preferred and reliable vendors by the customers over the years. His enormous contribution towards business growth & establishing long-term relationships with both Domestic & Global OEM's in Automotive Textile Industry has helped Faze Three Group to become a major supplier in the Automotive fabric market India.

**Mr. Sanjay Anand** is a Whole-time Director of the Company. He has experience of more than 3 decades in the textile industry. He heads the Marketing team of the company along-with administering the Panipat units of the Company and plays a key role in business development and seizing deals with the customers, most of which are top retail giants in the key cities across the world. He is the brother of Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Limited.

**Mrs. Rashmi Anand** is a Law Graduate and is designated as Non-Executive Non-Independent Director. She has vast experience in policy making and strategic decision making. A socially active person, she has been instrumental in contributing towards the society well-being and uplifting through various initiatives. She has adequate expertise in the operations of textile industry and has led a number of assignments related to setting up of textile business independently. She is the wife of Managing Director, Mr. Ajay Anand and a member of promoter group of Faze Three Limited.

**Mr. Vinit Rathod**, Independent Director of the Company is a Chartered Accountant and has sound exposure of Taxation and Finance. He has rich work experience as a professional as well as an entrepreneur. His association with the Company has helped derive independent valuable insights and perspectives to the Board for deliberation on taxation and financial matters besides good corporate governance practices.

**Mr. Manan Shah**, Independent Director of the Company is a Chartered Accountant by profession and has a comprehensive experience in business management. He plays an active role in the implementation of good corporate governance standards and provides valuable insights on management and administration.

**Mr. James Barry Leonard**, Independent Director is a Foreign National and citizen of United States of America and has more than 30 years of experience in the global textile industry, operations, sales, strategic planning and risk management, with a record of turnarounds and market expansion in the USA. His experience includes various Senior Leadership / Executive Management positions held in large Home Textile companies viz. Welspun USA Inc., Croscill Home Inc., Excell Home Fashions Inc., Glenoit Home Inc., Spartan International Inc., Spring Industries Inc, etc. operating in USA.

**Mr. Chuji Kondo**, Independent Director is a Foreign National and citizen of Japan. Mr. Kondo has completed his 'Bachelor of Art in Economics' from Keio University, Tokyo in 1979. Mr. Kondo has more than 35 years of experience in Home Textiles and Floor covering products, overseas business, etc. He has held several executive positions as Director/Board Member in Kawashima Selkon Textiles Co Ltd, Kyoto. Kawashima Selkon Textiles Co Ltd, is one of the leading manufacturers and distributors in home improvements & interior space and supplier to large customers across Japan & globally.

**Mr. Devajyoti Bhattacharya**, Independent Director is a strategic professional with a Bachelor of Technology degree in Mechanical Engineering and a Post Graduate degree in Industrial Engineering. With over 43 years of experience in strategic leadership, business development and operational management and having served as a Strategy Executive/President at Aditya Birla Group for nearly 3 decades and directorships in organizations like T.V. Today Network Limited and Century Enka Limited, he is well-versed in the principles of corporate ethics, transparency, and regulatory compliance. His extensive boardroom experience equips him to guide board dynamics, encourage diverse viewpoints, and foster a culture of accountability.

The Board plays a pivotal role in ensuring good governance and acts in a democratic manner. The Board members have complete freedom to express their opinion and decisions are taken on the basis of consensus arrived after due deliberation.

The detailed profile of the Directors is available on the website of the Company. The number of Directorship(s) and Committee Membership(s)/Chairmanship(s) of all Directors is/are within the respective limits prescribed under the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## ii. **Composition of Board:**

The Board of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of Board comprising of Non-Executive Directors including more than half of the Board Members comprising Independent Directors and the same is also in line with the applicable provisions of the Act and the Listing Regulations. As on March 31, 2025, the strength of the Board of Directors of the Company comprised of 8 Directors including 5 Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

## iii. **Board Meetings:**

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre- scheduled. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The notice of Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the year under review, 5 (Five) Board Meetings were conducted, each on May 23, 2024, August 13, 2024, August 28, 2024 (which was adjourned to September 04, 2024), November 13, 2024, February 11, 2025. The necessary quorum was present for all the meetings. The maximum interval between any two Meetings was well within the maximum allowed gap of 120 days.

## iv. **None of the Directors on the Board hold directorships in more than ten public companies and none of them is a**

member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director.

- v. The name and category of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in the Company as well as other public companies as on March 31, 2025 are given here below:

Name of Director	Category	Relationship with other Directors	Attendance		Particulars of Directorship, Committee membership /Chairmanship			
			Board Meeting	Last AGM	No. of other Director ships~	List of Directorship held in Other Listed Companies and Category of Directorship~	Chairman^	Member^
Mr. Ajay Anand	Promoter, Executive (MD)	Brother of Mr. Sanjay Anand and Spouse of Mrs. Rashmi Anand	5	Yes	0	None	0	4
Mr. Sanjay Anand	Promoter, Executive (WTD)	Brother of Mr. Ajay Anand and Brother in-law of Mrs. Rashmi Anand	5	No	0	None	0	0
Mrs. Rashmi Anand	Promoter, Non-Executive	Spouse of Mr. Ajay Anand and Sister-in-law of Mr. Sanjay Anand	1	No	0	None	0	0
Mr. Manan Shah	Independent	None	4	Yes	1	Independent Director, V.R. Woodart Limited	2	4
Mr. Vinit Rathod	Independent	None	5	Yes	1	Independent Director, V.R. Woodart Limited	2	4
Mr. James Barry Leonard	Independent	None	5	Yes	0	None	0	0
Mr. Chuji Kondo	Independent	None	4	Yes	0	None	0	0
Mr. Devajyoti Bhattacharya	Independent	None	1	NA*		None	0	0

~Aforesaid directorships do not include directorship held in foreign companies, companies incorporated under Section 8 of the Act, private companies and unlisted public companies. Further, the number of Directorships held by the Directors as mentioned above is exclusive of Faze Three Limited.

^Chairmanships / Memberships of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee in Listed as well as unlisted Public Companies. Further, the number of Committee positions held by the Directors as mentioned above is exclusive of Faze Three Limited. Also, the number of memberships in committees is inclusive of the number of chair held in committees.

\*Attendance in the last AGM for Mr. Bhattacharya is Not Applicable as he was appointed post the AGM.

vi. Matrix setting out the skills/ expertise/ competence of the Directors:

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

Name of the Director	Industry knowledge	Operations	Management	Interpretation of Financial Statements	Understanding of laws, rules and regulations
Mr. Ajay Anand	Good	Good	Good	Good	Good
Mr. Sanjay Anand	Good	Good	Good	Good	Good
Mr. Manan Shah	Moderate	Moderate	Good	Good	Good
Mr. Vinit Rathod	Moderate	Moderate	Good	Good	Good
Mrs. Rashmi Anand	Good	Moderate	Good	Good	Good
Mr. James Barry Leonard	Good	Good	Good	Good	Moderate
Mr. Chuji Kondo	Good	Good	Good	Good	Moderate
Mr. Devajyoti Bhattacharya	Moderate	Good	Good	Good	Good

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Sr. No.	Name of Director	Area of Expertise
1.	Mr. Ajay Anand	<ul style="list-style-type: none"> <li>Leadership / Operational experience</li> <li>Strategic Planning</li> <li>Industry Knowledge, Research &amp; Development and Innovation</li> <li>Dealing with large Multinational Retail Corporation</li> <li>Global Business &amp; Marketing</li> <li>Financial, Regulatory / Legal &amp; Risk Management</li> <li>Corporate Governance</li> </ul>
2.	Mr. Sanjay Anand	<ul style="list-style-type: none"> <li>Leadership / Operational experience</li> <li>Strategic Planning</li> <li>Industry Knowledge, Research &amp; Development and Innovation</li> <li>Dealing with large Multinational Retail Corporation</li> <li>Global Business &amp; Marketing</li> <li>Corporate Governance</li> </ul>

3.	Mr. Manan Shah	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Strategic Planning</li> <li>• Finance, Taxation Regulatory / Legal &amp; Risk Management</li> <li>• Corporate Governance</li> </ul>
4.	Mr. Vinit Rathod	<ul style="list-style-type: none"> <li>• Leadership</li> <li>• Strategic Planning</li> <li>• Finance, Taxation, Commodity, Forex, Regulatory / Legal &amp; Risk Management</li> <li>• Corporate Governance</li> </ul>
5.	Mrs. Rashmi Anand	<ul style="list-style-type: none"> <li>• Industry Knowledge, Research &amp; Development and Innovation</li> <li>• Global Business &amp; Marketing</li> <li>• Financial, Regulatory / Legal &amp; Risk Management</li> <li>• Corporate Governance</li> </ul>
6.	Mr. James Barry Leonard	<ul style="list-style-type: none"> <li>• Industry Knowledge, Research &amp; Development and Innovation</li> <li>• Strategic Planning</li> <li>• Risk/ Financial Management</li> <li>• Leadership Skills</li> </ul>
7.	Mr. Chuji Kondo	<ul style="list-style-type: none"> <li>• Industry Knowledge, Research &amp; Development and Innovation</li> <li>• Leadership Skills</li> <li>• Strategic Planning</li> <li>• Risk/ Financial Management</li> </ul>
8.	Mr. Devajyoti Bhattacharya	<ul style="list-style-type: none"> <li>• Research &amp; Development and Innovation</li> <li>• Leadership Skills/ Operational experience</li> <li>• Strategic Planning</li> <li>• Dealing with large Multinational Retail Corporation</li> <li>• Risk/ Financial Management</li> <li>• Corporate Governance</li> </ul>

- vii. The Directors, except Independent Directors are liable to retire by rotation and 1/3 of the Directors retire every year and if eligible, offer themselves for re-appointment.
- viii. The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under the Act and the Listing Regulations along with a confirmation that they have been registered under the database of Independent Directors and comply with sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and qualification of Directors) fifth amendment Rules, 2019. On the basis of the declarations received from each of the Independent Directors, the Board hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management.



- ix. No. of Shares and convertible instruments held by Non-Executive Directors as on March 31, 2025:

Name of the Director	Number of Shares
Mr. Manan Shah, Independent Director	NIL
Mr. Vinit Rathod, Independent Director	NIL
Mr. James Barry Leonard, Independent Director	NIL
Mr. Chuji Kondo, Independent Director	NIL
Mr. Devajyoti Bhattacharya, Independent Director	2,900
Mrs. Rashmi Anand, Non-Executive Director	3,43,990

- x. During the FY 2024-25, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- xi. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at <https://www.fazethree.com/investors/corporate-governance>.
- xii. During the year, the Independent Directors met once on January 27, 2025 without the presence of Executive Directors and Management representatives. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole during the year and, the quality, quantity and timely of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to these formal meetings, interactions outside the Board Meetings also take place with Independent Directors.
- xiii. The details of the familiarization programme of the Independent Directors are available on the website of the Company at <https://www.fazethree.com/investors/corporate-governance>.
- xiv. **Criteria for performance evaluation of Directors:**

The Board of Directors have approved the criteria for performance evaluation of Directors (including Independent Directors) as recommended by the Nomination & Remuneration Committee. The said criteria inter alia, includes following:

- Attendance at the Board meetings.
- Active participation in the meetings.
- Understanding the critical issues affecting the Company.
- Prompting Board discussion on strategic issues.
- Bringing relevant experience to the Board and uses it effectively.
- Understanding and evaluating the risk environment of the organization.
- Conducting himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintaining confidentiality wherever required.
- Communicating in an open and constructive manner.
- Seeks satisfaction and accomplishment through serving on the Board.

### 3. COMMITTEES OF THE BOARD

#### A. Audit committee

- i. The Audit committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulations, read with Section 177 of the Act.
- ii. **The terms of reference of the audit committee:**

The terms of reference as stipulated by the Board of Directors for the Audit Committee covers all matters specified under the Listing Regulations and the Act.

Terms of Reference of the Committee inter alia include the following:

- a. Overview of the Company's financial reporting process and the disclosure of its financial information;
  - b. Approval or any subsequent modification of Related Party Transactions;
  - c. Review of Company's financial and risk management policies;
  - d. Review with the management the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - e. Review and monitor the auditor's independence, and effectiveness of audit process
  - f. Review with the management of the quarterly financial statements;
  - g. Recommend to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees;
  - h. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors
  - i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - j. Reviewing with the Management, the Annual Financial Statements before submission to the Board;
  - k. Discussion with internal auditors any significant findings and follow up thereon and in particular internal control weaknesses and reviewing the adequacy of internal audit function;
  - l. To review the functioning of the Whistle Blower mechanism;
  - m. All other matters as specified in Part-C of Schedule II of the Listing Regulations.
- iii. During the year under review, total 5 (five) Meetings were held of Audit Committee on May 23, 2024, August 13, 2024, August 27, 2024, November 13, 2024 and February 11, 2025.
  - iv. Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 27, 2024.
  - v. The composition of the Audit Committee as on March 31, 2025 and the details of meetings attended by its members are given below:

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	5
2.	Mr. Ajay Anand	Member	Executive Director	4
3.	Mr. Manan Shah	Member	Independent Director	5

- vi. All the Members of the Committee are adequately literate to understand the financials and other aspects.
- vii. All the recommendations by the Committee were accepted and approved by the Board of Directors. Company Secretary of the Company acts as the Secretary to the Committee.

#### **B. Nomination & Remuneration Committee:**

- i. The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Act.
- ii. **The terms of reference of the Nomination & Remuneration committee:**  
The terms of reference as stipulated by the Board of Directors for Nomination and Remuneration Committee cover all matters specified under the Listing Regulations and the Act.

Terms of Reference of the Committee inter alia include the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ('KMP') and other employees;

- b. Specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance;
  - c. Devising a policy on diversity of board of directors;
  - d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
  - e. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - f. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;
  - g. Recommend to the board, all remuneration, in whatever form, payable to senior management;
  - h. All other matters as specified in Para A of Part D of Schedule II of the Listing Regulations.
- iii. The Committee has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, independence of a Director and the same is also disseminated on the website of the Company at <https://www.fazethree.com/investors/policies>.
  - iv. The Committee recommends to the Board the appointment of Key Managerial Personnel, oversees familiarization program for Directors and follows the terms of reference as defined from time to time;
  - v. The Committee shall also specify criteria for making payments to non-executive directors, which forms the part of the Nomination & Remuneration Policy of the Company and the said Policy is disseminated on the website of the Company at <https://www.fazethree.com/investors/policies>.
  - vi. The Committee formulates and recommends to the Board from time to time a compensation structure for whole-time members of the Board, KMPs and SMPs.
  - vii. During the year under review, total 3 (Three) Meetings were held of Nomination and Remuneration Committee on August 08, 2024, August 27, 2024 and November 12, 2024.
  - viii. **The composition of the Nomination and Remuneration Committee as on March 31, 2025 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	3
2.	Mr. Manan Shah	Member	Independent Director	3
3.	Mrs. Rashmi Anand	Member	Non-Executive Director	3

- ix. All the recommendations by the Committee were accepted and approved by the Board of Directors.
- x. Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 27, 2024.
- xi. The details of remuneration paid to Managing Director and Whole Time Director during the year 2024-25 is given as follows: (No sitting fees paid to the following directors):

(Amount in INR lakh)

Sr. no.	Particulars	Mr. Ajay Anand (Chairman & Managing Director)	Mr. Sanjay Anand (Whole-time Director)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68.61	38.40
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-

2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others, please specify	-	-
	<b>TOTAL</b>	<b>68.61</b>	<b>38.40</b>

xii. The tenure of office of the Managing Director and Whole-time Directors is for 5 (five) years from their respective date of appointment. There is no separate provision for payment of severance fees. The Company has not granted any stock options during the year under review.

xiii. Details of Sitting Fees paid to Non-Executive Directors during the year is as follows:

Sr. No.	Name of the Member	Category	Sitting Fees (In INR)
1.	Mr. Manan Shah	Independent Director	25,000
2.	Mr. Vinit Rathod	Independent Director	25,000
3.	Mr. James Barry Leonard	Independent Director	25,000
4.	Mr. Chuji Kondo	Independent Director	25,000
5.	Mr. Devajyoti Bhattacharya	Independent Director	6,250
6.	Mrs. Rashmi Anand	Non-Executive & Non-Independent	Nil

xiv. During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non- Executive Directors.

### C. Stakeholders Relationship Committee:

- The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) of the Act.
- Terms of Reference of the Committee inter alia include the following:
  - To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
  - To review the measures taken for effective exercise of voting rights by shareholders;
  - To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent;
  - To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
  - To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.
- The Committee met once (1) during the year under review i.e. on November 12, 2024
- Composition of Stakeholders Relationship Committee as on March 31, 2025 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1.	Mr. Vinit Rathod	Chairman	Independent Director	1
2.	Mr. Ajay Anand	Member	Executive Director	1
3.	Mr. Manan Shah	Member	Independent Director	1

- Mr. Vinit Rathod, Chairman of the Committee was present at the Annual General Meeting held on September 27, 2024.

vi. Details of Investor complaints received during the year under review:

Complaints Pending as on 01/04/2024	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2025
Nil	Nil	Nil	Nil

vii. Name and Designation of Compliance Officer:

<b>Name and Designation of the Compliance Officer</b>	Mr. Akram Sati, Company Secretary & Compliance Officer
<b>Address for correspondence</b>	63, Mittal Court, C Wing, Nariman Point, Mumbai 400 021
<b>Telephone Number</b>	022 4351 4444/400
<b>E-mail</b>	cs@fazethree.com

#### D. Corporate Social Responsibility Committee:

- The Corporate Social Responsibility Committee ('CSR') of the Company is constituted in line with the provisions of Section 135 of the Act.
- Terms of Reference of the Committee inter alia include the following:
  - To formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
  - To recommend to the Board the annual action plan;
  - To recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy;
  - To monitor the CSR Policy.
- During the year under review, the Committee met twice (2) i.e., on May 22, 2024 and August 08, 2024.
- The composition of the CSR Committee as on March 31, 2025 and the details of meetings attended by its members are given below:**

Sr. No.	Name of the Member	Designation	Category	No. of meetings attended
1.	Mr. Ajay Anand	Chairman	Executive Director	2
2.	Mr. Sanjay Anand	Member	Executive Director	1
3.	Mr. Manan Shah	Member	Independent Director	2

#### E. Management Committee:

- The Board of Directors of the Company constituted a Management Committee, for the ease of carrying out day to day Business transactions.
- The terms of reference of the Management Committee inter alia includes, review of borrowing requirements, investment of surplus funds, Acquisitions, divestments, business development, oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, authorizing officers to act on behalf of company for various purpose from time to time and any other items as may be decided by the Board from time to time.
- As on March 31, 2025, the Composition of the Committee is as mentioned below:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Ajay Anand	Chairman	Managing Director
2.	Mr. Sanjay Anand	Member	Whole-time Director
3.	Mr. Ankit Madhwani	Member	Chief Financial Officer

- During the year under review, 11 (Eleven) meetings of the Committee were held i.e., April 01, 2024, May 27, 2024, July 19, 2024, September 17, 2024, October 23, 2024, November 18, 2024, December 23, 2024, December 30, 2024, February 14, 2025, March 07, 2025 and March 26, 2025.



#### F. Senior Management Personnel

The Senior Management of the Company includes-

- i. Mr. Vishnu Anand, President
- ii. Mr. Ankit Madhwani, Chief Financial Officer
- iii. Mr. Pritam Singh, Chief Operating Officer- Sales & Marketing
- iv. Mr. Gurunath Khandekar, Chief Operating Officer- Procurement
- v. Mrs. Divya Pai, Vice President- Accounts
- vi. Mr. Akram Sati- Company Secretary & Compliance Officer
- vii. Mr. Manoj Mondal, Chief Human Resources Officer

There was no change in the senior management during the year under review.

#### 4. General Body Meetings:

Annual General Meetings:

Year	Date	Venue	Time	Special Resolution
2021-22 37 <sup>th</sup> AGM	September 30, 2022	Through Video Conferencing	10.30 a.m.	No Special Resolution was passed in the meeting.
2022-23 38 <sup>th</sup> AGM	September 22, 2023	Through Video Conferencing	04.30 p.m.	No Special Resolution was passed in the meeting.
2023-24 39 <sup>th</sup> AGM	September 27, 2024	Through Video Conferencing	5.00 p.m.	<p>The following Special Resolutions were passed:</p> <ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Ajay Anand (DIN: 00373248) as the Managing Director of the Company;</li> <li>2. Re-appointment of Mr. Sanjay Anand (DIN: 01367853) as the Whole-time Director of the Company;</li> <li>3. Introduction, Adoption and Implementation of 'Faze Three Employee Stock Option Scheme 2024';</li> <li>4. Extension of Faze Three Employee Stock Option Scheme 2024 to the employees of group company(ies) including subsidiary company(ies) or its associate company(ies), in India or Outside India;</li> <li>5. Implementation of Faze Three Employee Stock Option Scheme, 2024 through Trust and secondary acquisition of equity shares of the Company by the Trust;</li> <li>6. Provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Faze Three Employee Stock Option Scheme, 2024.</li> </ol>

All the Resolutions set out in the Notices were passed by the Shareholders.

## 5. Postal Ballot:

### Details of special resolution passed during the year under review through postal ballot and its procedure:

During the year under review, the Company conducted a Postal Ballot by remote e-voting process only, from December 18, 2024 to January 16, 2025 vide notice of Postal Ballot dated November 13, 2024, to seek the Members approval by way of passing a Special Resolution for the appointment of Mr. Devajyoti Bhattacharya (DIN: 00868751) as an Independent Director of the Company.

The Board of Directors appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655, CP No. 1798), as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and he submitted his report on January 17, 2025 and the result of postal ballot was announced on same date declaring that the Special Resolution was passed with requisite majority.

### Voting pattern:

Total No. of votes polled	Votes in favour			Votes against		
	No. of shareholders	No. of votes cast	% of votes	No. of shareholders	No. of votes cast	% of votes
18072972	66	18071123	99.99	6	1849	0.01

No special resolution is proposed to be passed through Postal Ballot as on the date of this Report.

## 6. Means of Communication:

The Company's quarterly/ half yearly/ annual financial results are published in following newspapers:

- Indian Express (English)
- Financial Express (Gujarati) – Gujarat Edition
- Mint (English)

Company's results and official news releases, if any, are sent to Stock exchanges, where the equity shares of the Company are listed and also displayed on the Company's website [www.fazethree.com](http://www.fazethree.com)

The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form at <https://www.fazethree.com/investors/financial-results>

No presentations were made to the institutional investors and to the analysts during the FY 2024-25.

## 7. General Shareholder Information:

AGM Date, Time and Venue	Pursuant to the General Circular no. 09/2024 dated September 19, 2024 issued by Ministry of Corporate Affairs, the 40th Annual General Meeting of the Company for FY 2024-25, is scheduled to be held on Friday, September 05, 2025 at 05.00 p.m. through video conferencing.
Company's Financial Year	1st April – 31st March
Dividend Payment Date	N.A.
Financial Year	April 01, 2024 to March 31, 2025
Listing on Stock Exchange	BSE Limited, Phiroze Jeejeebhoy towers, Dalal Street, Mumbai – 400001.  National Stock Exchange of India Limited Exchange Plaza, Plot No. C/ 1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.  The listing fees has been duly paid by the Company for the F.Y. 2023-24 as well as 2024-25.
BSE Scrip Code	530079
NSE Symbol	FAZE3Q

ISIN	INE963C01033
Registrar and Transfer Agent	<p>MUFG Intime India Private Limited (<i>formerly known as Link Intime India Private Limited</i>)</p> <p>C 101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083.</p> <p>Phone: 022 - 4918 6270</p> <p>Website: <a href="https://in.mpms.mufg.com/">https://in.mpms.mufg.com/</a></p> <p>Email: <a href="mailto:rnt.helpdesk@in.mpms.mufg.com">rnt.helpdesk@in.mpms.mufg.com</a></p>
Share Transfer System	<p>All transfer, transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the Listing Regulations, read together with the relevant SEBI Circulars.</p> <p>In terms of the Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all the listed companies to issue securities in dematerialized form only while processing the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition.</p> <p>The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. MUFG Intime India Private Limited formerly known as Link Intime India Private Limited.</p>
Credit ratings	<p>Credit Rating of the Company by CARE Ratings Limited:</p> <p>Long Term Bank Facilities at 'CARE A; Stable' &amp; Short Term rating has been upgraded to 'CARE A1'.</p>
Commodity price risk or foreign exchange risk and hedging activities	<p>The major raw material for company is yarn (Cotton and Polyester). The entire raw material is sourced locally. The Senior Management is involved in acquisition and negotiation of cost based on order size.</p> <p>The raw material sourcing is planned in advance as per requirement at each location and depending on order size and quantum, material is acquired either individually at each plant location or in bulk by senior management.</p> <p>A robust planning and strategy ensures that the Company's interests are protected despite volatility in Commodity prices.</p> <p>The Company manages foreign exchange risk with appropriate hedging activities.</p> <p>The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment.</p> <p>The coverage of foreign exchange exposure through forward contracts are decided based on orders in hand, market conditions, movement of exchange rate and accordingly foreign exchange exposure is hedged and kept uncovered.</p> <p>The details of foreign exchange exposures as on March 31, 2025 are disclosed in the notes forming part of the standalone financial statements.</p>

## 8. Distribution of shares and shareholding as on March 31, 2025:

Sr. No	No. of Equity Shares Held		Shareholders		Shareholding	
	From	To	Nos	%	Nos	%
1.	Upto 500		11,487	91.52	9,68,745	3.98
2.	501	500	519	4.13	3,98,867	1.64
3.	1001	1000	280	2.23	4,09,635	1.68
4.	2001	2000	94	0.75	2,35,058	0.97
5.	3001	3000	44	0.35	1,59,113	0.65
6.	4001	4000	27	0.22	1,23,633	0.51
7.	5001	5000	46	0.37	3,47,717	1.43
8.	100001 and above		10000	0.44	2,16,76,232	89.13
	<b>Total</b>		<b>12,552</b>	<b>100</b>	<b>2,43,19,000</b>	<b>100</b>

## 9. Shareholding Pattern as on March 31, 2025:

Category Code	Category of Shareholder	Total No. of Shares	%
<b>(A)</b>	<b>Promoter and Promoter Group Holding</b>		
1	Indian Promoters	1,40,92,393	57.95
2	Foreign Promoters	-	-
	<b>Sub Total (A)</b>	<b>1,40,92,393</b>	<b>57.95</b>
<b>(B)</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions (Domestic)</b>		
i.	NBFCs registered with RBI	250	0
ii.	Mutual Funds	63,388	0.26
iii.	Alternate Investment Funds	-	-
<b>iv.</b>	<b>Institutions (Foreign)</b>		
a	Foreign Portfolio Investor (Category 1)	4,752	0.02
b	Foreign Portfolio Investor (Category 2)	719	0.00
	<b>Sub Total (B1)</b>	<b>69,109</b>	<b>0.28</b>
<b>2</b>	<b>Non-Institution</b>		
i.	Individuals shareholders holding nominal share capital up to Rs. 2 lakhs	25,02,265	10.29
	Individuals shareholders holding nominal share capital above Rs. 2 Lakhs	66,95,099	27.53
<b>ii.</b>	<b>Any Other</b>		
a	Key Managerial Personnel	8443	0.03
b	Bodies Corporate	4,37,669	1.80
c	HUF	2,42,815	1.00
d	Non-Resident Indians	1,55,469	0.64
e	LLP	84,722	0.35
f	Independent Director	2,900	0.01
	<b>Sub Total (B2)</b>	<b>1,01,29,382</b>	<b>41.65</b>
<b>(C)</b>	<b>Shares held by Employee Trust</b>	<b>28,116</b>	<b>0.12</b>
	<b>GRAND TOTAL (A+B1+B2)</b>	<b>2,43,19,000</b>	<b>100</b>

**10. Dematerialization of shares and liquidity as on March 31, 2025:**

Sr. No.	Type	Total Folios	Total Shares
1.	Physical Holding	412	2,32,545
2.	CDSL Holding	8104	1,82,88,782
3.	NSDL Holding	4036	57,97,673

**11. Plant Locations:**

- Handloom & Made-ups Plant -Jatal Road, Anand Nagar, Panipat, Haryana;
- Handloom & Made-ups Plant - G.T. Road, Opposite B.B.M.B. Residency Colony, Panipat 132103, Haryana;
- Handloom & Made-ups Plant - Panipat Gohana National Highway -71A, Village Mehrana Distt. Panipat, Panipat-132103, Haryana;
- Weaving & Made-Ups Plant - Survey No. 380/1, Village Dapada, UT of Dadra & Nagar Haveli and Daman & Diu;
- Bathmat Plant - Survey No. 1551 (356/1&2), Village Dadra, UT of Dadra & Nagar Haveli and Daman & Diu;
- Dye-House - Plot No. 71, GIDC, Vapi Industrial Area, Valsad, Gujarat.
- Mats and More Private Limited - Mats and other floor coverings - H- 33, MIDC Waluj Aurangabad – 431 136, India.
- Mats and More Private Limited - Mats and other floor coverings - L-16/17 MIDC, Waluj, Aurangabad – 431 136, India.

**12. Address for Correspondence:**

Corporate Office address	63, 6th Floor, Mittal Court, Wing C, Nariman Point, Mumbai – 400 021.
Phone:	+91 (022) 4351 4444/400
Website:	<a href="http://www.fazethree.com">www.fazethree.com</a>
Email Id:	<a href="mailto:cs@fazethree.com">cs@fazethree.com</a>

**13. Other disclosures:****i. Related party transactions:**

All related party transactions entered into with related parties as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and at arm's length basis. These have been approved by the Audit Committee and all transactions are reviewed quarterly by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link <https://www.fazethree.com/investors/policies>

- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e., 2022-23, 2023-24 and 2024-25 respectively: NIL
- iii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link <https://www.fazethree.com/investors/policies>.
- iv. The Company has also adopted a Policy on Determination of Materiality for Disclosures and Policy for Preservation of Documents. The said policy has been also put up on the website of the Company at the following link <https://www.fazethree.com/investors/policies>.



- v. The Company has also adopted Policy on Determining Material Subsidiaries and the same is hosted on the website of the Company at <https://www.fazethree.com/investors/policies>
- vi. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. – Not applicable
- vii. The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

- viii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor:

Company Name	Remuneration paid (Amount in INR)
Faze Three Limited	26,20,400/- (including reimbursement of out-of-pocket expenses)
Mats and More Private Limited, Wholly Owned subsidiary	51,000/- (including reimbursement of out-of-pocket expenses)

- ix. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations. The Company has adopted the following discretionary requirements of the Listing Regulations:
- The Company follows the regime of financial statements with unmodified audit opinion.
  - The internal auditor reports directly to the Audit Committee as well as the Board of Directors.
- x. The disclosure of commodity price risks and commodity hedging activities:
- The Company is not dealing in commodity price and commodity hedging activities hence there is no risk related to commodity price or commodity hedging activities.
- xi. The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.
- xii. Compliance Certificate as stipulated in Chapter IV of Listing Regulations obtained from Practicing Company Secretary, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure to this Report.
- xiii. The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2024-25.
- xiv. There were no instances where the recommendations made by any of the Committees of the Board were not accepted by the Board.
- xv. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Name of Company to whom the loan is advanced	Interested Directors	Amount (as on March 31, 2025)
Mats and More Private Limited (Wholly owned subsidiary)- Loan 1	Mr. Ajay Anand and Mr. Sanjay Anand	INR 22.83 crores
Mats and More Private Limited (Wholly owned subsidiary)- Loan 2	Mr. Ajay Anand and Mr. Sanjay Anand	INR 15.50 crores

- xvi. On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Sanjay Dholakia & Associates, Practicing Company Secretary

(CP No.1798), under Regulation 34(3) and Schedule V Para C Clause (10) (i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority.

**xvii. Unclaimed Dividends:**

Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF.

Year of declaration	Type of Dividend	Dividend per share	Date of declaration	Due date for transfer to IEPF
2017-18	Interim	Rs. 0.50/-	May 22, 2018	June 26, 2025
2019-20	Interim	Rs. 0.50/-	March 03, 2020	April 07, 2027
2022-23	Interim	Rs. 0.50/-	May 27, 2022	July 01, 2029

**xviii. Shares in the Demat Suspense Account & Unclaimed Suspense Account**

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the beginning of the year	Nil	Nil
Number of shareholders who approached the issuer for transfer of shares from the Suspense Account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	Nil	Nil

**For and on behalf of Board of Directors  
Faze Three Limited**

Date: May 23, 2025  
Place: Mumbai

**Sd/-  
Ajay Anand  
Chairman & Managing Director  
DIN: 00373248**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To

**The Members of Faze Three Limited**

Sub: Compliances with Code of Conduct

I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel, for the financial year ended March 31, 2025.

**For and on behalf of Board of Directors  
Faze Three Limited**

Date: May 23, 2025  
Place: Mumbai

**Sd/-  
Ajay Anand  
Chairman & Managing Director  
DIN: 00373248**

**CEO/ CFO CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LODR) REGULATIONS 2015**

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

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee:
1. that there are no significant changes in internal control over financial reporting during the year;
  2. that there are no significant changes in accounting policies during the year; and
  3. that there are no instances of significant fraud of which we have become aware.

**For and on behalf of Board of Directors  
Faze Three Limited**

Place: Mumbai  
Date: May 22, 2025

**Sd/-  
Ajay Anand  
Chairman & Managing Director  
DIN: 00373248**

**Sd/-  
Ankit Madhwani  
Chief Financial Officer**

**PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CONDITIONS  
OF CORPORATE GOVERNANCE**

To,

The Members of

**Faze Three Limited**

**CIN: L99999DN1985PLC000197**

I have examined the compliance of conditions of Corporate Governance by Faze Three Limited as stipulated in regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**FOR SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

**SANJAY R DHOLAKIA**

**Practicing Company Secretary**

**Proprietor**

**Membership No.: FCS 2655**

**CP No.: 1798**

**Peer Reviewed Firm No. 2036/2022**

**Date: May 23, 2025**

**Place: Mumbai**

**UDIN: F002655G000424681**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

**FAZE THREE LIMITED**

**CIN: L99999DN1985PLC000197**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FAZE THREE LIMITED** having CIN L99999DN1985PLC000197 and having registered office at Survey No. 380/1, Khanvel Silvassa Road, Village Dapada, Dadra & Nagar Haveli 396230 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Ajay Anand	00373248	20/06/2013
2	Mr. Sanjay Anand	01367853	01/12/2009
3	Mrs. Rashmi Ajay Anand	00366258	23/08/2019
4	Mr. Manan Manoj Shah	07589737	12/08/2016
5	Mr. Vinit Arvind Rathod	07589863	12/08/2016
6	Mr. Chuji Kondo	09744760	05/10/2022
7	Mr. James Barry Leonard	09744803	05/10/2022
8	Mr. Devajyoti Nirmal Bhattacharya (Appointed on 13th November, 2024)	00868751	13/11/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SANJAY DHOLAKIA & ASSOCIATES**

Sd/-  
**SANJAY R DHOLAKIA**  
Practicing Company Secretary  
Proprietor

Membership No.: FCS 2655  
CP No.: 1798  
Peer Reviewed Firm No. 2036/2022

Date: May 23, 2025  
Place: Mumbai

UDIN: F002655G000424626



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members of

**FAZE THREE LIMITED**

**CIN: L99999DN1985PLC000197**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FAZE THREE LIMITED** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the Company: -
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under review.
  - a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- vii. Laws applicable to the industry to which the Company belongs, as identified by the Management is given as under: -
- Factories Act, 1948
  - Industrial Dispute Act, 1947
  - The Payment of Wages Act, 1936
  - The Minimum Wages Act, 1948
  - Employees' State Insurance Act 1948
  - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - The Payment of Bonus Act, 1965
  - The Payment of Gratuity Act, 1972
  - The Contract Labour (Regulation and Abolition) Act, 1970
  - The Maternity Benefit Act, 1961
  - The Industrial Employment (Standing Order) Act, 1946
  - The Apprentices Act, 1961
  - The Environment (Protection) Act, 1986
  - The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
  - The Water (Prevention and Control of Pollution) Act, 1974
  - The Air (Prevention and Control of Pollution) Act, 1981
  - The Child Labour (Prohibition and Regulation) Act, 1986
  - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - The Maharashtra Shops and Establishments Act 1948
  - The Noise Pollution (Regulation and Control) Rules, 2000
  - National Textile Policy, 2000
  - The Textile Committee Act, 1963
  - The Handlooms (Reservation of Articles for Production) Act, 1985
  - Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines Standards mentioned above.

I further report & confirm that the company has maintained Structured Digital Database in compliance with the Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the year ended 31.03.2025.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review,

- Mr. Ajay Anand (DIN: 00373248) re-appointed as the Managing Director of the Company for a period of 5 Years with effect from April 1, 2025 to March 31, 2030.

- Mr. Sanjay Anand (DIN: 01367853) as the Whole-time Director of the Company for a period of 5 years with effect from April 1, 2025 to March 31, 2030.
- Mr. Devajyoti Nirmal Bhattacharya, Appointed as a Non-Executive - Independent Director of the Company w.e.from 13th November, 2024 .

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the Unpublished Price Sensitive Information which were, pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR SANJAY DHOLAKIA & ASSOCIATES**

**Sd/-**

**SANJAY R DHOLAKIA**

**Practicing Company Secretary**

**Proprietor**

**Membership No.: FCS 2655**

**CP No.: 1798**

**Peer Reviewed Firm No. 2036/2022**

**Date: 23rd May, 2025**

**Place: Mumbai**

**UDIN: F002655G000424637**

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

**ANNEXURE A**

To,

**The Members,**

**FAZE THREE LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

**SANJAY R DHOLAKIA**

**Practicing Company Secretary**

**Proprietor**

**Membership No.: FCS 2655**

**CP No.: 1798**

**Peer Reviewed Firm No. 2036/2022**

**Date: 23rd May, 2025**

**Place: Mumbai**

**UDIN: F002655G000424637**

## Business Responsibility and Sustainability Report for FY 2024-25

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity:** L99999DN1985PLC000197
2. **Name of the Listed Entity:** Faze Three Limited
3. **Year of incorporation:** 1985
4. **Registered office address:** Survey No. 380/1, Khanvel Silvassa Road, Village Dapada, UT of DNH & DD, 396230 India.
5. **Corporate address:** 63, 6th Floor, Wing C, Mittal Court, Nariman Point, Mumbai – 400021.
6. **E-mail:** cs@fazethree.com
7. **Telephone:** 91 (22) 43514400
8. **Website:** www.fazethree.com
9. **Financial year for which reporting is being done:** Financial year 2024–25
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital:** 24,31,90,000/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**  
 Mr. Ankit Madhwani, Chief Financial Officer / Mr. Akram Sati, Company Secretary and Compliance Officer  
 Telephone no.: 91 (22) 43514400  
 Email id: cs@fazethree.com
13. **Reporting boundary:** This report presents disclosures on a consolidated basis for Faze Three Limited and its wholly owned subsidiary, Mats and More Limited. In sections where consolidated reporting is not feasible, data has been provided on a standalone basis, with such instances clearly marked through appropriate footnotes to ensure transparency.  
  
 The data for FY 2023–24 has been revised, as the Business Responsibility and Sustainability Report (BRSR) for that year was originally prepared on a standalone basis. Wherever necessary and possible, consolidated figures have been incorporated to provide a more comprehensive view.

#### II. Products/Services

##### 14. Details of business activities (accounting for 90% of the turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Home & Technical Textile Products	90%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Services	NIC Code	% of total Turnover contributed
1	Manufacturing of made-up textile products except apparels.	1392	90%



### III. Operations

#### 16. Number of locations where plants and /or operations/offices of the entity are situated:

Location	Number of Plants	Number of offices	Total
National	8	2	10
International	-	-	-

#### 17. Markets served by the entity:

##### a. Number of locations:

Locations	Number
National (No. of States)	0
International (No. of Countries)	23

##### b. What is the contribution of exports as a percentage of the total turnover of the entity? = 93.56%

##### c. A brief on types of customers

Faze Three Limited is engaged in the business of manufacturing home & technical textiles furnishing products. The Company generates over 90% of its total revenue from Exports. The Company has a diversified product line, Products range from All types of Bathmats, Ultra Luxury Bath Rugs, Washable Area Rugs, High-Performance Outdoor/Indoor rugs, Top of the Bed products, Blanket, Curtains, Patio Mats, Cushions, etc. The Company supplies to Global retail giant and caters to a wide range of vendors and wholesalers in USA/ EU/UK.

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
<b><u>EMPLOYEES</u></b>						
1.	Permanent (D)	857	800	93.35	57	6.65
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D+E)</b>	<b>857</b>	<b>800</b>	<b>93.35</b>	<b>57</b>	<b>6.65</b>
<b><u>WORKERS</u></b>						
4.	Permanent (F)	1,911	1,517	79.38	394	20.62
5.	Other than Permanent (G)	1,745	1,422	81.49	323	18.51
6.	<b>Total workers (F+G)</b>	<b>3,656</b>	<b>2,939</b>	<b>80.39</b>	<b>717</b>	<b>19.61</b>

**b. Differently abled Employees & Workers:**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
<b><u>DIFFERENTLY ABLED EMPLOYEES</u></b>						
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D+E)</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b><u>DIFFERENTLY ABLED WORKERS</u></b>						
4.	Permanent (F)	6	4	66.67	2	33.33
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total workers (F+G)</b>	<b>6</b>	<b>4</b>	<b>66.67</b>	<b>2</b>	<b>33.33</b>

**19. Participation/ Inclusion/ Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0.00%

**20. Turnover rate for permanent employees and workers**

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees & Workers	16.9 %	21.37 %	17.68%	10.68%	11.73%	10.82%	14.11%	12.61%	13.36%

**V. Holding, Subsidiary and Association Companies (including joint ventures)**
**21. Name of the holding/ subsidiary/ associate companies/ joint ventures.**

Sr. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Faze Three US LLC	Wholly Owned Foreign Subsidiary	100.00%	No
2	Mats and More Private Limited	Wholly Owned Foreign Subsidiary	100.00%	Yes

**VI. CSR Details**
**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**
**(ii) Turnover (in Rs) : 6,58,90,93,140.17/-**
**(iii) Net worth (in Rs): 3,59,35,20,029.77/-**
*\*Note: The CSR details are provided on Standalone Basis.*

## VII. Transparency and Disclosure Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has deployed its employees at each factory location who regularly visit the communities and interact with people to ascertain and address community concerns, if any.	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	No	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	The Company has Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. SRC meets as and when required and atleast once a year to resolve shareholders grievances. Scores platform is also available for shareholders to raise any complaints ( <a href="https://scores.gov.in/admin/Welcome.html">https://scores.gov.in/admin/Welcome.html</a> )	NIL	NIL	NIL	NIL	NIL	NIL
Employees and workers	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>	NIL	NIL	NIL	NIL	NIL	NIL
Customers	The Company operates into B2B Model and exports manufactured products to large retailers around the world. Each customer has a dedicated key account manager for 360-degree communication.	NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners	The Company has deployed its employees at each factory location who regularly interact with Value chain partners to ascertain and address concerns, if any.	NIL	NIL	NIL	NIL	NIL	NIL

**\*Note: The above details are provided on Standalone Basis.**

24. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Natural Resource availability	Opportunity	Natural capital is a vital component of our value creation model, guiding us toward fulfilling our business objectives by developing sustainable products and solutions that minimize impact on the natural ecosystem.	<p>1. The Company have invested in Rooftop Solar of 3.5 MW and Clean Energy for processing (PNG).</p> <p>2. The above these initiatives are conscious efforts towards ESG goals of the company with sustainable capital paybacks</p>	Positive: Scope to increase reliability on renewal energy.
2	Geopolitics	Risk & opportunities	<p>Unpredictable tariff structures of US have increased the risk of higher import duties on textiles and home furnishing products from several countries, including India.</p> <p>This poses a risk to price competitiveness in the U.S. market, which is a key export destination.</p> <p>Additionally, ongoing conflicts in Ukraine and the Middle East have driven up global oil prices, resulting in higher transportation and raw material costs</p> <p>These developments pose risks to</p>	<p>Approximately 95% of the Company's exports are conducted on a Free on Board (FOB) basis, strategically mitigating risks associated with volatile global taxation policies.</p> <p>In addition, the Company continues to procure roughly 95% of its raw materials from domestic sources, thereby minimizing exposure to international supply chain disruptions and fluctuations in global commodity pricing.</p> <p>Over the past four years, the Company has made significant investments across</p>	Positive

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			profitability but also create opportunities as global buyers seek alternatives to China, favoring Indian exporters.	all manufacturing locations. These efforts have focused on expanding capacity in established product lines while introducing new offerings to leverage the global shift towards the "China Plus One" strategy.  Moreover, escalating trade tensions between China and the United States are expected to sustain tariff barriers on Chinese goods. As a result, U.S. tariffs have aligned the cost of man-made fiber (MMF) products from Indian home textile manufacturers with those from China, positioning Indian exports on a more competitive footing.	
3	Climate Change	Risk	As a textile manufacturing company, yarn (primarily cotton and synthetic fibers) is a critical raw material. Climate change poses a significant threat to cotton cultivation due to unpredictable weather patterns, water scarcity, and soil degradation, impacting both the quality and consistency of yarn supply.	The Company has implemented systems to regularly monitor raw material stock levels and maintain alternative supply sources. It offers products made from diverse yarn types such as Supima cotton, recycled fibers, and rPET to mitigate climate-related risks. Additionally, the Company is actively increasing the use of	Negative: Scarcity/ shortage of yarn leads to high production cost.  Positive: Move towards sustainable cotton and use rPET and recycle/ reuse fiber



Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				sustainable inputs and eco-friendly production processes to reduce its environmental footprint and enhance long-term resilience.	
4	Water Management	Risk	Water is mainly required for processing the textiles consumes.	<p>The Company has implemented plant-wise strategies to ensure responsible water management through the adoption of alternative water sources. These include the utilization of borewells, groundwater, effluent treatment plants (ETPs), water reuse systems, rainwater harvesting infrastructure, and supplemental tanker water supply. These initiatives are aligned with the broader goal of achieving water neutrality across operations.</p> <p>In addition, the Company has institutionalized policies and practices focused on treating and reusing wastewater</p>	Negative: Scarcity/ Shortage will impact the manufacturing process.

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>rather than discharging it. This proactive approach has led to the successful attainment of Zero Liquid Discharge (ZLD) status at multiple manufacturing sites.</p> <p>In addition, the Company has institutionalized policies and practices focused on treating and reusing wastewater rather than discharging it. This proactive approach has led to the successful attainment of Zero Liquid Discharge (ZLD) status at multiple manufacturing sites.</p>	
5.	Regulatory changes	Risk & Opportunity	The Company operates under a framework of various laws, rules, and regulations. Any changes in the regulatory environment can significantly influence our operations—affecting areas such as material sourcing, emissions control, waste management, storage and handling of materials, and the quality standards of finished goods.	<ol style="list-style-type: none"> <li>1. The Company continues to monitor all emerging regulations, incidents, developments and map it for compliance.</li> <li>2. Regular training and discussion with employees is conducted to keep them updated about regulatory changes.</li> <li>3. Data mapping and records are kept in organised manner.</li> </ol>	<p>Positive: Scope for product innovation to meet new regulatory requirements and explore new sources of raw materials.</p> <p>Negative: Increased expenses in transiting towards meeting new regulations.</p>

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Health and Safety risk	Risk	The Company's manufacturing operations involve the use of plant, machinery, and material handling equipment, which inherently carry a risk of injury to workers and employees. Ensuring workplace safety and minimizing these risks remains a critical operational priority.	<ol style="list-style-type: none"> <li>1. Training of workers and employees for operating machines, procedure, SOP etc.</li> <li>2. Compliance with all applicable health and safety legislations and relevant standards.</li> <li>3. Keep upgrading the health and safety standards.</li> </ol>	Negative: Impact on health and well-being of the workers and employees of the Company.
7.	Employee/ Worker engagement	Risk and Opportunities	Employees and workers are integral to the effective functioning of the organization. Any form of industrial action, such as a strike or labor dispute, can disrupt operations and adversely impact productivity.	<p>The Company remains committed to fostering a growth-oriented and inclusive workplace culture through the following employee-centric initiatives:</p> <ol style="list-style-type: none"> <li>1. <b>Training &amp; Development:</b> A range of engagement programs and training modules are regularly conducted to support employees' personal and professional growth, enabling new career opportunities within the organization.</li> <li>2. <b>Employee Recognition:</b> To acknowledge and reward long-term</li> </ol>	<p>Positive: The engagements lead to employee/ workers feeling part of organisations leading to better efficiency and creating leaders for tomorrow.</p> <p>Negative: Labour unavailability can impact manufacturing.</p>

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>commitment and performance, the Company has introduced an Employee Stock Option Scheme (ESOP), reinforcing its ethos of loyalty and shared success.</p> <p><b>3. Knowledge Dissemination:</b> Interactive sessions on labor laws are organized to promote awareness, legal literacy, and compliance among employees across functions.</p> <p><b>4. Health &amp; Wellness:</b> Regularly scheduled sessions focused on both physical and mental wellness aim to cultivate a healthier and more resilient workforce.</p> <p><b>5. Grievance Redressal Mechanism:</b> A transparent and accessible grievance resolution framework encourages employees to voice their concerns to</p>	

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>Reporting Managers or senior leadership. This initiative reflects the Company's dedication to open communication and conflict resolution.</p> <p><b>6. Prevention of Sexual Harassment (PoSH):</b> A formal policy in accordance with legal guidelines has been established to prevent, prohibit, and address sexual harassment in the workplace. The Company has constituted an Internal Complaints Committee (ICC) to independently investigate and resolve such matters.</p>	
8.	Customer Satisfaction	Opportunity	The primary goal of any organization is to ensure that customers receive exactly what they need and expect. At Faze Three, we firmly believe that customer satisfaction is the foundation of long-term success and presents the greatest opportunities for growth and innovation.	Company has dedicated person for each customer at each location for customer feedback along with "Customer Policy" to ensure best possible business experience to customers.	Positive: Satisfied customer plays very vital role for growth and expansion of the company. It also adds to brand value of the company.



Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Employment	Opportunity	An organization's efficiency is directly linked to the effectiveness of its employees. At Faze Three, we view employment as a strategic opportunity to attract, train, and retain a skilled workforce that grows and evolves alongside the company.	–	Positive: Skilled employees helps business to grow and develop more consistently, ensuring sustainable growth in revenue and profits.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<b>Policy and management processes</b>									
1.										
a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b.	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
c.	Web Link of the Policies, if available	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	NA	Note 1	Note 1
2.	Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Fair Trade USA, GOTS, Oeko-Tex – standard 100, StEP (Sustainable Textile Production), MIG label (Made in Green), ISO9001:2015, SA8000:2014, SMETA;	ISO9001:2015, Fair Trade USA, Oeko-Tex – standard 100, StEP (Sustainable Textile Production), MIG label (Made in Green); intertek – Global security verification;	SMETA, SA8000:2014; Intertek – Global security verification; amfori BSCI; Intertek WCA; SLCP; Higg Index (FEM & FSLM)	SMETA; intertek – Global security verification; The Supplier Compliance Audit Network (SCAN); GOTS; Global Recycled Standard (GRS); SA8000:2014; amfori BSCI; SLCP; FCCA (Walmart)	SA8000:2014; amfori BSCI; Walmart SCS; Intertek WCA; SLCP; Higg Index (FEM & FSLM);	Fair Trade USA, GOTS, Oeko-Tex – Standard 100, MIG label (Made in Green); Intertek WCA; Higg Index (FEM & FSLM)	NA–	SA8000:2014, StEP (Sustainable Textile Production); Global Recycled Standard (GRS);	intertek– Global security Verification; Oeko-Tex – standard 100; ISO 9001:2015; Walmart SCS; Higg Index (FEM & FSLM); FCCA (Walmart).

		The Supplier Compliance Audit Network (SCAN); Global Recycled Standard (GRS); amfori BSCI; Walmart SCS; Intertek WCA; FCCA (Walmart).	Standard (GRS); Recycled Claim Standard (RCS); Walmart SCS; Higg Index (FEM & FSLM); FCCA (Walmart)						
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in compliance with all applicable laws and regulations and is committed & working regularly to further improve the current standards							
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board of Directors of the Company has empowered the Senior Management at each location to ensure the compliance with the principles and to review it periodically and strive to improve the current standards.							
Governance, leadership and oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i>	At Faze Three, we have always believed in driving business with purpose. We believe Sustainability is a journey, and while we believe there is more work to be done, we are also poised to take up challenges and improvements through transforming our ways of doing business.							
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company through top management oversee the implementation of the Business Responsibility policies.							
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? If yes, provide details.	No							

Principles	Applicable Policies	Link for policies
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Conduct for Directors and Senior Management Personnel, Insider Trading Policy, Policy on dealing with and materiality of Related Party Transactions, Vigil Mechanism/ Whistle Blower Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe	Environment, Health and Safety Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains	Code of Conduct for Employees, HR Policy, Policy on Prevention of Sexual Harassment (POSH) of women at the workplace	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>

Principles	Applicable Policies	Link for policies
PRINCIPLE 4 – Businesses should respect the interests of and be responsive to all its stakeholders	Corporate Social Responsibility Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 5 - Businesses should respect and promote human rights	Code of Conduct for Employees, HR Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment	Environment, Health and Safety Policy, Corporate Social Responsibility Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	NA	NA
PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development	Corporate Social Responsibility Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>
PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner	Customer Policy	<a href="https://www.fazethree.com/investors/policies">https://www.fazethree.com/investors/policies</a>

**\*Note: The above details are provided on Standalone Basis.**

#### 10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the board						NA	Committee of the board	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances							NA		

Subject for review	Frequency [Annually (A)/ Half yearly (H)/ Quarterly (Q)/ Any other – please specify]								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	A	A	A	A	A	A	NA	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Q	Q	Q	Q	Q	Q	NA	Q	Q

*\*Note: The above details are provided on Standalone Basis.*

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

(Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

*\*Note: The above details are provided on Standalone Basis.*

12. If answer to question (1) above is “No” i.e. not all Principle are covered by a policy, reason to be started:

Questions	P7
The entity does not consider the Principles material to its business (Yes/No)	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No
It is planned to be done in the next financial year (Yes/No)	No
Any other reason (please specify)	The Company may share its Knowledge / knowhow to assist in the formulation of public policy, but it does not directly engage in advocacy activities. The Company is committed to extend financial literacy, employment generation, equal opportunity, increasing investor awareness, among others.

*\*Note: The above details are provided on Standalone Basis.*

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year: 2024-25

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4* (as part of Board Meeting)	Corporate Governance/ Companies Act/ SEBI Regulations.	82.76%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	229	Fire Training, Personal Protective Equipment use, Grievance Handling Procedure, Health & Safety, Work Place Conduct and Dispute Resolution,	100%

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		Chemical Handling (MSDS, Signage, Proper Storage/PPE), Hazardous Waste Handling Training, Chemical Spill Emergency Awareness Training, Access Restriction to chemical storage Area, GHS Symbol/MRSL Awareness Training, RSL & MRSL Awareness Training, Crisis/Disaster Management Training, Health & Safety, POSH, Referment awareness program, Recruitment Policy and procedure, IT Policy, Bribery Policy, Human Rights, Health & Safety, Performance Management, QMS Procedures and Integrity Policy.	
Workers	298	Training To Maintenance Worker/All Machine Operator, Energy Saving / Water Saving, Electrical Maintenance Program training, Environment health & safety awareness training, Emergency Drill (potential emergency situation & potential situation & potential accident/Crisis Management Planning & Drill), SA8000 Awareness Training, Code Of Conduct Training, Orientation Program, Disaster Management Awareness Training, Prevention of Sexual Harassment at Work Place refreshment Awareness Program for all workers & Staff. Crisis /Disaster Management Mock Drill for All Worker, SA-8000: 2014 Awareness training to SPT Members, Managers and Security Guards, SA-8000: 2014 An Internal Audit, Management	100%



Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		Review Meeting, Communicable, Non-Communicable & Transmissible Disease, PPE, PF Benefit, Chemical Handling.	

The above mention number of training is sum of training conducted at all of company's plants & offices during FY 2024-25.

**\*On Standalone Basis.**

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): NONE

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, the Company has an Anti-Bribery and Anti-corruption policy. This policy applies to all persons associated with the Company and who may be acting on behalf of the Company. The policy is available on the Company's website at <https://www.fazethree.com/investors/policies>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2024-25	FY 2023-24
<b>Directors</b>	NIL	NIL
<b>KMPs</b>		
<b>Employees</b>		
<b>Workers</b>		

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

**Not Applicable.**

8. Number of days of accounts payable:

	FY 2024 -25	FY 2023-24
Number of days of accounts payable	23 days	15 days

9. Open-ness of business:

Details of concentration of purchase & sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15.15%	10%
	b. Number of trading houses where purchases are made from	347	268
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	68.09%	64.09%

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.11%	6.34%
	b. Sales (Sales to related parties / Total Sales)	3.76%	8.29%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	0	0

**\*Note: The above details are provided on Standalone Basis.**

#### Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year: 2024-25

Total number of awareness programmes held	Topics / principles covered under the training	%age of persons in respective category covered by the awareness programmes
The Company conducts programmes at the time of on boarding new vendor and thereafter at regular interval	Ethical Policy, Integrity, Health and Safety, Sustainability, Transparency and Accountable behaviour	100% major value chain partners covered

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and Senior Management Personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and Senior Management Personnel on compliance with the code. The Company also ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with interested entities, if any.

The policy is available on the Company's website at <https://fazethree.com/investors/policies>.

#### **PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

##### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	0*	0*	Kindly refer Annexure III (Report on conservation of energy, technology absorption) of the Directors' Report forming part of the Annual Report.
Capex	19.39	4.84	

\*The Company has dedicated team at all locations for new product development which continuously engage with customers for new product and improvement in existing offerings

2.
  - a. Does the entity have procedures in place for sustainable sourcing?  
= Yes
  - b. If yes, what percentage of inputs were sourced sustainably?  
= 10%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
  - (a) Plastics (including packaging) - The Company encourages its customers to replace Plastics Tags with FSC Paper Tag and other recyclable material.
  - (b) E-waste – All IT related disposal is done through E–waste certified supplier who ensures safe disposal with minimal environmental impact.
  - (c) Hazardous waste - The legally prescribed procedures are adopted reusing and recycling the hazardous waste and environmentally sound disposal techniques are applied for disposing hazardous waste.
  - (d) Other waste - The non–hazardous waste is sold to authorised recyclers/ government authorities/ government agents.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).  
– No.  
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
– NA

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?  
  
Given the diversity of our products, Company has not undertaken LCA. However, the Company is exploring various initiatives to assess Carbon Footprint and reduce the same.
2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Home textiles products (All types of Bathmats, Ultra Luxury Bath Rugs, Washable Area Rugs, High-Performance Outdoor/Indoor rugs, Top of the Bed products, Blanket, Curtains, Patio Mats, Cushions, etc.)	Waste Generation in the process of production.	The Company encourages its customers to place orders for products which are sustainable and manufactured with recycled and reused material.
	Oil Discharge	The Company has in place effluent treatment/ discharge facility for proper disposal of oil.
	Carbon Emission (as a result of production process and generation /use of electricity)	<ul style="list-style-type: none"> <li>i. Expanding use of CNG, PNG, Solar Energy, Electrical Vehicles and other renewable energy source.</li> <li>ii. Installation of rooftop solar project for generation of renewable energy.</li> <li>iii. Installation of LED lamps in the vicinity of all factories powered by solar energy.</li> <li>iv. Installation of new sewing machines with servo motors leading to higher productivity and lower electricity cost.</li> <li>v. Turbo fans installed in the factories instead of electrical blowers thereby cutting energy</li> </ul>
	Water pollution/ soil and land pollution.	The Company increasingly works with vendors who have integrated facility for effluent treatment or subscribe to a common treatment/ discharge facility.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (%)	FY 2023-24 (%)
Plastic bags	39.11	17.53
Yarn	6.15	7.79
Spun Poly Yarn	24.65	6.28
Fiber	100	100
Chindi	100	100
Packing Material	6.67	3.18
Reprocessing Plastic Granules	100	100

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed:  
The Company operates into B2B Model and exports manufactured products to large retailers around the world and these products are not reclaimed by the Company.
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.  
Since the Company is engaged in B2B business model, the process with respect to the reclaimed products is not applicable to the Company.



**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent employees											
Male	800	201	25.13	800	100	NA	NA	800	100	716	89.50
Female	57	2	3.5	57	100	57	100	NA	NA	35	61.40
Total	857	203	23.69	857	100	57	100	800	100	751	87.63
Other than Permanent employees											
Male	0	0	0	0	0	NA	NA	0	0	0	0
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent workers											
Male	1,517	778	51	1,517	100	NA	NA	1,517	100	1,517	100
Female	394	90	23	394	100	394	100	NA	NA	394	100
Total	1,911	868	45	1,911	100	394	100	1,911	100	1,911	100
Other than Permanent workers											
Male	1,422	586	41	1,422	100	NA	NA	0	0	1,422	100
Female	323	49	15	323	100	0	0	NA	NA	323	100
Total	1,745	635	36	1,745	100	0	0	0	0	1,745	100

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	<b>FY 2024-25</b>	<b>FY 2023-24</b>
Cost incurred on wellbeing measures as a % of total revenue of the company	0.092%	0.083%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes

\* The Employees and Workers are covered as per the threshold limit as prescribed under the various applicable law.

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirement of the Rights of Persons with Disabilities Act, 2016?

= Yes

If not, whether any steps are being taken by the entity in this regard.

= NA

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is fully committed to providing equal employment opportunities and maintaining a workplace free from discrimination. This commitment extends to all individuals regardless of race, religion, national origin, ethnic origin, colour, gender, age, citizenship, veteran status, marital status, or disability.

To support this commitment, the Company has implemented comprehensive policies, including the Gender Equality Policy and the Diversity, Equality & Inclusion Policy, both of which explicitly prohibit discrimination on any grounds and promote an inclusive and respectful work environment.

These policies are aligned with the provisions of the Rights of Persons with Disabilities Act, 2016.

The Gender Equality Policy and Diversity, Equality & Inclusion Policy can be accessed on our website at [www.fazethree.com](http://www.fazethree.com)

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave. :-

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA

\*NA = No parental leaves were availed during the FY 2024-25 in said category.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company aims to provide a safe, friendly and conducive work environment to all of its employees and associates. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. The Company has formulated whistle blower policy which allows all our employees to report any kind of suspected or actual misconduct in the organisation in an anonymous manner. In addition, Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace has been formulated and Internal Complaints Committee has also been set up to redress any such complaints received.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	<b>857</b>	<b>0</b>	<b>0</b>	<b>707</b>	<b>0</b>	<b>0</b>
- Male	800	0	0	653	0	0
- Female	57	0	0	54	0	0
<b>Total Permanent Workers</b>	<b>1,911</b>	<b>0</b>	<b>0</b>	<b>1539</b>	<b>0</b>	<b>0</b>
- Male	1,517	0	0	1201	0	0
- Female	394	0	0	338	0	0

## 8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	800	354	44.25	0	0	653	289	44.26	139	21.29
Female	57	24	42.11	0	0	54	21	38.89	12	22.22
Total	857	378	44.11	0	0	707	310	43.85	151	21.36
Workers										
Male	1,517	1,517	100	549	36.19	1201	1201	100	250	20.82
Female	394	394	100	82	20.81	338	338	100	47	13.91
Total	1,911	1,911	100	631	33.02	1,539	1,539	100	297	19.30

\*Only permanent employees and workers

## 9. Details performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
<b>Employees</b>						
Male	800	800	100%	653	653	100%
Female	57	57	100%	54	54	100%
<b>Total</b>	<b>857</b>	<b>857</b>	<b>100%</b>	<b>707</b>	<b>707</b>	<b>100%</b>
<b>Workers</b>						
Male	1,517	1,517	100%	1,201	1,201	100%
Female	394	394	100%	338	338	100%
<b>Total</b>	<b>1,911</b>	<b>1,911</b>	<b>100%</b>	<b>1,539</b>	<b>1,539</b>	<b>100%</b>

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company has in place Environmental, Health and Safety Policy for protection of the employees from work related hazards. This Health and Safety Policy covers all the operating/ factory sites of Company. The health and safety management system broadly covers the following:

1. Risk assessments, safety audits and safety inspections at a prescribed frequency
2. Optimize use of natural resources i.e. energy, fuel, water and chemicals.
3. Ensure that each employee, workers and visitors comply with all safety rules and regulations framed for the operation.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company is committed to ensuring a safe and healthy working environment for all employees and workers. Regular inspections are conducted at the plant site to proactively identify and mitigate work-related hazards. In line with this commitment, the Company provides periodic training to employees and workers on the safe handling of hazardous materials and emergency response procedures.

Additionally, the Company continuously reviews and updates its health and safety standards to align with industry best practices and regulatory requirements, with the goal of preventing work-related injuries and illnesses.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

=Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

=Yes

## 11. Details of safety related incidents:

	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total injuries recordable work-related	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Including contract worker/ non-permanent workforce.

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has in place Health and Safety Policy which covers all the operating/ factory sites of Company. The Company has taken following measures to ensure and safety and health work place:

1. Implementation of Health and Management System
2. Systematic process in place for identification of work-related hazards.
3. Imparting trainings to the workers/ employees on dealing with hazardous goods.
4. Conducting mock drills for workers/ employees.
5. Adequate system in place to identify work related hazards and to formulate contingency plan and to eliminate or mitigate the hazards.
6. Ensures that all activities across the value chain are conducted as per the defined health and safety procedures.
7. Risk assessment is done on a periodic basis and actions are taken to maintain the risks.
8. Providing patient-centred, culturally appropriate, and individual holistic care and checkups, including sickness checkups and regular follow-ups to factory worker/ employees.
9. Conducts weekly checkups of employees working in Hazardous areas.
10. Maintenance of accurate medical records.

## 13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The following safety measures are taken by the Company:

1. Thermography Scanning: Thermography scanning is conducted at all plants.
2. Installation of instruments to prevent fire injury & Emergency Exit: To prevent any injury from fire, the Company has installed various instruments as prescribed by the Department of Fire and Emergency Services at all plants and compliance with respect to emergency exit requirements is ensured. Further, the fire drills are carried out at regular intervals.
3. Masks: It is mandatory for the workers even before Covid–19 Pandemic, to wear mask at the time of processing raw cotton, in order to prevent any respiratory disorders caused due to inhalation of dust produced by raw cotton.
4. Safety Earmuffs: It is mandatory for workers, working in loud conditions, to wear appropriate hearing protection equipment.
5. Machine guards and censors: The machine guards and censors are installed to protect the machine operator and other employees in the work area from hazards created during the machine's normal operation.

#### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of  
(A) Employees = Yes  
(B) Workers = Yes
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures timely compliance with all statutory obligations. Statutory dues are paid promptly, and the Company maintains a consistent track record of fulfilling these responsibilities. Additionally, the Company actively engages with its value chain partners to encourage and monitor their compliance with applicable statutory requirements, reinforcing a culture of accountability and regulatory adherence across the supply chain.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
Financial Year	FY 2024-2025	FY 2023-2024	FY 2024-2025	FY 2023-2024
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)  
= Yes
5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% of The Major value chain partner.
Working Conditions	100% of The Major value chain partner.



6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the year under review, there were no major health and safety related risks.

#### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

##### Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has identified its key stakeholder groups as Employees, Shareholders, Regulatory Bodies, Investors, Vendors, and Communities. Recognizing and engaging with these stakeholders is essential for effective management and strategic decision-making.

The process of stakeholder identification involves a clear understanding of the Company's mission and objectives, mapping both internal and external stakeholders, and categorizing them based on their level of influence and relationship with the organization. This approach ensures that the Company remains aligned with stakeholder expectations and responsive to their evolving needs.

Furthermore, the stakeholder list and analysis are reviewed and updated regularly to reflect changes in the business environment, ensuring continued relevance and effectiveness in stakeholder engagement.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	As needed: Email, in person meeting, calls	At regular intervals	1. Career Management and Growth Prospects 2. Learning opportunities 3. Compensation structure Flexible working hours
Shareholders & Investors	No	As needed: Presentation, email advisories.	1. Quarterly: Financial statements in IndAS and Company's presentation on financial results 2. Annual: Annual General Meeting; Annual Report	1. Understanding shareholder expectations 2. Addressing their concerns
Vendors	No	As needed: calls and meetings, emails, presentations, reviews.	At regular intervals	1. Quality Management 2. Pricing of products 3. Purchase orders Supply chain management
Communities	Yes	As needed: reviews, calls and meetings, surveys	Throughout the year.	1. Sustainable ways of doing business 2. Community welfare 3. Business concerns

## Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company maintains active and ongoing engagement with its key stakeholders. Continuous dialogue with stakeholders enables the Company to better understand and respond to their evolving needs and expectations, thereby strengthening trust and long-term relationships.

To ensure alignment with stakeholder interests, the Board of Directors is regularly updated on key developments and stakeholder feedback. Input from the Directors is actively sought and incorporated into strategic and operational decision-making processes, reinforcing a culture of transparency and responsiveness.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics.

Continuous engagement with stakeholders plays a vital role in aligning expectations and strengthening relationships. Through regular interactions, the Company gains valuable insights that enable it to better serve its stakeholders and fulfill its broader responsibilities.

As a result of these engagements, the Company has recognized its various responsibilities toward society and has proactively undertaken several initiatives to address them. Some of the key steps taken include:

- **Expansion of Renewable Energy Adoption** the Company is actively increasing its use of clean energy sources such as Piped Natural Gas (PNG), Compressed Natural Gas (CNG), solar energy, electric vehicles, and other renewable alternatives to reduce its environmental impact.
- **Wastewater Management through STP Systems** Sewage Treatment Plants (STPs) have been installed to minimize the volume of wastewater discharge and support responsible water use practices.
- **Inclusive Employment Growth** A formal policy is in place to increase the number of employees with disabilities by 50% annually, compared to the previous year, promoting inclusivity and equal opportunity in the workforce.
- **Environmentally Responsible Vendor Partnerships** the Company actively collaborates with vendors that maintain integrated effluent treatment facilities, ensuring environmentally compliant supply chain operations.
- **Zero Liquid Discharge Implementation** Wherever feasible, the Company is deploying Zero Liquid Discharge (ZLD) systems to recycle water fully and eliminate liquid waste discharge.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

All the CSR initiatives of the Company are undertaken for the benefit and upliftment of disadvantaged and marginalised section of the society. Kindly refer to the Corporate Social Responsibility Report given separately in Annual Report.

# **PRINCIPLE 5: Businesses should respect and promote human rights**

## **Essential Indicators**

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

	FY 2024-25			FY 2023-24		
	Total (A)	No. employees/ workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	857	857	100	707	707	100
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>857</b>	<b>857</b>	<b>100</b>	<b>707</b>	<b>707</b>	<b>100</b>
<b>Workers</b>						
Permanent	1,911	1,911	100	1539	1539	100
Other than permanent	1,745	1,745	100	832	832	100
<b>Total Employees</b>	<b>3,656</b>	<b>3,656</b>	<b>100</b>	<b>2371</b>	<b>2371</b>	<b>100</b>

- Details of minimum wages paid to employees and workers:

	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)			No. (E)	% (E/D)	No. (F)
Employees										
Permanent										
Male	800	0	0	800	100	653	0	0	653	100
Female	57	0	0	57	100	54	0	0	54	100
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	1,517	803	52.93	714	47.06	1201	664	55.28	537	44.71
Female	394	350	88.83	44	11.17	338	287	84.91	51	15.09
Other than Permanent										
Male	1,422	1363	95.85	59	4.15	656	639	97.41	17	2.59
Female	323	313	96.90	10	3.10	176	168	95.45	8	4.55

## 3. Details of remuneration/ salary/ wages:

## a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	2	4,45,900	0	Nil
Key Managerial Personnel	2	3,76,009	0	Nil
Employees other than BOD and KMP	796	30,000	57	40,006
Workers	1517	15,651	394	14892

**\*Note: The above details are provided on Standalone Basis.**

## b. Gross wages paid to females as % of total wages paid by the entity

	FY 2024-25	FY 2023-24
Gross Wages paid to females	16.94%	26.68 %

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

=Yes

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to upholding and promoting **human rights** as a core organizational value. It strives to maintain a **safe, inclusive, and respectful work environment** where every employee and worker is treated with dignity and fairness.

To ensure effective redressal of human rights-related grievances, the Company has established the following internal mechanisms:

- **Open-Door Policy:** Employees and workers are encouraged to report any concerns related to human rights violations, including harassment or discrimination, directly to their Reporting Manager or Senior Management without fear of retaliation.
- **Grievance Redressal Channels:** A structured grievance redressal mechanism is in place to address complaints promptly and confidentially. All reported issues are investigated thoroughly and resolved in a fair and timely manner.
- **Zero Tolerance Policy:** The Company strictly prohibits:
  - Sexual harassment
  - Discrimination based on race, religion, gender, nationality, age, marital status, disability, or any other protected characteristic
  - All forms of **forced labour, child labour, human trafficking, and abuse** (physical, sexual, psychological, or verbal)
- **Awareness and Training:** Regular training sessions and awareness programs are conducted to educate employees about their rights and the procedures for reporting violations.
- **Policy Framework:** The Company's Code of Conduct and Human Rights Policy outline the standards of ethical behavior and the commitment to human rights, which are communicated to all employees.

These mechanisms reflect the Company's dedication to fostering a workplace that respects individual rights and promotes equality, safety, and well-being.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY 2024-25	FY 2023-24
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/ workers	Not Applicable	Not Applicable
Complaints on POSH upheld.	Not Applicable	Not Applicable

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- Internal Complaints Committee is constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to receive, investigate the complaint and to provide independent judgement.
- Whistle Blower Policy of the Company provides adequate safeguard against the whistle blower and no one is denied access to the Chairman of the Audit Committee or in exceptional cases to the Board of Directors for appropriate relief.

9. Do human rights requirements form part of your business agreements and contracts?

= Yes

## 10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

= Not applicable

**Leadership Indicators**

## 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

During the reporting period, no business processes were required to be modified or introduced for addressing human rights grievances/complaints.

## 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is firmly committed to upholding and respecting human rights, including taking appropriate remedial actions in the event of any rights violations.

To support this commitment, the Company has established an Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, to receive and investigate complaints related to sexual harassment at the workplace.

Additionally, the Company has implemented a robust Whistle Blower/Vigil Mechanism Policy, which ensures adequate safeguards for whistleblowers. The policy guarantees that no individual is denied direct access to the Chairman of the Audit Committee, or in exceptional cases, to the Board of Directors, for appropriate redressal.

As an equal opportunity employer, the Company maintains a zero-tolerance policy towards discrimination on the basis of race, colour, religion, sex, national origin, gender identity, gender expression, sexual orientation, or disability status.

## 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

=Yes

## 4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% major value chain partners
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

= Not applicable.



**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameters	FY 2024-25 (MJ)	FY 2023-24 (MJ)
<b>From renewable sources</b>		
Total electricity consumption (A)	88,95,034.84	57,89,807.94
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>88,95,034.84</b>	<b>57,89,807.94</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	6,03,59,245.74	5,56,79,273.20
Total fuel consumption (E)	11,69,69,005.85	13,72,94,968.5
Energy consumption through other sources (F)	-	2,85,991.2
<b>Total energy consumed from non - renewable sources (D+E+F)</b>	<b>17,73,28,251.59</b>	<b>19,32,60,232.90</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>18,62,23,286.42</b>	<b>19,90,50,040.84</b>
<b>Energy intensity per rupee of turnover</b> (Total Energy (MJ)/Revenue from operation)	<b>0.026991364353</b>	<b>0.035260042516</b>
<b>Energy intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Energy/Revenue from operation adjusted for PPP)	NA*	NA*
<b>Energy intensity in terms of physical output (MJ/MT)</b>	<b>8,470.33</b>	<b>19,371.83</b>

\*Not Applicable as company earns more than 90% of its revenue from exports i.e. in US \$.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

=No

3. Provide details of the following disclosures related to water, in the following format:

Parameters	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	3,08,965	3,16,602
(ii) Groundwater	2,70,488.01	2,76,351
(iii) Third party water	7,556	5,650
(iv) Seawater / desalinated water	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>5,87,009.01</b>	<b>5,98,603</b>

Parameters	FY 2024-25	FY 2023-24
<b>Total volume of water consumption</b> (in kilolitres)	5,87,009.01	5,98,603
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.000085081594099074	0.00010603749258808
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Water consumed / Revenue from operation adjusted for PPP)	NA*	NA*
<b>Water intensity in terms of physical output (KL/MT)</b>	26,699.986	58,256.895

\*Not Applicable as company earns more than 90% of its revenue from exports i.e. in US \$.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

4. Provide the following details related to water discharged:

Parameters	FY 2024-25	FY 2023-24
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify the treatment	2,70,738 ETP Treatment	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify the treatment	2,44,074 ETP Treatment	2,20,090 ETP Treatment
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify the treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify the treatment	-	3,16,602 Biological Treatment
(v) Others		
- No treatment	-	-
- With treatment – please specify the treatment	6,100 STP Treatment	-
<b>Total water discharged (in kilolitres)</b>	<b>2,50,174</b>	<b>5,36,692</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, recognizing the critical importance of water as a natural resource, the Company has implemented several initiatives aimed at optimizing water consumption and minimizing wastewater generation.

Through our reuse and recycling programs, wastewater generated during operations is treated and recovered for secondary uses such as process reintegration, gardening, and sanitation. These efforts not only contribute to resource conservation but also support our broader commitment to environmental sustainability.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	mg/Nm <sup>3</sup>	174.54	115.71
SOx	mg/Nm <sup>3</sup>	155.72	101.45
Particulate matter (PM)	mg/Nm <sup>3</sup>	342.38	293.13
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Units	FY 2024-25	FY 2023-24
<b>Total Scope 1 emissions</b>	MT of CO <sub>2</sub> equivalent	6,736.67	14,793.75
<b>Total Scope 2 emissions</b>	MT of CO <sub>2</sub> equivalent	13,748.50	8,539
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT of CO <sub>2</sub> / per rupee of turnover.	0.000002969138274	0.000004133200644
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		NA	NA
<b>Total Scope 1 and Scope 2 emissions intensity in terms of physical output</b>	MT of CO <sub>2</sub> / MT pf production	0.931763799303780	2.270776420576470

#Not Applicable as company earns more than 90% of its revenue from exports i.e. in US \$.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

=No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company, in line with its commitment to reducing greenhouse gas emissions, has undertaken several initiatives to lessen its reliance on emission-generating energy sources and to promote the use of alternative, clean energy solutions.

To advance its ESG objectives and minimize its carbon footprint, the Company has invested in a 3.5 MW rooftop solar installation and transitioned to clean energy for processing operations, utilizing piped natural gas (PNG).

Additionally, the Company has begun adopting more sustainable equipment by investing in lithium-ion battery powered material handling equipment (MHE) such as warehouse trucks and forklifts, replacing conventional machinery.

These measures have significantly contributed to enhanced operational sustainability and energy efficiency across the organization.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	0.617	0.454
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. (G)	44.848	44.17
Other Non-Hazardous waste. (H)		-
<b>Total (A+B + C + D + E + F + G+H)</b>	<b>45.465</b>	<b>44.624</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated (KG) / Revenue from operations)	0.0000065897 Kg per rupee	0.0000079048 Kg per rupee
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
<b>Waste intensity in terms of physical output</b> (Total waste generated in MT / Total Production in MT)	0.02198536798 MT	0.00434287116 MT
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	110.48	68.41
(ii) Re-used	20	5
<b>Total</b>	<b>0</b>	<b>0</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	0
(ii) Landfilling	25.01	23.67
(iii) Other disposal operations	0	0
<b>Total</b>	<b>25.01</b>	<b>23.67</b>

\*Not Applicable as company earns more than 90% of its revenue from exports i.e. in US \$.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

Waste generation is an inevitable aspect of the manufacturing process; however, the Company is committed to creating value from waste through sustainable practices.

With the objective of diverting a significant volume of waste from landfills, the Company has implemented systems and procedures that enable the repurposing of used materials and the reintroduction of excess materials into the production cycle.

For hazardous waste, the Company strictly adheres to legally prescribed procedures and employs environmentally sound disposal techniques. In the case of non-hazardous waste, materials are responsibly disposed of through authorized recyclers, government authorities, or designated government agents.

Safety and environmental sustainability are embedded in the Company's product development processes, reinforcing its commitment to responsible manufacturing and circular economy principles.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operation/ offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	0	Not Applicable	Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

=Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**Leadership Indicator**

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i)	Name of the area	N.A.	
(ii)	Nature of operations	N.A.	
<b>(iii) Water withdrawal, consumption and discharge</b>			
<b>Parameter</b>		<b>FY 2024-25</b>	<b>FY 2023-24</b>
		-	
(i)	Surface water	-	-
(ii)	Groundwater	-	-
(iii)	Third party water	-	-
(iv)	Seawater / desalinated water	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		-	-
<b>Total volume of water consumption</b> (in kilolitres)		-	-
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
(i)	To Surface water	-	-
-	No treatment	-	-
-	With treatment – please specify the treatment	-	-
(ii)	To Groundwater	-	-
-	No treatment	-	-
-	With treatment – please specify the treatment	-	-
(iii)	To Seawater	-	-
-	No treatment	-	-
-	With treatment – please specify the treatment	-	-
(iv)	Sent to third-parties	-	-
-	No treatment	-	-
-	With treatment – please specify the treatment	-	-
<b>Total water discharged (in kilolitres)</b>		-	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Units	FY 2024-25	FY 2023-24
Total Scope 3 emissions	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover			



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

=No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

=Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Kindly refer Annexure III (Report on conservation of energy, technology absorption) of the Directors' Report forming part of the Annual Report.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
Yes, the entity has a comprehensive Business Continuity and Disaster Management Plan in place. This plan is designed to ensure the continuity of critical operations during and after any disruptive events. It is structured to address a wide range of potential emergencies and includes the following key components:

- Hazard Identification and Risk Assessment: A detailed analysis of all probable hazards, including their location, potential impact, and the extent of damage they may cause. The plan outlines specific emergency responses for each identified hazard scenario.
- On-Site Emergency Response Team: A dedicated team is established, comprising a Site Main Controller, Incident Controller, Firefighting Team, First Aiders, Communications Team, and Power & Utility Teams, all trained to respond swiftly and effectively.
- Defined Roles and Responsibilities: Clear responsibilities and functions are assigned to each key member of the Emergency Response Team, along with designated alternates to ensure continuity in leadership during emergencies.
- Emergency Control Center: A fully equipped Emergency Control Center is maintained, with the minimum required infrastructure to coordinate response efforts and manage communications during a crisis.
- Regulatory and Medical Contact Lists: The plan includes an up-to-date list of relevant regulatory agencies, along with names and contact numbers, as well as emergency contact numbers for local hospitals and medical facilities.

This plan is aligned with industry best practices and complies with all applicable regulatory requirements, ensuring the protection of personnel, assets, data, and stakeholder interests.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During year, there was no significant adverse impact to the environment arising from the value chain of the entity.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

= 100% of Major value chain partner.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### **Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations. = 08

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Cotton Textiles Export Promotion Council	National
2	Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	National
3	Handloom Export Promotion Council	National
4	Carpet Export Promotion Council	National
5	Textiles Committee, Ministry of Textiles Government of India	National
6	ASMECHEM – Chamber of Commerce and Industry of India	National
7	Coir Board	National
8	Export Inspection Agency	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory

= Not Applicable

#### Leadership Indicator

1. Details of public policy positions advocated by the entity:

= Not applicable.

#### **PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

## 3. Describe the mechanisms to receive and redress grievances of the community

The Company has deployed its factory employees who regularly visit the communities and interact with people to ascertain and address community concerns, if any. Based on these interactions, we have not encountered any specific grievances from the community at present.

## 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	15.73%	15.62%
Directly from within India.	99%	99%

## 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	21.03%	35.15%
Semi-urban	30.23%	43.55%
Urban	41.76%	11.06%
Metropolitan	6.97%	10.24%

(Place are categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicator**

## 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

= Not applicable

## 2. Provide the following information on CS projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (in INR)
-	-	-	-

\*Company has made CSR contribution of Rs 1,20,00,000/- to (i) Jan Jagrati Sevarth Sansthan; and (ii) Maatr Care Foundation.

## 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

= Yes, the Company is committed to empowering marginalized and vulnerable groups as part of its inclusive growth strategy. It actively engages with communities residing in the surrounding areas of its factory, as well as with small-scale producers, based on their quality standards, operational efficiency, and design capabilities.

To promote economic independence and social inclusion, the Company delegates various handmade tasks to local household women, enabling them to earn a livelihood from the comfort of their homes. This initiative not only supports women's empowerment but also strengthens the local economy by fostering sustainable, community-based production models.

## (b) From which marginalized /vulnerable groups do you procure?

= Widows/ Women Workers/ Tribal Community.

## (c) What percentage of total procurement (by value) does it constitute?

= The constant efforts are made to engage the rural and household women.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:  
= Not applicable
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.  
= Not applicable
6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
-	-	-	100%*

\*Company has made CSR contribution to (i) Jan Jagrati Sevarth Sansthan and (ii) Maatr Care Foundation. Through this contribution company was able to address and play its part in

- Promotion and preservation of cultural heritage
- Provision of medical and educational assistance to underprivileged children
- Donation and distribution of clothing and food to communities in need

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
The Company has business-to-business (B2B) model. The Company sell its products to vendors which ultimately sell the products to the end consumers. The Company has in place a mechanism for each consumer, where they can raise complaint and provide feedback to the Merchandiser.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters product relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL			NIL		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						

## 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

## 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has Cyber Security Policy and same can be accessed on the website of the Company at <https://fazethree.com/investors/policies>.

## 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

= Not applicable

## 7. Provide the following information related to data breaches:

- Number of instances of data breaches = Nil.
- Percentage of data breaches involving personally identifiable information of customers = 0%.
- Impact, if any, of the data breaches = Not Applicable.

**Leadership Indicators**

## 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the products provided by the Company are available on the Company's website at <https://fazethree.com/>

## 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Labels on safe and responsible usage are printed on the products along with product guide, if applicable as well as various initiatives are undertaken by the retailer to educate the ultimate customer.

## 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

= Not applicable

## 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NotApplicable) If yes, provide details in brief.

= No

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

= Not applicable since the Company operates through business-to-business (B2B) model.

## INDEPENDENT AUDITOR'S REPORT

To the Members of **Faze Three Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Faze Three Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Standalone Financial Statements") which includes financial information of Faze Three Employee Trust ('Employee Welfare Trust)

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025 (current year). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the Key Audit Matters was addressed in our audit
<p>Refer Note 2.8 of Standalone Financial Statements with respect to the accounting policies followed by the Company for recognizing revenue.</p> <p>The Company derives its revenue primarily from export of Home textile products to its customer, in accordance with commercial terms agreed. The revenue is recognised at a point in time when control of the goods has transferred to the customer.</p> <p>Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications including incoterms and timing of transfer of legal title of the asset.</p>	<p>Our audit procedures in respect of this area included:</p> <ol style="list-style-type: none"> <li>1. Assessed the appropriateness and consistency of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").</li> <li>2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of controls over recognition and measurement of revenue in accordance with customer contracts, including timing of revenue recognition.</li> <li>3. Performed substantive testing by selecting samples of revenue transactions recorded during the year and verifying with the underlying documents like sales invoices/contracts and related shipping documents.</li> </ol>



Key Audit Matters	How the Key Audit Matters was addressed in our audit
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cutoff can result in material misstatement of results for the year. Accordingly, Revenue (Cut off) is identified as an area of significant risk and Key Audit Matter.	<p>4. Performed the cut-off testing of the revenue on sample basis and traced the same with the Shipping bill and other relevant documents to confirm the appropriateness of recognition of revenue for that period in the books of accounts.</p> <p>5. Assessed manual journals posted to revenue account to identify unusual items &amp; tested the underlying documents of the same on a sample basis.</p> <p>6. Evaluated the appropriateness of the disclosures made in the Standalone Financial Statements in relation to revenue recognised as per relevant accounting standards.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report, Management Discussion and Analysis Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

We give in “Annexure A” a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (h)(vi) below on reporting under Rule 11(g).
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
  - (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g)
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the

Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except for a software which is used for maintaining its books of account relating to revenue and inventory transactions, in respect of which the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes in the accounting software throughout the year ended March 31, 2025.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software's for the period for which the audit trail feature was enabled and operating. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

- 3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
Partner  
Membership No. 120521  
**UDIN:** 25120521BMOVGI5501

**Place:** Mumbai  
**Date:** May 23, 2025

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED**

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
Partner  
Membership No. 120521  
**UDIN:** 25120521BMOVGI5501

**Place:** Mumbai  
**Date:** May 23, 2025

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.  
B The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment, and right of use assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the current year, the Company continues to have sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company. Refer note 20 to the standalone financial statements.  
Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.
- iii. (a) According to the information and explanations provided to us, the Company has provided loans and stood guarantee to other entities.

(A) The details of such loans, advances, guarantee or securities to subsidiaries are as follows:

	Guarantees	Loans (including interest accrued)
<b>Aggregate amount granted/provided during the year</b>		
- Subsidiaries	15.00	47.98
<b>Balance Outstanding as at balance sheet date in respect of above cases</b>		
- Subsidiaries	15.00	38.32

During the year the Company has not provided security to any other entity.



- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the amount of principal and interest has not yet fallen due.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans granted to Company.
- (e) According to the information and explanations provided to us, the loans or advances in the nature of loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations provided to us, the Company has granted loans and / or advances in the nature of loans during the year. These are not repayable on demand or have stipulated schedule for repayment of principal and interest. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order to the extent are not applicable to the Company. In respect of the investments made, loans and guarantee given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited by the Company with appropriate authorities in all cases during the year, though there has been slight delay in few cases.  
No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filled with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 43 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 46 to the standalone financial statements.  
(b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
Partner  
Membership No. 120521  
**UDIN: 25120521BMOVGI5501**

**Place:** Mumbai  
**Date:** May 23, 2025

## **ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FAZE THREE LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Faze Three Limited on the Financial Statements for the year ended March 31, 2025]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Faze Three Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Opinion**

In our opinion, the Company, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

#### **Management's and Board of Director's Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

#### **Meaning of Internal Financial Controls With reference to Standalone Financial Statements**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
Partner  
Membership No. 120521  
**UDIN:** 25120521BMOVGI5501

**Place:** Mumbai  
**Date:** May 23, 2025

**Standalone Balance Sheet as at 31 March 2025**

(Amount in crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	269.58	233.02
Capital work-in-progress	4	7.48	4.85
Right-of-use Assets	3 (b)	9.08	10.01
Intangible Assets	5	0.17	0.18
Financial assets			
i. Investments	6	2.67	2.75
ii. Loans	7 (a)	38.32	12.65
iii. Other financial assets	7 (b)	3.24	3.05
Income tax assets (net)	14	-	3.13
Other non-current assets	8	10.22	5.21
<b>Total non-current assets</b>		<b>340.76</b>	<b>274.85</b>
<b>Current assets</b>			
Inventories	9	185.95	126.80
Financial assets			
i. Investments	6	10.51	14.25
ii. Trade receivables	10	80.83	75.10
iii. Cash and cash equivalents	11	8.83	35.44
iv. Bank balances other than cash and cash equivalent	12	0.18	32.39
v. Other financial assets	13	5.27	0.43
Other current assets	15	35.56	27.36
<b>Total current assets</b>		<b>327.13</b>	<b>311.77</b>
<b>Total assets</b>		<b>667.89</b>	<b>586.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	24.32	24.32
Other equity	17	392.45	353.92
<b>Total equity</b>		<b>416.77</b>	<b>378.24</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	35	5.96	8.44
ii. Other financial liabilities	18	-	0.11
Provisions	19	1.94	2.11
Deferred tax liability (net)	32	7.68	6.06
<b>Total non-current liabilities</b>		<b>15.58</b>	<b>16.72</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	20	168.57	156.59
ii. Lease Liabilities	35	5.07	3.57
iii. Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		6.45	0.30
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		32.60	15.31
iv. Other financial liabilities	18	16.74	10.72
Other current liabilities	22	1.35	1.09
Provisions	19	4.37	3.38
Current tax liabilities (net)	23	0.39	0.70
<b>Total current liabilities</b>		<b>235.54</b>	<b>191.66</b>
<b>Total liabilities</b>		<b>251.12</b>	<b>208.38</b>
<b>Total equity and liabilities</b>		<b>667.89</b>	<b>586.62</b>

The accompanying notes are an integral part of the Standalone financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Rajesh Murarka**

Partner

Membership No: 120521

**Ajay Anand**

Managing Director

DIN: 00373248

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Place : Mumbai**
**Date : May 23, 2025**
**Ankit Madhwani**

Chief Financial Officer

**Akram Sati**

Company Secretary

M No: A50020

**Standalone Statement of Profit and Loss for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	24	658.91	535.85
Other income	25	14.02	8.70
<b>Total income</b>		<b>672.93</b>	<b>544.55</b>
<b>Expenses</b>			
Cost of material consumed	26	351.82	269.16
Changes in inventories of finished goods and work-in-progress	27	(29.22)	(28.06)
Employee benefits expense	28	102.12	81.12
Finance costs	29	14.27	11.15
Depreciation and amortization expense	30	24.03	19.98
Other expenses	31	158.49	133.96
<b>Total expenses</b>		<b>621.51</b>	<b>487.31</b>
<b>Profit before tax</b>		<b>51.42</b>	<b>57.24</b>
<b>Tax expense</b>			
Current tax	32	9.87	13.47
Deferred tax (net)	32	1.72	1.66
<b>Total income tax expense</b>		<b>11.59</b>	<b>15.13</b>
<b>Profit for the year</b>		<b>39.83</b>	<b>42.11</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
(a) Remeasurements of post-employment defined benefit plans		(0.37)	(0.75)
(b) Income tax effect on the above		0.09	0.19
<b>Total other comprehensive income for the year</b>		<b>(0.28)</b>	<b>(0.56)</b>
<b>Total comprehensive income for the year</b>		<b>39.55</b>	<b>41.55</b>
Earnings per share			
Basic ( ₹/ Share)	33	16.38	17.31
Diluted ( ₹/ Share)	33	16.38	17.31

The accompanying notes are an integral part of the Standalone financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Rajesh Murarka**

Partner

Membership No: 120521

**Ajay Anand**

Managing Director

DIN: 00373248

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Place : Mumbai**
**Date : May 23, 2025**
**Ankit Madhwani**

Chief Financial Officer

**Akram Sati**

Company Secretary

M No: A50020



**Standalone Statement of changes in equity for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**(A) Equity share capital**

<b>March 31, 2025</b>		
<b>Particulars</b>	<b>No. of shares</b>	<b>Amount</b>
<b>Equity shares of ₹10 each issued, subscribed and fully paid</b>		
Balance as at 01 April 2024	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2025</b>	<b>2,43,19,000</b>	<b>24.32</b>

<b>March 31, 2024</b>		
<b>Particulars</b>	<b>No. of shares</b>	<b>Amount</b>
<b>Equity shares of ₹10 each issued, subscribed and fully paid</b>		
Balance as at 01 April 2023	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>2,43,19,000</b>	<b>24.32</b>

**(B) Other equity**

<b>Particulars</b>	<b>Reserves and surplus</b>					<b>Other Reserve</b>	<b>Total</b>
	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>	<b>Securities premium</b>	<b>General reserve</b>	<b>Retained earnings</b>	<b>Treasury Shares</b>	
<b>Balance as at 1 April 2024</b>	<b>5.73</b>	<b>56.09</b>	<b>24.44</b>	<b>91.93</b>	<b>175.71</b>	-	<b>353.92</b>
Profit for the year	-	-	-	-	39.83	-	39.83
Transferred to retained earnings	-	(4.38)	-	-	4.38	-	-
Dividend distributed during the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(0.28)	-	(0.28)
Treasury shares acquired by Faze Three Employee Trust	-	-	-	-	-	(1.00)	(1.00)
<b>Balance as at 31 March 2025</b>	<b>5.73</b>	<b>51.72</b>	<b>24.44</b>	<b>91.93</b>	<b>219.63</b>	<b>(1.00)</b>	<b>392.45</b>

<b>Particulars</b>	<b>Reserves and surplus</b>					<b>Other Reserve</b>	<b>Total</b>
	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>	<b>Securities premium</b>	<b>General reserve</b>	<b>Retained earnings</b>	<b>Treasury Shares</b>	
<b>Balance as at 1 April 2023</b>	<b>5.73</b>	<b>56.23</b>	<b>24.44</b>	<b>91.93</b>	<b>134.02</b>	-	<b>312.35</b>
Profit for the year	-	-	-	-	42.11	-	42.11
Transferred to retained earnings	-	(0.14)	-	-	0.14	-	-
Dividend distributed during the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(0.56)	-	(0.56)
<b>Balance as at 31 March 2024</b>	<b>5.73</b>	<b>56.09</b>	<b>24.44</b>	<b>91.93</b>	<b>175.71</b>	-	<b>353.92</b>

The accompanying notes are an integral part of the Standalone financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Rajesh Murarka**
**Partner**
**Membership No: 120521**
**Ajay Anand**
**Managing Director**
**DIN: 00373248**
**Sanjay Anand**
**Whole-time Director**
**DIN: 01367853**
**Place : Mumbai**
**Date : May 23, 2025**
**Ankit Madhwani**
**Chief Financial Officer**
**Akram Sati**
**Company Secretary**
**M No: A50020**

**Statement of Standalone Cash Flow for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Cash flow from operating activities</b>		
Profit before tax	51.42	57.24
Adjustments for:		
Depreciation and amortization expenses	24.03	19.98
Finance cost	14.27	11.15
(Gain)/Loss on sale of Property, plant and equipment	(4.78)	0.40
Unrealised foreign exchange (gain)/ loss (net)	2.65	(0.24)
Profit on sale of Investment	(2.85)	-
Fair valuation adjustments of investments	(2.20)	(1.02)
Interest income	(3.70)	(5.94)
<b>Operating profit before working capital changes</b>	<b>78.84</b>	<b>81.57</b>
<b>Changes in working capital</b>		
Increase in inventories	(59.15)	(49.40)
Decrease/(Increase) in trade receivables	(5.84)	18.97
Decrease/(Increase) in financial assets	0.66	(1.34)
Increase in other current assets	(8.20)	(5.62)
Decrease in other non-current assets	-	0.60
Increase in trade payables	23.45	3.93
Increase in other financial liabilities	5.34	1.46
Increase in other current liabilities	0.25	0.27
Increase in Provisions	0.44	0.35
<b>Cash generated from operations</b>	<b>35.79</b>	<b>50.79</b>
Income tax paid (net of refund)	(7.04)	(16.14)
<b>Net cash generated from operating activities (A)</b>	<b>28.75</b>	<b>34.65</b>
<b>Cash flow from Investing activities</b>		
Payment for acquisition of property, plant and equipment	(74.60)	(50.98)
Proceeds from disposal of property, plant and equipment	10.73	-
Payments for purchase of investments	-	(1.10)
Loans given to subsidiary(net)	(25.67)	(7.36)
Proceeds from sale of investment	8.88	-
Interest received	3.18	6.22
Proceeds from bank deposits (original maturity more than 3 months) (net)	32.21	9.92
<b>Net cash used in investing activities (B)</b>	<b>(45.27)</b>	<b>(43.30)</b>
<b>Cash flow from Financing activities</b>		
Equity Shares of the company purchased by Faze Three Employee Trust	(1.00)	-
Repayment of / Proceeds from short term borrowings (net)	11.98	(4.16)
Payment of Lease Liabilities	(5.25)	(4.27)
Interest paid	(13.13)	(9.97)
<b>Net cash used in financing activities (C)</b>	<b>(7.40)</b>	<b>(18.40)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(23.92)</b>	<b>(27.05)</b>
Cash and cash equivalents at the beginning of the year	35.44	61.42
Effect of exchange rate changes on cash and cash equivalents	(2.69)	1.07
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>8.83</b>	<b>35.44</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In current accounts	4.63	3.29
Fixed deposits with original maturity of less than three months	-	17.81
Bank balance on EEFC account	4.03	14.23
Cash on hand	0.17	0.11
<b>Total cash and cash equivalents at end of the year</b>	<b>8.83</b>	<b>35.44</b>

**Statement of Standalone Cash Flow for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**Notes :**

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".
- ii) Disclosure as required by Ind AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

Particulars	31 March 2025	31 March 2024
<b>Opening balance - Borrowings</b> (including interest accrued)	157.04	161.26
<b>Non Cash movement</b>		
- Accrual of interest	13.10	9.91
<b>Cash movement</b>		
- Repayment of / Proceeds from borrowings (net)	11.98	(4.16)
- Interest payment	(13.13)	(9.97)
<b>Closing balance - Borrowings</b> (including interest accrued)	<b>168.99</b>	<b>157.04</b>

The accompanying notes are an integral part of the Standalone financial statements.

**As per our report of even date**  
**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No.:105047W**

**For and on behalf of Board of Directors of**  
**Faze Three Limited**  
**CIN: L99999DN1985PLC000197**

**Rajesh Murarka**  
 Partner  
 Membership No: 120521

**Ajay Anand**  
 Managing Director  
 DIN: 00373248

**Sanjay Anand**  
 Whole-time Director  
 DIN: 01367853

**Place : Mumbai**  
**Date : May 23, 2025**

**Ankit Madhwani**  
 Chief Financial Officer

**Akram Sati**  
 Company Secretary  
 M No: A50020

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

**1. General Information**

Faze Three Limited, established in 1985, is engaged in manufacturing and exports of home textiles products items viz. bathmats, rugs, blankets, throws, cushions, etc. It has seven manufacturing locations across Gujarat, Union territories (UT) of (Dadra and Nagar Haveli and Daman and Diu) DNHDD, Haryana and Maharashtra in India. The Company is a direct exporter to top retail store chains in USA, UK and Europe. The Company is a public listed company incorporated and domiciled in India and has its registered office in Dapada, Silvassa, UT of DNHDD. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange.

The financial statements of the Company for the year ended March 31, 2025 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2025.

**2. Material accounting policies**

**(A) Statement of Compliance**

The Company's financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Standalone Financial statements presents the financial position of the Company and it includes the financial information of one trust viz. Faze Three Employee Trust which is controlled by the Company. Treasury shares are held in trust whose sole beneficiary is Faze Three Limited.

**(B) Basis of presentation**

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

**(C) Basis of measurement**

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land classified under property, plant and equipment at Fair value
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

A historical cost is a measure of value used in accounting in which the value of an asset on the balance sheet is recorded at its original cost when acquired by the company.

**Fair Value Measurement:** - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(D) Use of estimates**

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. The areas involving critical estimates or judgements are:

**Useful life of property, plant and equipment:**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Defined benefit obligations**

The cost of defined benefit gratuity plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**Recognition of Deferred Tax Assets**

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

### Summary of material accounting policies

#### 2.2 Property, plant and equipment

Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax / duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of the profit and loss when the asset is derecognised.

#### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment using the straight-line method over their estimated useful lives of assets which are determined based on technical parameters / assessment.

#### Useful life of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Lives
Leasehold land	Lease period
Building	5-30 years
Plant & Machinery	2-25 years
Furniture and Fixtures	2-20 years
Office Equipment	2-10 years
Electrical Installations	2-15 years
Fire Hydrant Systems	15 years
Vehicles	8-10 years
Computers	2-6 years



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

Individual assets costing up to ₹ Five thousand are depreciated in full in the year of purchase.

The Company has adopted a policy to transfer from revaluation reserve to profit or loss, an amount equivalent to depreciation on account of gain in revaluation reserve recognised earlier, at every period end.

Based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The residual value of Property, plant and Equipment are within the limit specified in Schedule II (Part C) of Companies act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.3 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences. The estimated useful life of asset is as follows:

Intangible assets	Useful Lives
Software licences	6 Years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life. Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

### 2.4 Impairment of Non Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

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**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**


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The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

**2.5 Investment in subsidiary**

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

**2.6 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**2.7 Foreign currency transactions**
**Functional and presentation currency**

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian National Rupee (INR), which is the Company's functional and presentation currency.

**Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised as income or expense in the period in which they arise in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**2.8 Revenue recognition**
**A] Sale of goods**

The majority of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development.

**B] Rendering of services:**

Revenues from services are recognised as and when services are rendered and on the basis of contractual terms with the parties. The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer.

**C] Rebate / Drawback of Taxes and Duties**

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme, Rebate of State and Central Taxes and Levies and Remission of Duties or Taxes on Export Products Scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

**D] Other Income**

Interest income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the other income in the statement of profit and loss.

Other Incomes are recognised on accrual basis except financial instruments measured at amortised cost which are recognised using the effective interest rate (EIR).

Dividend income is recorded when the right to receive payment is established.

Rental income:

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight line basis as per the terms of the agreements in the statement of profit and loss.

**2.9 Taxes**

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(A) Current tax**

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**(B) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

**2.10 Leases**

**The Company as a Lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

**A) Right-of-use asset (ROU):**

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date (i.e the date the underlying asset is available for use). The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The ROU Asset is subsequently depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the asset from the commencement date to the end of the lease term.

**B) Lease Liabilities**

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company presents ROU Asset separately and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

**C) Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU Assets and lease liabilities for

- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets with annual lease rental lesser than or equal to Rs.10 lakhs.

The Company recognises the lease payments associated with these leases as an expense over the lease term.

**D) Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

**2.11 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, dyes and chemicals, packaging materials and stores and spare parts comprises cost of purchases on weighted average basis.

Cost of work-in progress and finished goods comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Slow and non-moving material, obsolesce, defective inventories are duly provided for and valued at actual cost or estimated net realisable value whichever is lower. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**2.12 Provisions, contingent liabilities and contingent assets**

**Provisions :-** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities :-** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises



Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Asset :-** A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

**2.13 Cash and cash equivalents & bank balances**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and fixed deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

Bank Balances other than cash and cash equivalents in the balance sheet comprise of unpaid dividend accounts and fixed deposits with an original maturity of more than three months and less than twelve months, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

**2.14 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(A) Financial assets**

(i) Initial recognition and measurement

At initial recognition, the Company measures a financial assets at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

(ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt Instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit



Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(B) Financial liabilities**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Borrowings at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(C) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.15 Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Defined Contribution Plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**2.16 Current Asset and Current Liability**

Current Asset – “An entity shall classify an asset as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period;
- (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

Current Liability – “An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.”

**2.17 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources, excluding treasury shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.18 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM)(Managing Director) of the Company. The Managing Director is responsible for allocating resources and assessing performance of the operating segments of the company.

During the period, entity was engaged in the business of home textile products, which is the only operating segment as per Ind AS 108.

**2.19 Rounding off amounts**

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest crores as per requirement of Schedule III of the Act, unless otherwise stated.

**2.20 New Standards and amendments issued but not effective**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year, MCA vide notification dated September 9, 2024 and September 20, 2024 notified the Companies (Indian Accounting Standard) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third amendment Rule, 2024 respectively which amended / notified certain accounting standards and are effective for annual reporting periods beginning on or after April 01, 2024: - Insurance Contract – Ind AS 117 and - Lease Liability in Sale and Leaseback – Amendment to Ind AS 116. These amendments did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025  
3 (a) Property, plant and equipment  
(Amount in crores, unless otherwise stated)

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	For the year	Disposals	As at 31 March 2025	As at 31 March 2025
<b>Owned assets</b>								
Leasehold land (Refer note below)	9.21	-	-	9.21	0.17	-	1.19	8.02
Freehold land (Refer note below)	53.92	-	4.26	49.66	-	-	-	49.66
Building	51.33	4.27	-	55.60	1.96	-	28.01	27.59
Plant and machinery	180.06	47.56	1.66	225.96	11.80	0.45	82.79	143.17
Furniture and fixtures	33.62	4.74	0.01	38.35	3.41	0.00	12.59	25.76
Vehicles	4.62	1.06	-	5.68	0.41	-	3.21	2.47
Office equipment	3.67	0.28	-	3.95	0.36	-	2.91	1.04
Computers	5.48	1.05	0.00	6.53	0.66	0.00	5.02	1.51
Electrical installations	11.38	2.04	0.43	12.99	0.90	0.42	6.44	6.55
Fire hydrants	3.46	0.97	-	4.43	0.25	-	0.62	3.81
<b>Total</b>	<b>356.75</b>	<b>61.97</b>	<b>6.36</b>	<b>412.36</b>	<b>19.92</b>	<b>0.87</b>	<b>142.78</b>	<b>269.58</b>
Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
<b>Owned assets</b>								
Leasehold land	9.21	-	-	9.21	0.17	-	1.02	8.19
Freehold land	53.55	0.37	-	53.92	-	-	-	53.92
Building	47.87	3.46	-	51.33	1.94	-	26.05	25.28
Plant and machinery	156.44	32.48	8.86	180.06	9.62	8.13	71.44	108.62
Furniture and fixtures	29.38	6.54	2.30	33.62	2.84	2.01	9.18	24.44
Vehicles	5.72	0.40	1.50	4.62	0.41	1.44	2.80	1.82
Office equipment	3.15	0.56	0.04	3.67	0.35	0.11	2.55	1.12
Computers	4.97	0.65	0.14	5.48	0.65	0.16	4.36	1.12
Electrical installations	10.58	1.47	0.67	11.38	0.75	0.73	5.96	5.42
Fire hydrants	0.65	2.90	0.09	3.46	0.08	0.09	0.37	3.09
<b>Total</b>	<b>321.52</b>	<b>48.83</b>	<b>13.60</b>	<b>356.75</b>	<b>16.81</b>	<b>12.67</b>	<b>123.73</b>	<b>233.02</b>

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**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

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**Revaluation Note:**

Freehold and leasehold land classified as property, plant and equipment were valued on 31 March 2024 using sale comparison technique carried out by external independent qualified valuers who are registered valuers as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

The fair value of freehold land and leasehold land is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided above

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of freehold land and leasehold land, as well as the inter relationship between key unobservable inputs and fair value, are set out below.

**Significant unobservable inputs**

Freehold and leasehold land - Price per square metre (range) - March 31, 2025 ₹ 4,000 to ₹ 11,000 (March 31, 2024: ₹ 4,000 to ₹ 11,000)

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value on a linear basis.

There were no valuation carried out during the period. The fair value measurement is based on the above items' highest and best use, which does not differ from their actual use. Had the revalued items been measured on a historical cost basis, the net book value of freehold and leasehold land would have been ₹ 6.21 (31 March 2024: ₹ 6.22). The revaluation surplus (gross of tax) amounted to ₹ 51.71 (31 March 2024: ₹ 56.09) for freehold and leasehold land. Further, adjustment of ₹ 4.26 relates to sale of land in the current year.



Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025 (Amount in crores, unless otherwise stated)

### 3.1 Property, plant and equipment pledged as security

Refer to Note 20 for information on property, plant and equipment pledged as security by the Company.

### 3 (b) Right-of-use Assets

Particulars	Gross Carrying Amount			Depreciation		Net Carrying Amount
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	For the year As at 1 April 2024	As at 31 March 2025
Buildings	19.98	3.13	-	23.11	4.06	14.03
Vehicles	0.99	-	0.99	-	0.99	-
<b>Total</b>	<b>20.97</b>	<b>3.13</b>	<b>0.99</b>	<b>23.11</b>	<b>4.06</b>	<b>14.03</b>

Particulars	Gross Carrying Amount			Depreciation		Net Carrying Amount
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	For the year As at 1 April 2023	As at 31 March 2024
Buildings	17.06	2.92	-	19.98	6.87	9.97
Vehicles	0.99	-	-	0.99	0.94	0.99
<b>Total</b>	<b>18.05</b>	<b>2.92</b>	<b>-</b>	<b>20.97</b>	<b>7.81</b>	<b>10.96</b>

### 4 Capital-Work-in Progress (CWIP)

Capital work-in-progress ageing schedule

31 March 2025

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	7.48	-	-	7.48

31 March 2024

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	4.53	0.32	-	4.85

### Note:

There are no projects whose completion is overdue or has exceeded its cost compared to original plan.

# Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

## 5 Intangible assets

	Gross block			Depreciation			Net block
	As at 1 April 2024	Additions	Deductions	As at 31 March 2025	For the year	Deductions	As at 31 March 2025
Particulars							
Intangible Assets Software	0.20	0.04	-	0.24	0.05	-	0.17

	Gross block			Depreciation			Net block
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	For the year	Deductions	As at 31 March 2024
Particulars							
Intangible Assets Software	0.06	0.14	-	0.20	0.01	-	0.18

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

6	Financial assets- Investments	31 March 2025	31 March 2024
	<b><u>Non-current Investments</u></b>		
	<b>Investments in Equity Instruments (fully paid-up)</b>		
	<b>Unquoted Equity Shares in Subsidiary Companies (At Cost)</b>		
	3,75,000 (31 March, 2024: 3,75,000) Equity shares of USD 1 each in Faze Three US LLC	2.43	2.43
	1,00,000 (31 March, 2024: 1,00,000) Equity shares of ₹ 10 each in Mats and More Private Limited	0.10	0.10
	<b>Investment in Others</b>		
	<b><u>Quoted equity shares (At Cost)</u></b>		
	9,00,000 (31 March, 2024: 14,53,042) Equity shares of ₹ 10 each fully paid-up in V R Woodart Limited	0.13	0.21
	<b><u>Unquoted equity shares (At Cost)</u></b>		
	5,000 (31 March, 2024: 5,000) Equity shares of ₹10 each fully paid-up in Saraswat Co-op Bank Limited	0.01	0.01
	40 (31 March, 2024 : 40) Equity shares of ₹ 25 each fully paid-up in Greater Bombay Co-operative Bank Limited *	0.00	0.00
	<b>Total</b>	<b>2.67</b>	<b>2.75</b>
	<b><u>Current Investments</u></b>		
	<b>Investments in Mutual Funds (Designated and carried at fair value through profit or loss)</b>		
	Investments in Nippon Ind ETF Gold Bees (Quoted) (Refer footnote i)	5.57	9.41
	Investment in Nippon India Silver ETF Fund (Quoted) (Refer footnote i)	4.94	4.84
	<b>Total</b>	<b>10.51</b>	<b>14.25</b>
	<b>Aggregate book value of:</b>		
	Quoted investments	10.64	14.46
	Unquoted investments	2.54	2.54
	<b>Aggregate market value of:</b>		
	Quoted investments	13.20	15.38
	Unquoted investments	2.54	2.54

\* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**Footnotes:**
**i. Details of Investments in Mutual Funds (Designated and carried at FVTPL):**

Particulars	Quantity		Amount	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Nippon India ETF Gold Bees	7,50,500	16,61,500	5.57	9.41
Nippon India Silver ETF Fund	5,05,750	6,68,750	4.94	4.84
<b>Total</b>	<b>12,56,250</b>	<b>23,30,250</b>	<b>10.51</b>	<b>14.25</b>

<b>7(a) Loans (Non current)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Unsecured, considered good</b>		
Loans to related party (Subsidiary) (Refer note below & Note: 36 & Note 55)	38.32	12.65
<b>Total</b>	<b>38.32</b>	<b>12.65</b>

**Notes**

1) Includes interest accrued amounting ₹ 0.75 crores (31 March 2024: ₹ 0.24 crores)

2) Represents intercorporate loan given to Mats and More Private Limited for working capital requirements at the rate of 8.50%.

<b>7(b) Other financial assets (non-current)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Security deposits	3.13	2.95
Deposit account with banks (Deposits with maturity for more than 12 months from balance sheet date)	0.11	0.10
<b>Total</b>	<b>3.24</b>	<b>3.05</b>

<b>8 Other non-current assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Capital advance	10.22	5.21
<b>Total</b>	<b>10.22</b>	<b>5.21</b>

<b>9 Inventories * (At lower of cost and net realisable value)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Raw material	73.31	42.84
Work in progress	74.04	59.43
Finished goods (including in transit)	33.54	18.93
Store and spares parts	2.86	2.51
Dyes and chemicals	2.20	3.09
<b>Total</b>	<b>185.95</b>	<b>126.80</b>

\* Hypothecated as charge against short term - borrowings. Refer note 20.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

10	Trade receivables*	31 March 2025	31 March 2024
	Secured, considered good	-	-
	Unsecured		
	-Considered good	80.83	75.10
	<b>Total</b>	<b>80.83</b>	<b>75.10</b>
	Further classified as:		
	Receivable from related parties (Refer note 36)	7.74	7.67
	Receivable from others	73.09	67.43
		<b>80.83</b>	<b>75.10</b>
	Footnote i : Include due from subsidiaries and entities in which Key Management Personnel (KMP) has a control:		
	Faze Three Autofab Limited	7.23	6.17
	Mats and More Private Limited	0.04	0.53
	Faze Three US LLC	0.19	0.97
	Next Interiors Private Limited	0.28	-
		<b>7.74</b>	<b>7.67</b>

\* Hypothecated as charge against short term - borrowings. Refer note 20.

**Ageing of Trade Receivables as on 31 March 2025**

Particulars	Outstanding for following periods from due date of Receipts				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	Total
(i) Undisputed Trade receivables – considered good	75.49	5.34	-	-	80.83
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Total</b>	<b>75.49</b>	<b>5.34</b>	<b>-</b>	<b>-</b>	<b>80.83</b>

**Ageing of Trade Receivables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of Receipts				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	Total
(i) Undisputed Trade receivables – considered good	57.50	17.57	-	0.03	75.10
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Total</b>	<b>57.50</b>	<b>17.57</b>	<b>-</b>	<b>0.03</b>	<b>75.10</b>

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

<b>11</b>	<b>Cash and cash equivalents</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b><u>Balances with banks</u></b>		
	In current accounts	4.63	3.29
	In EEFC accounts	4.03	14.23
	Fixed deposits with original maturity of less than 3 months	-	17.81
	Cash on hand	0.17	0.11
	<b>Total</b>	<b>8.83</b>	<b>35.44</b>
<b>12</b>	<b>Bank balances other than cash and cash equivalent</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Deposit with maturity for more than 3 months but less than 12 months	0.15	32.35
	Unpaid Dividend Accounts	0.03	0.04
	<b>Total</b>	<b>0.18</b>	<b>32.39</b>
<b>13</b>	<b>Other financial assets (current)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b><u>Unsecured, considered good (at amortised cost)</u></b>		
	Interest accrued on fixed deposits	0.01	0.43
	Receivable for Sale of Land	5.25	-
	Advance to others*	0.01	0.00
	<b>Total</b>	<b>5.27</b>	<b>0.43</b>
<b>* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.</b>			
<b>14</b>	<b>Non-Current tax assets (net)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Advance income tax	-	3.13
	(net of provisions (31 March 2024 - ₹ 64.93 crores))		
	<b>Total</b>	<b>-</b>	<b>3.13</b>
<b>15</b>	<b>Other current assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b><u>Unsecured, considered good</u></b>		
	<b><u>Balance with Government authorities*</u></b>		
	GST input credit	10.99	4.71
	GST rebate receivable	11.60	10.24
	Rebate / Drawback of taxes and duties receivable*	5.13	7.07
	Advance to suppliers	5.44	3.83
	Staff advances	0.58	0.33
	Receivable from others	0.15	0.01
	Prepaid expenses	1.67	1.17
	<b>Total</b>	<b>35.56</b>	<b>27.36</b>

**\* Hypothecated as charge against short term - borrowings. Refer note 20.**



**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

16	Equity share capital	31 March 2025	31 March 2024
	<b>Authorized</b>		
	2,60,00,000 (31 March 2024: 2,60,00,000) Equity Shares of ₹ 10/- each	26.00	26.00
	<b>Total</b>	<b>26.00</b>	<b>26.00</b>
	<b>Issued, subscribed and paid up</b>		
	2,43,19,000 (31 March 2024: 2,43,19,000) Equity Shares of ₹10/- each fully paid	24.32	24.32
	<b>Total</b>	<b>24.32</b>	<b>24.32</b>
	<b>Total</b>	<b>24.32</b>	<b>24.32</b>

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,43,19,000	24.32	2,43,19,000	24.32
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>2,43,19,000</b>	<b>24.32</b>	<b>2,43,19,000</b>	<b>24.32</b>

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	31 March 2025		31 March 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ajay Anand	84,57,502	34.78	78,67,206	32.35
Ajay Jindal	28,12,450	11.56	28,12,450	11.56
Instyle Investments Pvt. Ltd.	23,94,625	9.85	23,94,625	9.85
Salim Govani	14,82,500	6.10	15,06,500	6.19
Vishnu Anand	13,89,875	5.72	13,89,875	5.72
Ashish Kacholia	13,17,554	5.42	13,17,554	5.42

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**(d) Details of Shares held by Promoters at the end of the year**

Promoter Name	31 March 2025			31 March 2024		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ajay Anand	84,57,502	34.78%	2.43%	78,67,206	32.35%	0.56%
Instyle Investments Private Limited	23,94,625	9.85%	-	23,94,625	9.85%	-
Vishnu Anand	13,89,875	5.72%	-	13,89,875	5.72%	-
Sanjay Anand	7,26,026	2.99%	(0.64)%	8,81,026	3.62%	(0.56)%
Ajay Anand (HUF)	6,62,500	2.72%	-	6,62,500	2.72%	-
Rashmi Anand	3,43,990	1.41%	-	3,43,990	1.41%	-
Mamata Finvest Private Limited	87,500	0.36%	-	87,500	0.36%	-
Rohina Anand	20,875	0.09%	-	20,875	0.09%	-
Anadry Investments Private Limited	9,500	0.04%	-	9,500	0.04%	-

- (e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- (f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**17 Other equity**

Particulars	31 March 2025	31 March 2024
Capital reserve	5.73	5.73
Securities premium	24.44	24.44
General reserve	91.93	91.93
Revaluation reserve	51.71	56.09
Retained earnings	219.64	175.71
Treasury Shares	(1.00)	-
<b>Total</b>	<b>392.45</b>	<b>353.92</b>

**Nature and purpose of reserves**
**A Capital reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	5.73	5.73
Add / (Less) : Transferred to reserves	-	-
<b>Closing balance</b>	<b>5.73</b>	<b>5.73</b>

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/ received or vice versa in a common control demerger of business/investment.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**B Securities Premium Reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	24.44	24.44
Add/(Less): Transferred to reserves	-	-
<b>Closing balance</b>	<b>24.44</b>	<b>24.44</b>

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

**C General reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	91.93	91.93
Add/(Less) : Distribution of interim dividend	-	-
<b>Closing balance</b>	<b>91.93</b>	<b>91.93</b>

The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the entity.

**D Revaluation reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	56.09	56.23
Add/(Less): Transferred to retained earnings	(4.38)	(0.14)
Add/(Less): Reversal of revaluation reserves	-	-
<b>Closing balance</b>	<b>51.71</b>	<b>56.09</b>

This reserve represents the cumulative gains and losses arising on the revaluation of leasehold land and freehold land on the balance sheet date measured at fair value through other comprehensive income.

**E Retained earnings**

Particulars	31 March 2025	31 March 2024
Opening balance	175.71	134.02
Add / (Less): Profit during the year	39.83	42.11
Add / (Less) : Transferred from Revaluation reserves	4.38	0.14
Add / (Less): Other comprehensive income	(0.28)	(0.56)
<b>Closing balance</b>	<b>219.64</b>	<b>175.71</b>

This reserve represents undistributed accumulated earnings of the entity as on the balance sheet date.

**F Other Reserve**
**Treasury Reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	-	-
Add : Treasury shares acquired by Faze Three Employees Trust	(1.00)	-
<b>Closing balance</b>	<b>(1.00)</b>	<b>-</b>

This reserve represents equity shares of Faze Three Limited held by Faze Three Employees Trust.

The Shareholders of the Company at their AGM held on September 27, 2024, approved, inter alia, acquisition of equity shares by Faze Three Employee Trust for implementation of Faze Three Employee Benefit Scheme – 2024 (“Scheme”). Faze Three Employee Trust (“Trust”) was formed for the purpose of welfare of the beneficiaries, inter

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

alia, by way of acquiring, holding and allocating equity shares of the Company to eligible employees by way of stock options.

As on March 31, 2025, the Trust has acquired cumulative equity shares 28,116 of the Company for a total acquisition cost of ₹ 1 crore, No options have so far been granted to any employee or director.

18 Other financial liabilities	Non-Current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Security deposits	-	0.11	-	-
Interest accrued and but not due	-	-	0.43	0.46
Salary & reimbursement payable	-	-	9.90	7.18
Expenses payable	-	-	5.48	2.70
Unpaid Dividend*	-	-	0.03	0.04
Capital Creditors	-	-	0.82	0.05
MTM on currency forward contracts	-	-	0.08	0.29
<b>Total</b>	<b>-</b>	<b>0.11</b>	<b>16.74</b>	<b>10.72</b>

\*As at 31st March, 2025, ₹ 0.03 crores (Previous year - ₹ 0.04 crores) is the amount of unclaimed dividend which remains unpaid by the company, and shall be transferred to Investor Education and Protection Fund ('IEPF') as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Company.

19 Provisions	Non-Current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Provision for employee benefits (refer note 34)				
Provision for gratuity (funded)	1.94	2.11	4.37	3.38
<b>Total</b>	<b>1.94</b>	<b>2.11</b>	<b>4.37</b>	<b>3.38</b>

20 Short-term borrowings	31 March 2025	31 March 2024
<b>Secured, from bank (carried at amortised cost)</b>		
Packing Credit in Rupee Scheme (PCRS) (refer footnote (i) and (iii))	149.11	156.59
Packing Credit Foreign Currency (PCFC) (refer footnote (ii) and (iii))	19.46	-
<b>Total</b>	<b>168.57</b>	<b>156.59</b>

**Terms and conditions of loans**

- Packing Credit in Rupee Scheme (PCRS) is secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.  
The Company has interest rate subvention of 2% till Jun 2024 (previous year 2%), Interest rates for PCRS Scheme(post subvention) ranges from 6.56% to 8.15% (March 31, 2024 5.00% to 6.75%)  
The above mentioned PCRS is secured by way of lien over Fixed Deposits amounting to ₹ NIL (March 31, 2024 ₹ 47.31) to be exercised at the time of release of funds.
- The Company has obtained PCFC Loans from Standard Chartered Bank carry interest rate of 6.56% which are secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

## (iii) Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	31 March 2025	31 March 2024
Current assets		
Inventories	185.95	126.80
Trade receivables	80.83	75.10
Export incentive receivable	5.13	7.07
GST input credit	10.99	4.71
GST rebate receivable	11.60	10.24
<b>Total Current assets pledged as security</b>	<b>294.50</b>	<b>223.92</b>
Non-Current assets		
Property, plant and equipment (Excluding Panipat Land & Building)	252.94	195.54
<b>Total Non-Current assets pledged as security</b>	<b>252.94</b>	<b>195.54</b>
<b>Total Assets pledged as security</b>	<b>547.44</b>	<b>419.46</b>

21	<b>Trade payables</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Total outstanding dues of micro enterprises and small enterprises (refer note 48)	6.45	0.30
	Total outstanding dues of creditors other than micro enterprises and small enterprises	32.60	15.31
	<b>Total</b>	<b>39.05</b>	<b>15.61</b>

**Ageing of Trade Payables as on 31 March 2025**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	6.05	0.40	0.00	0.00	0.00	6.45
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	23.07	9.14	0.02	0.34	0.03	32.60
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>29.12</b>	<b>9.54</b>	<b>0.02</b>	<b>0.34</b>	<b>0.03</b>	<b>39.05</b>

\* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**  
(Amount in crores, unless otherwise stated)

**Ageing of Trade Payables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	0.30	-	-	-	-	0.30
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	14.50	0.47	0.08	0.14	0.12	15.31
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>14.80</b>	<b>0.47</b>	<b>0.08</b>	<b>0.14</b>	<b>0.12</b>	<b>15.61</b>

<b>22</b>	<b>Other current liabilities</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Statutory dues payable	1.30	1.04
	Advance from customer	0.05	0.05
	<b>Total</b>	<b>1.35</b>	<b>1.09</b>

<b>23</b>	<b>Current tax liabilities (net)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Provision for taxation (net of advance tax 31 March 2025 - ₹ 23.40 crore)		
	(net of advance tax 31 March 2024 - ₹ 55.94 crore)	0.39	0.70
	<b>Total</b>	<b>0.39</b>	<b>0.70</b>

<b>24</b>	<b>Revenue from operations</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Revenue from contracts with customers</b>		
	<b>Sale of manufactured products</b>		
	- Sale of Products - finished goods	601.85	470.48
	- Sale of services	20.79	39.76
		<b>622.64</b>	<b>510.24</b>
	<b>Other operating revenues</b>		
	- Rebate / Drawback of Taxes and Duties	35.19	25.61
	- Fees for Designing Services	1.08	-
	<b>Total</b>	<b>658.91</b>	<b>535.85</b>

**Notes:**

A) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

Particulars	31 March 2025	31 March 2024
- Sale of products - finished goods	601.85	470.48
	<b>601.85</b>	<b>470.48</b>

Geographic revenue

Particulars	31 March 2025	31 March 2024
- India	40.11	77.28
- Rest of the world	582.53	432.96
	<b>622.64</b>	<b>510.24</b>



**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**B) Reconciliation of revenue recognised:**

Particulars	31 March 2025	31 March 2024
Gross revenue	622.64	510.24
Rebates, discounts	-	-
Adjustment for credit notes	-	-
	<b>622.64</b>	<b>510.24</b>

Note:

- The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration
- The Company has recognised revenue of ₹ 0.05 crores (March 31, 2024 - ₹ 0.02 crores) from the amounts included under advance received from customers at the beginning of the year.

**C) The changes in Contract Liabilities are as follows:**

Particulars	31 March 2025	31 March 2024
Contract Liabilities - Opening	0.05	0.04
Add: Additions during the year, excluding amounts recognised as revenue during the year	0.05	0.03
Less: Revenue recognised in the current year which was included in Contract Liabilities	0.05	0.02
Contract Liabilities - Closing	<b>0.05</b>	<b>0.05</b>

<b>25</b>	<b>Other income</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Rental income	0.46	0.71
	Interest income on financial assets designated at amortised cost		
	- on fixed deposits	1.25	5.00
	- on security deposits	0.11	0.07
	- on others	2.34	0.94
	- Fair valuation adjustments of investments	2.20	1.02
	- Profit on sale of Investment	2.85	-
	- Miscellaneous income	0.03	0.96
	- Gain on sale of Property, plant and equipment	4.78	-
	<b>Total</b>	<b>14.02</b>	<b>8.70</b>

<b>26</b>	<b>Cost of material consumed</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Opening Stock	45.93	24.90
	Add: Purchases during the year	381.40	290.19
	Less: Closing Stock	75.51	45.93
	<b>Total</b>	<b>351.82</b>	<b>269.16</b>

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

27	<b>Changes in inventories of finished goods and work-in-progress</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Inventories at the beginning of the year</b>		
	-Finished goods	18.93	20.03
	-Work-in-progress	59.43	30.26
		<b>78.36</b>	<b>50.29</b>
	<b>Less: Inventories at the end of the year</b>		
	-Finished goods	33.54	18.93
	-Work-in-progress	74.04	59.43
		<b>107.58</b>	<b>78.36</b>
	<b>Net decrease/ (increase)</b>	<b>(29.22)</b>	<b>(28.06)</b>

28	<b>Employee benefits expense</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Salaries, wages, bonus and other allowances	93.74	74.93
	Contribution to Provident Fund and other funds	4.79	3.49
	Gratuity expenses (Refer Note 34)	1.07	0.86
	Staff welfare expenses	2.52	1.84
	<b>Total</b>	<b>102.12</b>	<b>81.12</b>

29	<b>Finance costs</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Interest on borrowing	13.10	9.91
	Interest Expense on lease liability	1.17	1.24
	<b>Total</b>	<b>14.27</b>	<b>11.15</b>

30	<b>Depreciation and amortization expense</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Depreciation of property, plant and equipment (refer note 3 (a))	19.92	16.81
	Depreciation on Right of Use Assets (refer note 3 (b))	4.06	3.15
	Amortisation (refer note 5)	0.05	0.01
	<b>Total</b>	<b>24.03</b>	<b>19.98</b>

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

31	<b>Other expenses</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Sewing, stitching, weaving & finishing charges	20.14	21.84
	Power & fuel	35.09	29.52
	Clearing and forwarding expenses	25.36	18.48
	Repairs & maintenance:		
	Plant & machinery	3.27	3.24
	Building	0.95	1.81
	Other manufacturing expenses	22.22	11.59
	Rent, rates & taxes	1.24	1.32
	Stores and spares consumed	4.32	3.16
	Audit fees (refer note i below)	0.26	0.21
	Fair Valuation of License in Hand	0.08	0.10
	Bank charges	9.51	10.40
	Corporate Social Responsibility Expenditure (refer note 46)	1.20	1.34
	Security expenses	2.22	2.21
	Courier expenses	3.57	2.58
	Travelling, vehicle & conveyance expenses	5.66	4.87
	Loss on sale/write-off of Property, plant and equipment	-	0.40
	Loss on foreign currency fluctuation	4.01	2.73
	Legal & professional fees	3.62	3.73
	Insurance charges	1.25	1.24
	Selling & distribution expenses	10.44	10.09
	Miscellaneous expenses	4.08	3.10
	<b>Total</b>	<b>158.49</b>	<b>133.96</b>

Note i: The following is the break-up of Auditors remuneration (exclusive of taxes)

	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>As auditor:</b>		
Statutory audit fees (including for quaterly limited reviews)	0.24	0.20
Reimbursement of expenses	0.02	0.01
<b>Total</b>	<b>0.26</b>	<b>0.21</b>

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

## 32 Income Tax

		31 March 2025	31 March 2024
(A)	Income Tax recognised in profit or loss		
	<b>Current tax</b>		
	In respect of current year	9.87	13.47
		<b>9.87</b>	<b>13.47</b>
	<b>Deferred tax liabilities</b>		
	In respect of current year origination and reversal of temporary differences	1.72	1.66
		<b>1.72</b>	<b>1.66</b>
	<b>Total Income Tax recognised in profit or loss</b>	<b>11.59</b>	<b>15.13</b>

		31 March 2025	31 March 2024
<b>Income Tax recognised in other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement on net defined benefit plans		0.09	0.19
<b>Total Income Tax recognised in other comprehensive income</b>		<b>0.09</b>	<b>0.19</b>

## (B) Deferred tax assets/ (liabilities) (net):

Particulars	Balance as at 1 April 2024	Charge / (Credit) to Profit or Loss	Charge / (Credit) to Other Comprehensive Income	Balance as at 31 March 2025
<b>Deferred tax assets</b>				
Provision for employee benefits	1.82	0.39	0.09	2.30
Capital losses	0.91	(0.91)	-	-
On Temporary Difference on account of ROU	2.52	(0.23)	-	2.29
Other	0.03	(0.01)	-	0.02
<b>Deferred tax liabilities</b>				
On Temporary Difference on account of leases	(2.02)	0.22	-	(1.80)
Fiscal allowances on property, plant and equipment	(9.32)	(1.17)	-	(10.49)
<b>Total deferred tax assets / (liabilities), net</b>	<b>(6.06)</b>	<b>(1.72)</b>	<b>0.09</b>	<b>(7.68)</b>

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

Particulars	Balance as at 1 April 2023	Charge / (Credit) to Profit or Loss	Charge / (Credit) to Other Comprehensive Income	Balance as at 31 March 2024
<b><u>Deferred tax assets</u></b>				
Provision for employee benefits	1.44	0.19	0.19	1.82
Capital losses	1.82	(0.91)	-	0.91
On Temporary Difference on account of ROU	2.58	(0.06)	-	2.52
Other	0.04	(0.01)	-	0.03
<b><u>Deferred tax liabilities</u></b>				
On Temporary Difference on account of leases	(2.16)	0.14	-	(2.02)
Fiscal allowances on property, plant and equipment	(8.31)	(1.01)	-	(9.32)
<b>Total deferred tax assets / (liabilities), net</b>	<b>(4.59)</b>	<b>(1.66)</b>	<b>0.19</b>	<b>(6.06)</b>

- (C) Capital tax losses amounting to ₹9.98 crores as of 31 March 2017 have been fully set off during the year against long-term capital gains arising from the sale of land. Consequently, no balance remains available for carry forward.

(D) Reconciliation of tax charge	31 March 2025	31 March 2024
Profit before tax	51.42	57.24
Statutory Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	12.94	14.41
Tax effects of:		
- Other items	(1.35)	0.72
<b>Income tax expense</b>	<b>11.59</b>	<b>15.13</b>

**33 Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2025	31 March 2024
Profit attributable to equity holders	39.83	42.11
Weighted average number of shares outstanding during the year	2,43,19,000	2,43,19,000
Effect of dilution:		
Treasury Stock	(1,191)	-
Weighted average number of equity shares adjusted for the effect of dilution	<b>2,43,17,809</b>	<b>2,43,19,000</b>
Basic earnings per share (₹) (Equity share of ₹ 10 each)	16.38	17.31
Diluted earnings per share (₹) (Equity share of ₹ 10 each)	16.38	17.31

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**34 Employee benefits**

		31 March 2025	31 March 2024
(A)	<b>Defined Contribution Plans</b>		
	During the year, the Company has recognized the following amounts in the Statement of Profit and Loss Employers' Contribution to Provident Fund and Employers' State Insurance Corporation (Refer note 28)	4.79	3.49
(B)	<b>Defined benefit plans</b>		
	<p>The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a Life Insurance Corporation of India that is legally separated from the entity,. The Company does not fully fund the liability and maintains the funding from time to time based on estimations of expected gratuity payments.</p> <p>These plans typically expose the Company to the following actuarial risks:</p> <p>Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.</p> <p>Interest risk - A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.</p> <p>Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.</p> <p>Asset Liability matching risk - The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.</p> <p>Mortality risk - Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.</p> <p>Concentration risk - Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.</p> <p>The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by M/S K. A. Pandit Consultants &amp; Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.</p>		
		31 March 2025	31 March 2024
i)	a) Gratuity payable to employees		
	<b>Actuarial assumptions</b>		
	Discount rate (per annum)	6.55%	7.18%
	Rate of increase in Salary (per annum)	4.00%	4.00%
	<b>Attrition rate</b>		
	For service 2 years and below	45%	45%
	For service 3 years to 4 years	30%	30%
	For service 5 years and above	10%	10%
	Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

ii)	<b>Changes in the present value of defined benefit obligation</b>	<b>Employee's gratuity fund</b>		
		<b>31 March 2025</b>	<b>31 March 2024</b>	
	<b>Present value of obligation at the beginning of the year</b>	<b>5.55</b>	<b>4.44</b>	
	Interest cost	0.40	0.32	
	Current service cost	0.67	0.54	
	Benefits paid	(0.62)	(0.50)	
	Actuarial (gain)/ loss on obligations	0.37	0.75	
	<b>Present value of obligation at the end of the year*</b>	<b>6.37</b>	<b>5.55</b>	
*Included in provision for employee benefits (refer note 19)				
iii)	<b>Expense recognized in the Statement of Profit and Loss</b>	<b>Employee's gratuity fund</b>		
		<b>31 March 2025</b>	<b>31 March 2024</b>	
	Current service cost	0.67	0.54	
	Interest cost	0.40	0.32	
	<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>1.07</b>	<b>0.86</b>	
	*Included in Employee benefits expense (Refer note 28). Actuarial Loss of ₹ 0.37 crores (31 March 2024 - ₹ 0.75 crores) is included in other comprehensive income.			
iv)	<b>Remeasurement (gain)/loss recognized in other comprehensive income</b>			
	Actuarial (gain)/ loss on obligations for the period	<b>31 March 2025</b>	<b>31 March 2024</b>	
		0.37	0.75	
	<b>Recognized in other comprehensive income</b>	<b>0.37</b>	<b>0.75</b>	
v)	<b>Changes in fair value of plan assets are as follows:</b>	<b>31 March 2025</b>		<b>31 March 2024</b>
	<b>Opening Balance of fair value of plan assets</b>	0.06	0.06	
	Interest Income	0.00	0.00	
	Return on plan assets (excluding amounts of interest income)	0.00	(0.00)	
	<b>Closing Balance of fair value of plan assets</b>	<b>0.06</b>	<b>0.06</b>	
	* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.			
vi)	<b>Assets and liabilities recognized in the Balance Sheet:</b>	<b>Employee's gratuity fund</b>		
		<b>31 March 2025</b>	<b>31 March 2024</b>	
	Present value of unfunded obligation as at the end of the year	6.37	5.55	
	Fair value of the plan assets at the end of the year	(0.06)	(0.06)	
	<b>Unfunded net liability recognized in Balance Sheet*</b>	<b>6.31</b>	<b>5.49</b>	
	*Included in provision for employee benefits (Refer note 19)			

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

vii)	A quantitative sensitivity analysis for significant assumption as at 31 March 2025 and 31 March 2024 is as shown below:
Impact on defined benefit obligation	
Discount rate	
1% increase	(0.35)
1% decrease	0.39
Employee Turnover	
1% increase	0.05
1% decrease	(0.06)
Rate of increase in salary	
1% increase	0.39
1% decrease	(0.35)

Employee's gratuity fund	
31 March 2025	31 March 2024
(0.35)	(0.29)
0.39	0.33
0.05	0.06
(0.06)	(0.07)
0.39	0.32
(0.35)	(0.30)

viii)	Maturity profile of defined benefit obligation
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	0.67
2nd Following Year	0.68
3rd Following Year	0.76
4th Following Year	0.76
5th Following Year	0.63
Sum of Years 6 to 10	2.71
Sum of 11 and above	3.95

Employee's Gratuity Fund	
31 March 2025	31 March 2024
0.67	0.67
0.68	0.61
0.76	0.61
0.76	0.65
0.63	0.69
2.71	2.41
3.95	3.53

(C)	The company's expected contribution during next year is Nil (31 March 24 : Nil)
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**35 Leases**
**A) As Lessee**

The Company's leasing arrangements are in respect of operating leases for buildings (corporate office, factory building etc.). These range between 3-8 years and usually renewable on mutually agreed terms.

(a) The following is the movement in lease liabilities during the year ended 31 March 2025 and 31 March 2024:

Particulars	Category of ROU Asset
	Leasehold Building
<b>Balance as at 1 April 2023</b>	<b>11.92</b>
Additions	4.06
Lease Payments	(3.97)
<b>Balance as at 31 March 2024</b>	<b>12.01</b>
Additions	4.23
Lease Payments	(5.25)
Translation Exchange Difference	0.04
<b>Balance as at 31 March 2025</b>	<b>11.03</b>

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

- (b) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 and 31 March 2024 on an undiscounted basis:

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Less than one year	5.93	4.60
One to Five years	6.24	9.27
More than 5 years	-	-
<b>Total</b>	<b>12.17</b>	<b>13.87</b>

- (c) The following is the break-up of current and non-current lease liabilities as at 31 March 2025 and 31 March 2024

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Current lease liability	5.07	3.57
Non-Current lease liability	5.96	8.44

- (d) Amounts recognised in Statement of Cash Flows:

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Total cash outflow for leases	5.25	3.97

- (e) Amounts recognised in profit and loss

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Interest expense on lease liabilities	1.17	1.24
Amortisation of right-of-use assets	4.06	3.15

**36 Related Party Disclosures:**

- (A) Names of related parties and description of relationship as identified and certified by the Company:

**Subsidiaries**

Faze Three US LLC

Mats and More Private Limited

**Entities in which the Key Management Personnel (KMP) has control**

VR Woodart Limited

Faze Three Autofab Limited

Ajay Anand (HUF)

Instyle Investments Private Limited

Next Interiors Private Limited

ARR Bath &amp; Home Private Limited

Mamata Finvest Private Limited

Anadry Investments Private Limited

Sub Zero Insulation Technologies Private Limited

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**Key Management Personnel (KMP)**

In accordance with Ind AS 24 - Related Party Disclosures and the Companies Act, 2013, following personnels are considered as KMP.

<b>Name of related party</b>	<b>Relationship</b>
Ajay Anand	Managing Director
Sanjay Anand	Whole-time Director
Ankit Madhwani	Chief Financial Officer
Akram Sati	Company Secretary

**Others**

<b>Name of related party</b>	<b>Relationship</b>
Rohina Anand Khira	Daughter of Managing Director
Ashok Anand	Brother of Managing Director
Vishnu Anand	Son of Managing Director

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Subsidiaries</b>		
<b><u>Faze Three US LLC</u></b>		
Sale of goods	2.61	0.97
<b><u>Mats and More Private Limited</u></b>		
Loans given during the year	47.98	29.35
Loans repaid during the year (including interest)	24.42	22.85
Sale of Goods	0.02	0.47
Sale of Services	0.01	-
Sale of Capital Goods	0.64	-
Purchase of goods	0.01	1.24
Interest Income	2.34	0.94
Purchase of Services	-	0.02
Reimbursement of Expenses	0.00	0.02
Corporate Guarantee given	15.00	-
<b>Entities in which the KMP has control</b>		
<b><u>Faze Three Autofab Limited</u></b>		
Sale of services	20.55	39.76
Sale of Goods	0.12	0.08
Purchase of goods	7.57	13.91
Purchase of Services	0.47	2.17
Purchase of Fixed Asset	-	0.05
Reimbursement of Expenses	0.17	0.07

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

<b><u>Next Interiors Private Limited</u></b>		
Sale of goods	0.86	1.09
Purchase of goods	-	0.03
Reimbursement of Expenses	0.00	-
<b><u>Sub Zero Insulation Technologies Private Limited</u></b>		
Sale of Goods	-	0.22
Purchase of Fixed assets	0.12	0.18
<b><u>Others</u></b>		
Ashok Anand (towards payment of employee benefit)	0.09	0.09
Vishnu Anand (towards payment of employee benefit)	0.60	0.60
<b><u>Key Management Personnel (KMP)</u></b>		
Compensation of key management personnel (Short term employee benefits)	1.93	1.82
<b>Amount due to related party as on</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
<b><u>Trade Receivable</u></b>		
Faze Three US LLC	0.19	0.97
Faze Three Autofab Limited	7.23	6.17
Mats and More Private Limited	0.04	0.53
Next Interiors Private Limited	0.28	-
	<b>7.74</b>	<b>7.67</b>
<b><u>Trade Payable</u></b>		
Faze Three Autofab Limited	0.48	0.03
Rohina Anand	-	0.01
<b><u>Loan Outstanding</u></b>		
Mats and More Private Limited	38.32	12.65
<b><u>Corporate Guarantee Outstanding</u></b>		
Mats and More Private Limited	15.00	-

**(C) Terms and conditions of transactions with related parties**

As of 31 March 2025, the Holding Company determined that no impairment was necessary for receivables due from related parties. This evaluation is performed annually, taking into account each related party's financial health and their operating market.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**37 Fair value measurement**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

As at 31 March 2025	Carrying Amount			Fair Value			
	FVTPL	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments (Non Current)	0.13	2.54	2.67	-	0.13	-	0.13
Loans (Non Current)	-	38.32	38.32	-	-	-	-
Other financial assets	-	3.24	3.24	-	-	-	-
Trade Receivables	-	80.83	80.83	-	-	-	-
Investments (Current)	10.51	-	10.51	10.51	-	-	10.51
Cash & Cash Equivalents	-	8.83	8.83	-	-	-	-
Bank balances other than cash and cash equivalent	-	0.18	0.18	-	-	-	-
Other financial assets	-	5.27	5.27	-	-	-	-
	<b>10.64</b>	<b>139.21</b>	<b>149.85</b>	<b>10.51</b>	<b>0.13</b>	<b>-</b>	<b>10.64</b>
<b>Financial liabilities</b>							
Borrowings - Non Current	-	-	-	-	-	-	-
Lease Liabilities - Non Current	-	5.96	5.96	-	-	-	-
Other financial liabilities - Non Current	-	-	-	-	-	-	-
Borrowings - Current	-	168.57	168.57	-	-	-	-
Lease Liabilities - Current	-	5.07	5.07	-	-	-	-
Trade payables	-	39.05	39.05	-	-	-	-
Other financial liabilities - Current	-	16.74	16.74	-	-	-	-
	<b>-</b>	<b>235.39</b>	<b>235.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

As at 31 March 2024	Carrying Amount			Fair Value			
	FVTPL	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments (Non Current)	0.21	2.54	2.75	-	0.21	-	0.21
Loans (Non Current)	-	12.65	12.65	-	-	-	-
Other financial assets (Non Current)	-	3.05	3.05	-	-	-	-
Trade Receivables	-	75.10	75.10	-	-	-	-
Investments (Current)	14.25	-	14.25	14.25	-	-	14.25
Cash & Cash Equivalents	-	35.44	35.44	-	-	-	-
Bank balances other than cash and cash equivalent	-	32.39	32.39	-	-	-	-
Other financial assets (Current)	-	0.43	0.43	-	-	-	-
	<b>14.46</b>	<b>161.60</b>	<b>176.06</b>	<b>14.25</b>	<b>0.21</b>	<b>-</b>	<b>14.46</b>
<b>Financial liabilities</b>							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	8.44	8.44	-	-	-	-
Other financial liabilities (Non Current)	-	0.11	0.11	-	-	-	-
Borrowings (Current)	-	156.59	156.59	-	-	-	-
Lease Liabilities (Current)	-	3.57	3.57	-	-	-	-
Trade payables	-	15.61	15.61	-	-	-	-
Other financial liabilities (Current)	-	10.72	10.72	-	-	-	-
	<b>-</b>	<b>195.04</b>	<b>195.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**38 Financial risk management objectives and policies**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk primarily related to interest rate risk and Foreign currency risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate loans and borrowings.

	31 March 2025	31 March 2024
Variable rate borrowings	168.42	124.23

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax (₹ in Crs)
FY 2025	100 bps	1.68
FY 2024	100 bps	1.24

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities.

The Company is exposed to foreign currency risk arising mainly on export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Exposure to currency risk	31 March 2025		31 March 2024	
	INR	USD/EURO/ GBP	INR	USD/EURO/ GBP
Trade receivables (hedged)	0.90	0.01	62.23	0.74
Trade receivables (unhedged)	51.39	0.60	-	-
Capital Creditors (hedged)	0.82	0.01	-	-
Capital Creditors (unhedged)	-	-	0.05	0.00

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

## Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The Company realises 90% of its sales in USD, based on the hedging policy followed by the Company in case of normal volatility in USD / INR, the following effect is estimated.

	Change in USD rate	Effect on profit before tax
2025 USD / INR	0.50%	0.26
2024 USD / INR	0.50%	-

## (B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

**Trade Receivables:** The Company has an established credit policy and a credit review mechanism. The Company also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior and analysis of customer credit risk.

Before accepting new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Company to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method. The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

**Financial instruments and cash deposits:** The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Company's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Company.

## (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 1 Year	1 to 5 years	More than 5 years	Total
<b>31 March 2025</b>				
Short term borrowings	168.57	-	-	168.57
Trade payables	38.66	0.39	-	39.05
Salary & reimbursement payable	9.90	-	-	9.90
Lease Liabilities (Refer note 35)	5.93	6.24	-	12.17
Capital Creditors	0.82	-	-	0.82
Expenses payable	5.48	-	-	5.48
Interest accrued but not due	0.43	-	-	0.43
Dividend payable	0.03	-	-	0.03
	<b>229.82</b>	<b>6.63</b>	<b>-</b>	<b>236.45</b>
<b>31 March 2024</b>				
Short term borrowings	156.59	-	-	156.59
Trade payables	15.46	0.15	-	15.61
Salary & reimbursement payable	7.18	-	-	7.18
Lease Liabilities (Refer note 35)	4.60	9.27	-	13.87
Capital Creditors	0.05	-	-	0.05
Expenses payable	2.70	-	-	2.70
Interest accrued but not due	0.46	-	-	0.46
Dividend payable	0.04	-	-	0.04
	<b>187.08</b>	<b>9.42</b>	<b>-</b>	<b>196.50</b>

**39 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions**

The Company has obtained borrowings from bank on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with bank are in agreement with the books.

**40 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

**41 Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**42 Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**Notes forming part of the Financial Statements for the year ended 31 March 2025**  
**43 Ratios** (Amount in crores, unless otherwise stated)

Sr. No.	Ratio	Unit	Formula	Particulars		March 31, 2025		March 31, 2024		Ratio as on March 31, 2025		Ratio as on March 31, 2024		Reason (If variation is more than 25%)
				Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
(a)	Current Ratio	No. of times	Current Assets / Current Liabilities	Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Bank balances other than cash and cash equivalent + Other financial assets + Other Current Assets	Current Liability = Short term borrowings + Lease Liabilities + Trade Payables + Other financial Liability + Current Liability + Provisions + Current tax (Liabilities)	327.13	235.54	311.77	191.66	1.39	1.63			-15% NA
(b)	Debt-Equity Ratio	No. of times	Debt / Equity	Debt = Current borrowing	Equity = Equity + Reserve and Surplus	168.57	416.77	156.59	378.24	0.40	0.41			-2% NA
(c)	Debt Service Coverage Ratio	No. of times	Net Operating Income / Debt Service	Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	78.13	182.83	73.24	167.74	0.43	0.44			-2% NA
(d)	Return on Equity Ratio	%	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income = Net Profits after taxes	Shareholder's Equity	39.83	416.77	42.11	378.24	0.10	0.11			-14% NA
(e)	Inventory Turnover Ratio	No. of times	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	Average Inventory = (Opening Inventory + Closing Inventory)/2	322.59	156.37	241.09	102.09	2.06	2.36			-13% NA
(f)	Trade Receivables Turnover Ratio	No. of times	Net Credit Sales / Average Trade Receivables	Net Credit Sales	Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivable)/2	622.64	77.97	510.24	84.50	7.99	6.04			32% Increase in non due receivables leading to high Trade Receivable Turnover Ratio
(g)	Trade Payables Turnover Ratio	No. of times	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2	381.40	27.33	290.19	13.64	13.96	21.27			-34% A increase non due trade payable leading to low Trade Payable Turnover Ratio
(h)	Net Capital Turnover Ratio	No. of times	Revenue / Average Working Capital	Revenue	Average Working Capital = Total Current assets - Total Current liabilities	658.91	91.59	535.85	120.11	7.19	4.46			61% Increase in revenue and effective credit policy for Vendor and Customer leads to improvement in Net Capital Turnover Ratio
(i)	Net Profit Ratio	%	Net Profit / Net Sales	Net Profit	Net Sales	39.83	622.64	42.11	510.24	0.06	0.08			-22% NA
(j)	Return on Capital Employed	No. of times	EBIT / Capital Employed	EBIT = Earnings before interest and taxes	Capital Employed = Total Assets - Current Liability	65.69	432.35	68.40	394.96	0.15	0.17			-12% NA
(k)	Return on Investment	%	Interest Income / Avg Investment	Interest Income = Interest Income - on fixed deposit + Fair valuation adjustments of investments	Avg Investments = (Opening Fixed deposits + Opening Investments in Mutual Funds + Closing Fixed deposits + Closing Investments in Mutual Funds)/2	3.46	37.65	6.02	80.99	0.09	0.07			23% NA

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**44 Utilisation of Borrowed funds**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**45 Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**46 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mainly for environmental sustainability, promotion of education, health care, etc. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

<b>A. Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Gross Amount required to be spent as per Section 135 of the Act	1.35	1.22
Add: Excess amount spent in previous years	(0.23)	-
Total Gross amount required to be spent during the year	1.12	1.22
<b>Amount approved by the Board to be spent during the year</b>	<b>1.12</b>	<b>1.22</b>

<b>B. Amount spent during the year on</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above - <b>Towards CSR contribution</b>	1.20	1.34

<b>C. Details related to amount spent/ unspent</b>	<b>31 March 2025</b>	<b>31 March 2023</b>
<b>Particulars</b>		
<b>Contribution to following Trust</b>		
1. Jan Jagrati Sevarath Sansthan	1.00	
2. Maatr Care Foundation	0.20	
3. Omkar Andh Apang Samajik Sanstha		0.75
4. Kalawati Devi Memorial Charitable Society		0.59
<b>Accrual towards unspent obligations in relation to:</b>		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>1.20</b>	<b>1.34</b>



**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**D. Details of CSR expenditure in respect of other than ongoing projects**

Nature of Activity	Balance unspent as at 1 April 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2025
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.12	1.20	-

Nature of Activity	Balance unspent as at 1 April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.22	1.34	-

**E. Details of excess CSR expenditure**

Nature of Activity	Balance excess as at 1 April 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2025
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	0.23	1.35	1.20	0.08

**F. Contribution to Related Parties/ CSR Expenditure incurred with Related Parties- Not Applicable**
**G. Disclosures on Shortfall**

Particulars	31 March 2025	31 March 2024
Amount Required to be spent by the Company during the year	1.35	1.22
Actual Amount Spent by the Company during the year	1.20	1.34
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	NA	NA

**47 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**48 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

The outstanding dues to small and medium enterprises as defined under MSMED Act, 2006 are as under:

According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows

Particulars	31 March 2025	31 March 2024
(a) (i) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	6.45	0.30
Interest	-	-
<b>Total</b>	<b>6.45</b>	<b>0.30</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

**49 Details of Benami Property held**

There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

**50 Wilful Defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**51 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of current liabilities which represents - Packing Credit. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

		31 March 2025	31 March 2024
Total equity excluding revaluation reserve	(i)	365.05	322.15
Total debt		168.57	156.60
Less: Fixed deposits liened (refer note 12)		0.15	32.35
Less: Cash and cash equivalents (refer note 11)		8.83	35.44
Total net debt	(ii)	159.59	88.79
Overall financing	(iii) = (i) + (ii)	524.64	410.94
Gearing ratio	(ii)/ (iii)	0.30	0.22

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

**52 Contingent Liability and commitments**

Contingent liabilities (to the extent not provided for)	31 March 2025	31 March 2024
Bank Guarantees	3.20	2.32
Corporate Guarantees	15.00	-

The Company has no capital commitment as at year end

**53 Segment reporting**

(a) The Company is engaged in only one segment viz 'Manufacturing of home textiles' such as bathmat, rugs, throws, curtains, etc., there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

(b) Geographical Information

The revenues from operation have been allocated to countries based on location of the customers as shown below:

	31 March 2025	31 March 2024
(a) Within India (including rebate/drawback of Taxes and Duties)	75.30	102.89
(b) Outside India		
United States of America (USA)	375.31	262.70
United Kingdom	44.73	100.17
Europe	86.57	46.55
Rest of the world	77.00	23.54
<b>Total</b>	<b>658.91</b>	<b>535.85</b>

(c) Information about major customers

The following table gives details in respect of percentage of revenue generated (sale of products) from the top ten customers.

Particulars	31 March 2025	31 March 2024
	%	%
Revenue from top 10 Customers	59%	62%

**Notes forming part of the Standalone Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**54 Disclosures pursuant to securities and exchange board of India (Listing obligations and disclosure requirements) Regulations, 2015 and section 186 of the Companies Act 2013:**

<b>Loan to Subsidiary:</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Mats and More Private Limited	38.32	12.65
Maximum amount outstanding at anytime during the year	39.02	18.52

(Mats & More Private Limited has utilised this loan for working capital requirements. The loan amounting to ₹ 23.04 cr is repayable after 3 years at 8.50% (31 March 24 8.15%) and loan amounting to ₹ 15.28cr is repayable after 5 years at 8.50% Interest rate)

**55 Loans or Advances in the nature of loans**

<b>Particulars</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b><u>Loan to Subsidiary</u></b>		
Mats and More Private Limited	38.32	12.65
Repayable on demand	No	No
Terms/Period of repayment is specified	Yes	Yes
<b>Percentage to the total Loans and Advances in the nature of loans</b>	100%	100%

**56 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.**

The Company will assess the impact of the Code and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

**57 Events after the reporting period**

There are no significant subsequent events between the year ended 31 March 2025 and signing of standalone financial statements as on 23 May 2025 which have material impact on the financials of the Company.

**58 Approval of standalone financial statements**

The financial statements were approved for issue by the board of directors on 23 May 2025.

**59 Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS as required by Schedule III of the Act.**

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.:105047W

For and on behalf of Board of Directors of  
Faze Three Limited  
CIN: L99999DN1985PLC000197

Rajesh Murarka  
Partner  
Membership No: 120521

Ajay Anand  
Managing Director  
DIN: 00373248

Sanjay Anand  
Whole-time Director  
DIN: 01367853

Place : Mumbai  
Date : May 23, 2025

Ankit Madhwani  
Chief Financial Officer

Akram Sati  
Company Secretary  
M No: A50020

## INDEPENDENT AUDITOR'S REPORT

To the Members of Faze Three Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Faze Three Limited** (hereinafter referred to as the "Holding Company") which includes Faze Three Employee Trust ('Employee Welfare Trust) and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2025, and of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How the Key Audit Matters was addressed in our audit
<p>Refer Note 2.7 of Consolidated Financial Statements with respect to the accounting policies followed by the Group for recognizing revenue.</p> <p>The Group derives its revenue primarily from export of Home textile products to its customer, in accordance with commercial terms agreed. The revenue is recognised at a point in time when control of the goods has transferred to the customer.</p> <p>Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications including incoterms and timing of transfer of legal title of the asset.</p>	<p>Our audit procedures in respect of this area included:</p> <ol style="list-style-type: none"> <li>1. Assessed the appropriateness and consistency of the Group's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").</li> <li>2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of controls over recognition and measurement of revenue in accordance with customer contracts, including timing of revenue recognition.</li> <li>3. Performed substantive testing by selecting samples of revenue transactions recorded during the year and verifying with the underlying documents like sales invoices/contracts and related shipping documents.</li> </ol>

Key Audit Matters	How the Key Audit Matters was addressed in our audit
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cutoff can result in material misstatement of results for the year. Accordingly, Revenue (Cut off) is identified as an area of significant risk and Key Audit Matter.	<ol style="list-style-type: none"> <li>4. Performed the cut-off testing of the revenue recorded in the appropriate period and traced the sales with Shipping bill and other relevant documents to confirm the appropriateness of recognition of revenue for that period in the books of accounts.</li> <li>6. Assessed manual journals posted to revenue to identify unusual items &amp; tested the underlying documents of the same on a sample basis.</li> <li>7. Obtained management representation that revenue has been recorded as per the requirements of Ind AS 115.</li> <li>8. Evaluated the appropriateness of the disclosures made in the Consolidated Financial Statements in relation to revenue recognised as per relevant accounting standards.</li> </ol>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report. Management Discussion and Analysis Report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.



### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### Other Matters:

- a. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.58.78 Crores as at March 31, 2025, total revenues of Rs. 26.63 Crores and net cash outflows amounting to Rs. 0.26 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
- b. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.1.55 Crores as at March 31, 2025, total revenues of Rs. 6.99 Crores and net cash outflows amounting to Rs. 0.21 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to reliance on the work done and the reports of the other auditor and the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph (h)(vi) below on reporting under Rule 11 (g).
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1 (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).
- g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv.
    - (1) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - vi. Based on our examination, which included test checks, and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below the Holding Company and its subsidiary Company incorporated in India have used accounting software's for maintaining their respective books of account for the year ended March 31, 2025, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, and further, during the course of audit we and above referred subsidiary, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and above referred subsidiary as per the statutory requirements for record retention.

Instances of accounting software which is used for maintaining respective books of account relating to revenue and inventory transactions, in respect of which the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes in the accounting software throughout the year ended March 31, 2025.

In respect of Holding Company incorporated in India

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
 Partner  
 Membership No. 120521  
**UDIN:** 25120521BMOVGJ3432

**Place:** Mumbai  
**Date:** May 23, 2025

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FAZE THREE LIMITED

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2025 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates**

**Chartered Accountants**

**ICAI Firm Registration No. 105047W**

Rajesh Murarka

Partner

Membership No. 120521

**UDIN: 25120521BMOVGJ3432**

**Place: Mumbai**

**Date: May 23, 2025**

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FAZE THREE LIMITED**

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Faze Three Limited on the consolidated Financial Statements for the year ended March 31, 2025]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of Faze Three Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

#### **Management's and Board of Director's Responsibility for Internal Financial Controls**

The respective Management and the Board of Directors of the Holding Company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Group, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to



provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

**For M S K A & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

Rajesh Murarka  
Partner  
Membership No. 120521  
**UDIN:** 25120521BMOVJ3432

**Place:** Mumbai  
**Date:** May 23, 2025



**Consolidated Balance Sheet as at 31 March 2025**

(Amount in crores, unless otherwise stated)

Particulars	Notes	As At 31 March 2025	As At 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	290.09	240.53
Capital work-in-progress	4	8.68	6.60
Right-of-use Assets	3 (b)	15.32	11.17
Intangible Assets	5	0.17	0.18
Financial assets			
i. Investments	6	0.14	0.21
ii. Other financial assets	7	3.58	3.22
Income tax asset (net)	14	-	3.17
Other non-current assets	8	12.39	6.26
<b>Total non-current assets</b>		<b>330.37</b>	<b>271.34</b>
<b>Current assets</b>			
Inventories	9	197.93	132.95
Financial assets			
i. Investments	6	10.51	14.25
ii. Trade receivables	10	90.83	75.20
iii. Cash and cash equivalents	11	8.88	35.71
iv. Bank balances other than cash and cash equivalent	12	0.19	32.64
v. Other financial assets	13	5.27	0.43
Current tax assets (net)	15	0.37	-
Other current assets	16	42.10	30.96
<b>Total current assets</b>		<b>356.08</b>	<b>322.14</b>
<b>Total assets</b>		<b>686.45</b>	<b>593.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	24.32	24.32
Other equity	18	395.70	356.34
<b>Total equity</b>		<b>420.02</b>	<b>380.66</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	36	6.59	9.21
ii. Other financial liabilities	19	-	0.11
Provisions	20	1.96	2.12
Deferred tax liability (net)	33	7.92	6.14
<b>Total non-current liabilities</b>		<b>16.47</b>	<b>17.58</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	21	180.28	156.59
ii. Lease Liabilities	36	5.58	3.88
iii. Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		6.92	0.30
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		33.52	18.34
iv. Other financial liabilities	19	17.41	10.81
Other current liabilities	23	1.46	1.18
Provisions	20	4.37	3.38
Current tax liabilities (net)	24	0.42	0.76
<b>Total current liabilities</b>		<b>249.96</b>	<b>195.24</b>
<b>Total liabilities</b>		<b>266.43</b>	<b>212.82</b>
<b>Total equity and liabilities</b>		<b>686.45</b>	<b>593.48</b>

See accompanying notes to the consolidated financial statements 1-60

The accompanying notes are an integral part of the Consolidated financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**Rajesh Murarka**

Partner

Membership No: 120521

**Place : Mumbai**
**Date : May 23, 2025**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Ajay Anand Managing**

Director DIN:

00373248

**Ankit Madhwani**

Chief Financial Officer

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Akram Sati**

Company Secretary

M No: A50020

**Consolidated Statement of Profit and Loss for year Ended 31 March 2025**

(Amount in crores, unless otherwise stated)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	25	689.94	564.52
Other income	26	11.80	7.80
<b>Total income</b>		<b>701.74</b>	<b>572.32</b>
<b>Expenses</b>			
Cost of material consumed	27	377.83	286.65
Changes in inventories of finished goods and work-in-progress	28	(35.40)	(29.78)
Employee benefits expense	29	103.65	81.85
Finance costs	30	14.55	11.25
Depreciation and amortization expense	31	25.03	20.60
Other expenses	32	163.43	139.30
<b>Total expenses</b>		<b>649.09</b>	<b>509.87</b>
<b>Profit before tax</b>		<b>52.65</b>	<b>62.45</b>
<b>Tax expense</b>			
Current tax	33	10.11	14.16
Deferred tax	33	1.88	1.70
<b>Total income tax expense</b>		<b>11.99</b>	<b>15.86</b>
<b>Profit for the year</b>		<b>40.66</b>	<b>46.59</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
(a) Remeasurements of post-employment defined benefit plans		(0.36)	(0.75)
(b) Income tax effect on the above		0.09	0.19
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
(a) Exchange difference on translation of a foreign operation		-	-
(b) Income tax effect on the above		-	-
<b>Total other comprehensive income for the year</b>		<b>(0.27)</b>	<b>(0.56)</b>
<b>Total comprehensive income for the year</b>		<b>40.39</b>	<b>46.03</b>
<b>Earnings per share</b>			
Basic ( ₹/ Share)	34	16.72	19.16
Diluted ( ₹/ Share)	34	16.72	19.16

See accompanying notes to the consolidated financial statements 1-60

The accompanying notes are an integral part of the Consolidated financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Rajesh Murarka**

Partner

Membership No: 120521

**Ajay Anand**

Managing Director

DIN: 00373248

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Place : Mumbai**
**Date : May 23, 2025**
**Ankit Madhwani**

Chief Financial Officer

**Akram Sati**

Company Secretary

M No: A50020

**Consolidated Statement of Changes in Equity for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**(A) Equity share capital**

Particulars	March 31, 2025	
	No. of shares	Amount
<b>Equity shares of ₹10 each issued, subscribed and fully paid</b>		
Balance as at 01 April 2024	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2025</b>	<b>2,43,19,000</b>	<b>24.32</b>

Particulars	March 31, 2024	
	No. of shares	Amount
<b>Equity shares of ₹10 each issued, subscribed and fully paid</b>		
Balance as at 01 April 2023	2,43,19,000	24.32
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>2,43,19,000</b>	<b>24.32</b>

**(B) Other Equity**

Particulars	Reserves and surplus					Other Reserve	Total
	Capital Reserve	Revaluation Reserve	Securities premium	General reserve	Retained earnings	Treasury Shares	
<b>Balance as at 1 April 2024</b>	<b>5.73</b>	<b>56.09</b>	<b>24.44</b>	<b>91.93</b>	<b>178.13</b>	-	<b>356.34</b>
Profit for the year	-	-	-	-	40.66	-	40.66
Transferred to retained earnings	-	(4.38)	-	-	4.38	-	-
Dividend distributed during the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(0.27)	-	(0.27)
Treasury shares acquired by Faze Three Employee Trust	-	-	-	-	-	(1.00)	(1.00)
<b>Balance as at 31 March 2025</b>	<b>5.73</b>	<b>51.71</b>	<b>24.44</b>	<b>91.93</b>	<b>222.89</b>	<b>(1.00)</b>	<b>395.70</b>

Particulars	Reserves and surplus					Other Reserve	Total
	Capital Reserve	Revaluation Reserve	Securities premium	General reserve	Retained earnings	Treasury Shares	
<b>Balance as at 1 April 2023</b>	<b>5.73</b>	<b>56.23</b>	<b>24.44</b>	<b>91.93</b>	<b>131.96</b>	-	<b>310.29</b>
Profit for the year	-	-	-	-	46.59	-	46.59
Transferred to retained earnings	-	(0.14)	-	-	0.14	-	-
Dividend distributed during the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(0.56)	-	(0.56)
<b>Balance as at 31 March 2024</b>	<b>5.73</b>	<b>56.09</b>	<b>24.44</b>	<b>91.93</b>	<b>178.13</b>	-	<b>356.34</b>

See accompanying notes to the consolidated financial statements 1-60

The accompanying notes are an integral part of the Consolidated financial statements.

**As per our report of even date**
**For M S K A & Associates**
**Chartered Accountants**
**ICAI Firm Registration No.:105047W**
**For and on behalf of Board of Directors of**
**Faze Three Limited**
**CIN: L99999DN1985PLC000197**
**Rajesh Murarka**

Partner

Membership No: 120521

**Ajay Anand**

Managing Director

DIN: 00373248

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Place : Mumbai**
**Date : May 23, 2025**
**Ankit Madhwani**

Chief Financial Officer

**Akram Sati**

Company Secretary

M No: A50020

**Statement of Consolidated Cash Flows for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash flow from operating activities</b>		
Profit before tax	52.65	62.45
Adjustments for:		
Depreciation and amortization expenses	25.03	20.60
Finance cost	14.55	11.25
Loss on sale of Property, plant and equipment	(4.78)	0.40
Unrealised foreign exchange (gain)/ loss (net)	2.65	(0.24)
Profit on sale of Investment	(2.85)	-
Fair valuation adjustments of investments	(2.20)	(1.02)
Interest income	(1.36)	(5.94)
<b>Operating profit before working capital changes</b>	<b>83.69</b>	<b>87.50</b>
<b>Changes in working capital</b>		
Increase in inventories	(64.97)	(43.25)
Decrease/(Increase) in trade receivables	(13.28)	19.07
Decrease/(Increase) in financial assets	0.74	(1.07)
Increase in other current assets	(9.32)	(10.27)
Decrease in other non-current assets	(2.94)	0.60
Increase in trade payables	19.32	0.83
Increase in other financial liabilities	5.93	1.55
Increase in other current liabilities	0.27	0.36
Increase in Provisions	0.44	0.35
<b>Cash generated from operations</b>	<b>19.88</b>	<b>55.67</b>
Income tax paid (net of refund)	(7.61)	(18.66)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>12.27</b>	<b>37.01</b>
<b>Cash flow from Investing activities</b>		
Payment for acquisition of property, plant and equipment	(92.62)	(60.24)
Proceeds from disposal of property, plant and equipment	10.73	-
Payments for purchase of investments	-	(1.10)
Proceeds from sale of investment	8.88	-
Interest received	0.84	6.22
Proceeds from bank deposits (original maturity more than 3 months) (net)	32.20	9.67
<b>Net cash used in investing activities (B)</b>	<b>(39.97)</b>	<b>(45.45)</b>
<b>Cash flow from Financing activities</b>		
Equity Shares of the company purchased by Faze Three Employee Trust	(1.00)	-
Repayments of/ Proceeds from borrowings (net)	23.70	(4.16)
Payment of Lease Liabilities	(5.85)	(4.63)
Interest paid	(13.30)	(9.97)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>3.55</b>	<b>(18.76)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(24.15)</b>	<b>(27.20)</b>
Cash and cash equivalents at the beginning of the year	35.71	61.84
Effect of exchange rate changes on cash and cash equivalents	(2.68)	1.07
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>8.88</b>	<b>35.71</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In current accounts	4.68	3.56
Fixed deposits with original maturity of less than three months	-	17.81
Bank balance on EEFC account	4.03	14.23
Cash on hand	0.17	0.11
<b>Total cash and cash equivalents at end of the year</b>	<b>8.88</b>	<b>35.71</b>

**Statement of Consolidated Cash Flows for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**Notes :**

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements".
- ii) Disclosure as required by Ind AS 7 - "Cash Flow Statements" - Changes in liabilities arising from financing activities:

Particulars	31 March 2025	31 March 2024
<b>Opening balance - Borrowings</b> (including interest accrued)	157.06	161.26
<b>Non Cash movement</b>		
- Accrual of interest	13.28	9.93
<b>Cash movement</b>		
- Repayment of / Proceeds from borrowings (net)	23.70	(4.16)
- Interest payment	(13.30)	(9.97)
<b>Closing balance - Borrowings</b> (including interest accrued)	<b>180.74</b>	<b>157.06</b>

Summary of Material Accounting Policy

1-60

The accompanying notes are an integral part of the Consolidated financial statements.

**As per our report of even date**

**For M S K A & Associates**

**Chartered Accountants**

**ICAI Firm Registration No.:105047W**

**For and on behalf of Board of Directors of**

**Faze Three Limited**

**CIN: L99999DN1985PLC000197**

**Rajesh Murarka**

Partner

Membership No: 120521

**Ajay Anand**

Managing Director

DIN: 00373248

**Sanjay Anand**

Whole-time Director

DIN: 01367853

**Place : Mumbai**

**Date : May 23, 2025**

**Ankit Madhwani**

Chief Financial Officer

**Akram Sati**

Company Secretary

M No: A50020

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

**1. General Information**

Faze Three Limited (the “Company”) and its subsidiaries (collectively, the Group) established in 1985, is engaged in manufacturing and exports of home textiles products items viz. bathmats, rugs, blankets, throws, cushions, etc. It has seven manufacturing locations across Gujarat, Union territories (UT) of (Dadra and Nagar Haveli and Daman and Diu) DNHDD, Haryana and Maharashtra in India. The Group is a direct exporter to top retail store chains in USA, UK and Europe. The Company is a public listed company incorporated and domiciled in India and has its registered office in Dapada, Silvassa, UT of DNHDD. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange.

The consolidated financial statements for the year ended March 31, 2025 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2025.

**2. Material accounting policies**

**(A) Statement of Compliance**

These consolidated financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Consolidated Financial statements presents the financial position of the Group and it includes the financial information of one trust viz. Faze Three Employee Trust which is controlled by the Group. Treasury shares are held in trust whose sole beneficiary is Faze Three Limited.

**(B) Basis of presentation**

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

**(C) Basis of measurement**

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land classified under property, plant and equipment at Fair value
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

A historical cost is a measure of value used in accounting in which the value of an asset on the balance sheet is recorded at its original cost when acquired by the Group.

**Fair Value Measurement:** - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(D) Use of estimates**

The preparation of the consolidated financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. The areas involving critical estimates or judgements are:

**Useful life of property, plant and equipment:**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Defined benefit obligations**

The cost of defined benefit gratuity plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**Recognition of Deferred Tax Assets**

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised

**(E) Basis of Consolidation**

**Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**Summary of material accounting policies**

**2.2 Property, plant and equipment**

Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax / duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of the profit and loss when the asset is derecognised.

**Depreciation methods, estimated useful lives**

The Group depreciates property, plant and equipment using the straight-line method over their estimated useful lives of assets which are determined based on technical parameters / assessment.

**Useful life of property, plant and equipment:**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods. The estimated useful lives of assets are as follows:

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

<b>Property, plant and equipment</b>	<b>Useful Lives</b>
Leasehold land	Lease period
Building	5-30 years
Plant & Machinery	2-25 years
Furniture and Fixtures	2-20 years
Office Equipment	2-10 years
Electrical Installations	2-15 years
Fire Hydrant Systems	15 years
Vehicles	8-10 years
Computers	2-6 years

Individual assets costing up to ₹ Five thousand are depreciated in full in the year of purchase.

The Group has adopted a policy to transfer from revaluation reserve to profit or loss, an amount equivalent to depreciation on account of gain in revaluation reserve recognised earlier, at every period end.

Based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The residual value of Property, plant and Equipment are within the limit specified in Schedule II (Part C) of Companies act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.3 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences. The estimated useful life of asset is as follows:

<b>Intangible assets</b>	<b>Useful Lives</b>
Software licences	6 Years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life. Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

**2.4 Impairment of Non Financial Assets**

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.5 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**2.6 Foreign currency transactions**

**Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian National Rupee (INR), which is the Group's functional and presentation currency.

**Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised as income or expense in the period in which they arise in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**2.7 Revenue recognition**

**(A) Sale of goods**

The majority of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development.

**(B) Rendering of services:**

Revenues from services are recognised as and when services are rendered and on the basis of contractual terms with the parties. The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer.

**(C) Rebate / Drawback of Taxes and Duties**

Revenue from export benefits arising from duty drawback scheme, merchandise export incentive scheme, Rebate of State and Central Taxes and Levies and Remission of Duties or Taxes on Export Products Scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

**(D) Other Income**

Interest income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the other income in the statement of profit and loss.

Other Incomes are recognised on accrual basis except financial instruments measured at amortised cost which are recognised using the effective interest rate (EIR).

Dividend income is recorded when the right to receive payment is established.

Rental income:

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight line basis as per the terms of the agreements in the statement of profit and loss.

**2.8 Taxes**

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(A) Current tax**

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**(B) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

**2.9 Leases**

**The Group as a Lessee :**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

**A) Right-of-use asset (ROU):**

The Group recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date (i.e the date the underlying asset is available for use). The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The ROU Asset is subsequently depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the asset from the commencement date to the end of the lease term.

**B) Lease Liabilities**

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group presents ROU Asset separately and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

**C) Short-term leases and leases of low-value assets**

The Group has elected not to recognise ROU Assets and lease liabilities for

- short term leases that have a lease term of 12 months or lower and
- Leases of low value assets with annual lease rental lesser than or equal to Rs. 10 lakhs.

The Group recognises the lease payments associated with these leases as an expense over the lease term.

**D) Company as a lessor:**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

**2.10 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, dyes and chemicals, packaging materials and stores and spare parts comprises cost of purchases on weighted average basis.

Cost of work-in progress and finished goods comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Slow and non-moving material, obsolesce, defective inventories are duly provided for and valued at actual cost or estimated net realisable value whichever is lower. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**2.11 Provisions, contingent liabilities and contingent assets**

**Provisions :-** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities :-** Contingent liabilities are disclosed when there is a possible obligation arising from

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Asset :-** A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the consolidated financial statements where an inflow of economic benefit is possible.

## 2.12 Cash and cash equivalents & bank balances

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and fixed deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

Bank Balances other than cash and cash equivalents in the balance sheet comprise of unpaid dividend accounts and fixed deposits with an original maturity of more than three months and less than twelve months, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (A) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, the Group measures a financial assets at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

#### (ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt Instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(B) Financial liabilities**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Borrowings at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(C) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.14 Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Defined Contribution Plan**

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Defined benefit plans**

**Gratuity:** The Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**2.15 Current Asset and Current Liability**

**Current Asset** – “An entity shall classify an asset as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period;
- (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

**Current Liability** – “An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.”

**2.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources, excluding treasury shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.17 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM)(Managing Director) of the Group. The Managing Director is responsible for allocating resources and assessing performance of the operating segments of the Group.

During the period, entity was engaged in the business of home textile products, which is the only operating segment as per Ind AS 108.

**2.18 Rounding off amounts**

All amounts disclosed in consolidated financial statements and notes have been rounded off to the nearest crores as per requirement of Schedule III of the Act, unless otherwise stated.

**2.19 New Standards and amendments issued but not effective**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year, MCA vide notification dated September 9, 2024 and September 20, 2024 notified the Companies (Indian Accounting Standard) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third amendment Rule, 2024 respectively which amended / notified certain accounting standards and are effective for annual reporting periods beginning on or after April 01, 2024: - Insurance Contract – Ind AS 117 and - Lease Liability in Sale and Leaseback – Amendment to Ind AS 116. These amendments did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods

### Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

3 (a) Property, plant and equipment (Amount in crores, unless otherwise stated)

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	For the year	Disposals	As at 31 March 2025	As at 31 March 2025
<b>Owned assets</b>								
Leasehold land (Refer note below)	13.94	-	-	13.94	0.23	-	1.29	12.65
Freehold land (Refer note below)	53.92	-	4.26	49.66	-	-	-	49.66
Building	51.33	4.55	-	55.88	1.96	-	28.01	27.87
Plant and machinery	183.12	59.21	1.66	240.67	12.10	0.45	83.56	157.11
Furniture and fixtures	33.73	4.79	0.01	38.51	3.43	-	12.63	25.88
Vehicles	4.62	1.06	-	5.68	0.41	-	3.21	2.47
Office equipment	3.69	0.36	-	4.05	0.37	-	2.93	1.12
Computers	5.53	1.20	-	6.73	0.69	-	5.06	1.67
Electrical installations	11.53	3.27	0.43	14.37	0.94	0.42	6.52	7.85
Fire hydrants	3.25	0.99	-	4.24	0.26	-	0.44	3.80
<b>Total</b>	<b>364.66</b>	<b>75.43</b>	<b>6.36</b>	<b>433.73</b>	<b>20.39</b>	<b>0.87</b>	<b>143.65</b>	<b>290.08</b>
Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
<b>Owned assets</b>								
Leasehold land	9.21	4.73	-	13.94	0.21	-	1.06	12.88
Freehold land	53.55	0.37	-	53.92	-	-	-	53.92
Building	47.87	3.46	-	51.33	1.94	-	26.05	25.28
Plant and machinery	158.99	33.08	8.95	183.12	9.87	8.29	71.91	111.21
Furniture and fixtures	29.45	6.58	2.30	33.73	2.85	2.01	9.20	24.53
Vehicles	5.72	0.40	1.50	4.62	0.41	1.44	2.80	1.82
Office equipment	3.16	0.57	0.04	3.69	0.35	0.11	2.56	1.13
Computers	4.97	0.69	0.14	5.53	0.66	0.16	4.37	1.16
Electrical installations	10.68	1.53	0.67	11.53	0.78	0.74	6.00	5.53
Fire hydrants	0.44	2.81	-	3.25	0.08	-	0.18	3.07
<b>Total</b>	<b>324.04</b>	<b>54.22</b>	<b>13.60</b>	<b>364.66</b>	<b>17.15</b>	<b>12.75</b>	<b>124.13</b>	<b>240.53</b>

\* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

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**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025**

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**Revaluation Note:**

Freehold and leasehold land classified as property, plant and equipment were valued on 31 March 2024 using sale comparison technique carried out by external independent qualified valuers who are registered valuers as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

The fair value of freehold land and leasehold land is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided above

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of freehold land and leasehold land, as well as the interrelationship between key unobservable inputs and fair value, are set out below.

**Significant unobservable inputs**

Freehold and leasehold land - Price per square metre (range) - March 31, 2025 ₹ 4,000/- to ₹ 11,000/- (March 31, 2024 ₹ 4,000/- to ₹ 11,000/-)

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value on a linear basis.

There were no valuation carried out during the period. The fair value measurement is based on the above items' highest and best use, which does not differ from their actual use. Had the revalued items been measured on a historical cost basis, the net book value of freehold and leasehold land would have been ₹ 6.21 (31 March 2024: ₹ 6.22). The revaluation surplus (gross of tax) amounted to ₹ 51.71 (31 March 2024: ₹ 56.09) for freehold and leasehold land. Further, adjustment of ₹ 4.26 relates to sale of land in the current year.

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025 (Amount in crores, unless otherwise stated)

### 3.1 Property, plant and equipment pledged as security

Refer to Note 21 for information on property, plant and equipment pledged as security by the Group.

### 3 (b) Right-of-use Assets

Particulars	Gross Carrying Amount				Depreciation		Net Carrying Amount As at 31 March 2025
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	For the year As at 1 April 2024	Disposals As at 31 March 2025	
Buildings	21.75	8.74	-	30.49	10.58	15.17	15.32
Vehicles	0.99	-	0.99	-	0.99	-	-
<b>Total</b>	<b>22.74</b>	<b>8.74</b>	<b>0.99</b>	<b>30.49</b>	<b>11.57</b>	<b>15.17</b>	<b>15.32</b>

Particulars	Gross Carrying Amount				Depreciation		Net Carrying Amount As at 31 March 2024
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	For the year As at 1 April 2023	Disposals As at 31 March 2024	
Buildings	18.83	2.92	-	21.75	7.19	-	11.17
Vehicles	0.99	-	-	0.99	0.94	-	-
<b>Total</b>	<b>19.82</b>	<b>2.92</b>	<b>-</b>	<b>22.74</b>	<b>8.13</b>	<b>11.57</b>	<b>11.17</b>

### 4 Capital-Work-in Progress (CWIP)

#### Capital work-in-progress ageing schedule

31 March 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	8.68	-	-	-	8.68

31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	6.28	0.32	-	-	6.60

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to original plan.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in crores, unless otherwise stated)

### 5 Intangible assets

	Gross block			Depreciation			Net block
	As at 1 April 2024	Additions	Deductions	As at 31 March 2025	For the year	Deductions	As at 31 March 2025
Particulars							
Intangible Assets Software	0.20	0.04	-	0.24	0.05	-	0.17

	Gross block			Depreciation			Net block
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	For the year	Deductions	As at 31 March 2024
Particulars							
Intangible Assets Software	0.06	0.14	-	0.20	0.01	-	0.18

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

6	Financial assets- Investments	31 March 2025	31 March 2024
	<b><u>Non-current Investments</u></b>		
	<b>Investment in Others</b>		
	<b><u>Quoted equity shares (At Cost)</u></b>		
	9,00,000 (31 March, 2024: 14,53,042) Equity shares of ₹ 10 each fully paid-up in V R Woodart Limited	0.13	0.21
	<b><u>Unquoted equity shares (At Cost)</u></b>		
	5,000 (31 March, 2024: 5,000) Equity shares of ₹10 each fully paid-up in Saraswat Co-op Bank Limited	0.01	0.01
	40 (31 March, 2024 : 40) Equity shares of ₹ 25 each fully paid-up in Greater Bombay Co-operative Bank Limited *	0.00	0.00
	<b>Total</b>	<b>0.14</b>	<b>0.21</b>
	<b><u>Current Investments</u></b>		
	<b>Investments in Mutual Funds (Designated and carried at fair value through profit or loss)</b>		
	Investments in Nippon Ind ETF Gold Bees (Quoted) (Refer footnote i)	5.57	9.41
	Investment in Nippon India Silver ETF Fund (Quoted) (Refer footnote i)	4.94	4.84
	<b>Total</b>	<b>10.51</b>	<b>14.25</b>
	<b>Aggregate book value of:</b>		
	Quoted investments	10.64	14.46
	Unquoted investments	0.01	0.01
	<b>Aggregate market value of:</b>		
	Quoted investments	13.20	15.38
	Unquoted investments	0.01	0.01

\* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.



## Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.

(Amount in crores, unless otherwise stated)

## Footnotes:

## i. Details of Investments in Mutual Funds (Designated and carried at FVTPL):

Particulars	Quantity		Amount	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Nippon India ETF Gold Bees	7,50,500	16,61,500	5.57	9.41
Nippon India Silver ETF Fund	5,05,750	6,68,750	4.94	4.84
<b>Total</b>	<b>12,56,250</b>	<b>23,30,250</b>	<b>10.51</b>	<b>14.25</b>

<b>7</b>	<b>Other financial assets (non-current)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Security deposits	3.47	3.12
	Deposit account with banks (Deposits with original maturity for more than 12 months from balance sheet date)	0.11	0.10
	<b>Total</b>	<b>3.58</b>	<b>3.22</b>

<b>8</b>	<b>Other non-current assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Capital advance	12.39	6.26
	<b>Total</b>	<b>12.39</b>	<b>6.26</b>

<b>9</b>	<b>Inventories * (At lower of cost and net realisable value)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Raw material	76.76	46.69
	Work in progress	80.29	61.02
	Finished goods (including in transit)	35.88	19.66
	Store and spares parts	2.80	2.49
	Dyes and chemicals	2.20	3.09
	<b>Total</b>	<b>197.93</b>	<b>132.95</b>

\* Hypothecated as charge against short term - borrowings. Refer note 21.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

10	Trade receivables*	31 March 2025	31 March 2024
	Secured, considered good	-	-
	Unsecured		
	-Considered good	90.83	75.20
	<b>Total</b>	<b>90.83</b>	<b>75.20</b>
	Further classified as:		
	Receivable from related parties (Refer note 37)	7.51	6.17
	Receivable from others	83.32	69.03
		<b>90.83</b>	<b>75.20</b>
	Footnote i : Include due from entities in which Key Management Personnel (KMP) has a control:		
	Faze Three Autofab Limited	7.23	6.17
	Next Interiors Private Limited	0.28	-
		<b>7.51</b>	<b>6.17</b>

\* Hypothecated as charge against short term - borrowings. Refer note 21.

**Ageing of Trade Receivables as on 31 March 2025**

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	85.06	5.77	-	-	90.83
(ii) Disputed Trade Receivables – considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Total</b>	<b>85.06</b>	<b>5.77</b>	<b>-</b>	<b>-</b>	<b>90.83</b>

**Ageing of Trade Receivables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 6 months	6 months - 1 year	1-2 years years	Total
(i) Undisputed Trade receivables – considered good	57.93	17.24	-	0.03	75.20
(ii) Disputed Trade Receivables –considered good	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Total</b>	<b>57.93</b>	<b>17.24</b>	<b>-</b>	<b>0.03</b>	<b>75.20</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

<b>11</b>	<b>Cash and cash equivalents</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Balances with banks		
	In current accounts	4.68	3.56
	In EEFC accounts	4.03	14.23
	Fixed deposits with original maturity of less than 3 months	-	17.81
	Cash on hand	0.17	0.11
	<b>Total</b>	<b>8.88</b>	<b>35.71</b>
<b>12</b>	<b>Bank balances other than cash and cash equivalent</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Deposit with original maturity for more than 3 months but less than 12 months	0.16	32.60
	Unpaid Dividend Accounts	0.03	0.04
	<b>Total</b>	<b>0.19</b>	<b>32.64</b>
<b>13</b>	<b>Other financial assets (current)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Unsecured, considered good (at amortised cost)</b>		
	Interest accrued on fixed deposits	0.01	0.43
	Receivable for Sale of Land	5.25	-
	Advance to others *	0.01	0.00
	<b>Total</b>	<b>5.27</b>	<b>0.43</b>
* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.			
<b>14</b>	<b>Non-Current tax assets (net)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Advance income tax	-	3.17
	(net of provisions (31 March 2024 - ₹ 65.56 crores))		
	<b>Total</b>	<b>-</b>	<b>3.17</b>
<b>15</b>	<b>Current tax assets (net)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Advance income tax	0.37	-
	(net of provisions (31 March 2025 - ₹ 24.30 crores))		
	<b>Total</b>	<b>0.37</b>	<b>-</b>
<b>16</b>	<b>Other current assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Unsecured, considered good</b>		
	<b>Balance with Government authorities*</b>		
	GST input credit	17.22	8.18
	GST rebate receivable	11.60	10.24
	Rebate / Drawback of taxes and duties receivable*	5.13	7.07
	Advance to suppliers	5.61	3.93
	Staff advances	0.58	0.33
	Prepaid expenses	0.30	1.20
	Receivable from others	1.66	0.01
	<b>Total</b>	<b>42.10</b>	<b>30.96</b>

\* Hypothecated as charge against short term - borrowings. Refer note 21.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

17	Equity share capital	31 March 2025	31 March 2024
	<b>Authorized</b>		
	2,60,00,000 (31 March 2024: 2,60,00,000) Equity Shares of ₹ 10/- each	26.00	26.00
	<b>Total</b>	<b>26.00</b>	<b>26.00</b>
	<b>Issued, subscribed and paid up</b>		
	2,43,19,000 (31 March 2024: 2,43,19,000) Equity Shares of ₹10/- each fully paid	24.32	24.32
	<b>Total</b>	<b>24.32</b>	<b>24.32</b>
	<b>Total</b>	<b>24.32</b>	<b>24.32</b>

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,43,19,000	24.32	2,43,19,000	24.32
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>2,43,19,000</b>	<b>24.32</b>	<b>2,43,19,000</b>	<b>24.32</b>

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Group has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	31 March 2025		31 March 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ajay Anand	84,57,502	34.78	78,67,206	32.35
Ajay Jindal	28,12,450	11.56	28,12,450	11.56
Instyle Investments Pvt. Ltd.	23,94,625	9.85	23,94,625	9.85
Salim Govani	14,82,500	6.10	15,06,500	6.19
Vishnu Anand	13,89,875	5.72	13,89,875	5.72
Ashish Kacholia	13,17,554	5.42	13,17,554	5.42

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**(d) Details of Shares held by Promoters at the end of the year**

Promoter Name	31 March 2025			31 March 2024		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ajay Anand	84,57,502	34.78%	2.43%	78,67,206	32.35%	0.56%
Instyle Investments Private Limited	23,94,625	9.85%	-	23,94,625	9.85%	-
Vishnu Anand	13,89,875	5.72%	-	13,89,875	5.72%	-
Sanjay Anand	7,26,026	2.99%	(0.64%)	8,81,026	3.62%	(0.56%)
Ajay Anand (HUF)	6,62,500	2.72%	-	6,62,500	2.72%	-
Rashmi Anand	3,43,990	1.41%	-	3,43,990	1.41%	-
Mamata Finvest Private Limited	87,500	0.36%	-	87,500	0.36%	-
Rohina Anand	20,875	0.09%	-	20,875	0.09%	-
Anadry Investments Private Limited	9,500	0.04%	-	9,500	0.04%	-

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**18 Other equity**

Particulars	31 March 2025	31 March 2024
Capital reserve	5.73	5.73
Securities premium	24.44	24.44
General reserve	91.93	91.93
Revaluation reserve	51.71	56.09
Retained earnings	222.89	178.13
Treasury Shares	(1.00)	-
<b>Total</b>	<b>395.70</b>	<b>356.34</b>

**Nature and purpose of reserves**
**A Capital reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	5.73	5.73
Add/(Less): Transferred to reserves	-	-
<b>Closing balance</b>	<b>5.73</b>	<b>5.73</b>

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid/ received or vice versa in a common control demerger of business/investment.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**B Securities Premium**

Particulars	31 March 2025	31 March 2024
Opening balance	24.44	24.44
Add/(Less): Transferred to reserves	-	-
<b>Closing balance</b>	<b>24.44</b>	<b>24.44</b>

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

**C General reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	91.93	91.93
Add/(Less): Distribution of Interim Dividend	-	-
<b>Closing balance</b>	<b>91.93</b>	<b>91.93</b>

The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the entity.

**D Revaluation reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	56.09	56.23
Add/(Less): Transferred to reserves	(4.38)	(0.14)
Add/(Less): Reversal of revaluation reserves	-	-
<b>Closing balance</b>	<b>51.71</b>	<b>56.09</b>

This reserve represents the cumulative gains and losses arising on the revaluation of leasehold land and freehold land on the balance sheet date measured at fair value through other comprehensive income.

**E Retained earnings**

Particulars	31 March 2025	31 March 2024
Opening balance	178.13	131.96
Add/(Less): Profit during the year	40.66	46.59
Add/(Less): Transfer from revaluation reserves	4.38	0.14
Add/(Less): Other comprehensive income	(0.27)	(0.56)
<b>Closing balance</b>	<b>222.89</b>	<b>178.13</b>

This reserve represents undistributed accumulated earnings of the entity as on the balance sheet date.

**F Other Reserve**
**Treasury Reserve**

Particulars	31 March 2025	31 March 2024
Opening balance		
Add : Treasury shares acquired by Faze Three Employees Trust	(1.00)	-
<b>Closing balance</b>	<b>(1.00)</b>	<b>-</b>



**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

This reserve represents equity shares of Faze Three Limited held by Faze Three Employees Trust.

The Shareholders of the Company at their AGM held on September 27, 2024, approved, inter alia, acquisition of equity shares by Faze Three Employee Trust for implementation of Faze Three Employee Benefit Scheme – 2024 ("Scheme". Faze Three Employee Trust ("Trust") was formed for the purpose of welfare of the beneficiaries, inter alia, by way of acquiring, holding and allocating equity shares of the Company to eligible employees by way of stock options.

As on March 31, 2025, the Trust has acquired cumulative equity shares 28,116 of the Company for a total acquisition cost of ₹ 1 crore, No options have so far been granted to any employee or director.

19	Other financial liabilities	Non-Current		Current	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Security deposits	-	0.11	-	-
	Interest accrued and but not due	-	-	0.43	0.46
	Salary & reimbursement payable	-	-	10.22	7.27
	Expenses payable	-	-	5.57	2.71
	Unpaid Dividend*	-	-	0.03	0.04
	Capital Creditors	-	-	1.08	0.05
	MTM on currency forward contracts	-	-	0.08	0.28
	<b>Total</b>	<b>-</b>	<b>0.11</b>	<b>17.41</b>	<b>10.81</b>

\*As at 31st March, 2025, ₹ 0.03 crores (Previous year - ₹ 0.04 crores) is the amount of unclaimed dividend which remains unpaid by the company, and shall be transferred to Investor Education and Protection Fund ('IEPF') as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Company.

20	Provisions	Non-Current		Current	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Provision for employee benefits (refer note 35)				
	Provision for gratuity (funded)	1.96	2.12	4.37	3.38
	<b>Total</b>	<b>1.96</b>	<b>2.12</b>	<b>4.37</b>	<b>3.38</b>

21	Short -term borrowings	31 March 2025	31 March 2024
	<b>Secured, from bank (carried at amortised cost)</b>		
	Packing Credit in Rupee Scheme (PCRS) (refer footnote (i) and (iii))	149.11	156.59
	Packing Credit Foreign Currency (PCFC) (refer footnote (ii) and (iii))	19.46	-
	Cash Credit (refer footnote (iv))	11.71	-
	<b>Total</b>	<b>180.28</b>	<b>156.59</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**Terms and conditions of loans**

- (i) Packing Credit in Rupee Scheme (PCRS) is secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.

The Company has interest rate subvention of 2% till Jun 2024 (previous year 2%), Interest rates for PCRS Scheme(post subvention) ranges from 6.56% to 8.15% (March 31, 2024 5.00% to 6.75%)

The above mentioned PCRS is secured by way of lien over Fixed Deposits amounting to ₹ NIL (March 31, 2024 ₹ 47.31) to be exercised at the time of release of funds.

- (ii) The Company has obtained PCFC Loans from Standard Chartered Bank carry interest rate of 6.56% which are secured by way of hypothecation of Inventories meant for exports and book debts as prime security and collaterally secured by extension of the charge on the Property, plant and equipment (excluding Immovable property of Panipat Plant) of the Company.

- (iii) Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	31 March 2025	31 March 2024
Current Assets		
Inventories	197.93	132.95
Trade receivables	90.83	75.20
Export incentive receivable	5.13	7.07
GST input credit	17.22	8.18
GST rebate receivable	11.60	10.24
<b>Total Current assets pledged as security</b>	<b>322.71</b>	<b>233.64</b>
Non-Current assets		
Property, plant and equipment (Excluding Panipat Land & Building)	273.44	203.05
<b>Total Non-Current assets pledged as security</b>	<b>273.44</b>	<b>203.05</b>
<b>Total Assets pledged as security</b>	<b>596.15</b>	<b>436.69</b>

- (iv) Cash Credit facility from federal bank carry interest rate @ 7.85%. Cash Credit is secured by way of hypothecation of raw materials, work-in-progress, finished goods, spare & stores and book debts of subsidiary Mats and More Private Limited as prime security.

22	<b>Trade payables</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Total outstanding dues of micro enterprises and small enterprises (refer note 49)	6.92	0.30
	Total outstanding dues of creditors other than micro enterprises and small enterprises	33.52	18.34
	<b>Total</b>	<b>40.44</b>	<b>18.64</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**Ageing of Trade Payables as on 31 March 2025**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	6.50	0.42	0.00	0.00	0.00	6.92
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	23.90	9.22	0.02	0.34	0.03	33.52
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>30.40</b>	<b>9.64</b>	<b>0.03</b>	<b>0.34</b>	<b>0.03</b>	<b>40.44</b>

\* Amounts represented by '0' (Zero) construes values less than ₹ fifty thousand.

**Ageing of Trade Payables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
(i) MSME	0.30	-	-	-	-	0.30
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	15.53	2.47	0.08	0.14	0.12	18.34
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>15.83</b>	<b>2.47</b>	<b>0.08</b>	<b>0.14</b>	<b>0.12</b>	<b>18.64</b>

23	<b>Other current liabilities</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Statutory dues payable	1.41	1.10
	Advance from customer	0.05	0.08
	<b>Total</b>	<b>1.46</b>	<b>1.18</b>
24	<b>Current tax liabilities (net)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Provision for taxation		
	(net of advance tax 31 March 2025 - ₹ 24.70 crore)		
	(net of advance tax 31 March 2024 - ₹ 56.64 crore)	0.42	0.76
	<b>Total</b>	<b>0.42</b>	<b>0.76</b>
25	<b>Revenue from operations</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Revenue from contracts with customers</b>		
	<b>Sale of Manufactured Products</b>		
	- Sale of Products - finished goods	604.53	499.15
	- Sale of services	49.14	39.76
		<b>653.67</b>	<b>538.91</b>
	<b>Other operating revenues</b>		
	- Rebate / Drawback of Taxes and Duties	35.19	25.61
	- Fees for Designing Services	1.08	-
	<b>Total</b>	<b>689.94</b>	<b>564.52</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**Notes:****a) Disaggregation of revenue from contracts with customers**

In the following table, revenue is disaggregated by major service lines.

Particulars	31 March 2025	31 March 2024
- Sale of products - finished goods	604.53	499.15
	<b>604.53</b>	<b>499.15</b>

## Geographic revenue

Particulars	31 March 2025	31 March 2024
- India	73.73	97.21
- Rest of the world	579.94	441.70
	<b>653.67</b>	<b>538.91</b>

**b) Reconciliation of revenue recognised:**

Particulars	31 March 2025	31 March 2024
Gross Revenue	653.67	538.91
Rebates, discounts	-	-
Adjustment for credit notes	-	-

**Note:**

- The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.
  - The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration
  - The Company has recognised revenue of ₹ 0.08 crores (March 31, 2024 - ₹ 0.02 crores) from the amounts included under advance received from customers at the beginning of the year.
- c) The changes in Contract Liabilities are as follows:**

Particulars	31 March 2025	31 March 2024
Contract Liabilities - Opening	0.08	0.06
Add: Additions during the year, excluding amounts recognised as revenue during the year	0.05	0.04
Less: Revenue recognised in the current year which was included in Contract Liabilities	0.08	0.02
<b>Contract Liabilities - Closing</b>	<b>0.05</b>	<b>0.08</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

<b>26</b>	<b>Other income</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Rental income	0.46	0.71
	Interest income on financial assets designated at amortised cost		
	- on fixed deposits	1.25	5.02
	- on security deposits	0.11	0.07
	- on others	0.02	-
	-Fair valuation adjustments of investments	2.20	1.02
	-Profit on sale of Investment	2.85	-
	-Miscellaneous income	0.13	0.98
	- Gain on sale of Property, plant and equipment	4.78	-
	<b>Total</b>	<b>11.80</b>	<b>7.80</b>
<b>27</b>	<b>Cost of material consumed</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Opening Stock	49.78	27.36
	Add: Purchases during the year	407.01	309.07
	Less: Closing Stock	78.96	49.78
	<b>Total</b>	<b>377.83</b>	<b>286.65</b>
<b>28</b>	<b>Changes in inventories of finished goods and work-in-progress</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>Inventories at the beginning of the year</b>		
	-Finished goods	19.66	20.29
	-Work-in-progress	61.02	30.61
		<b>80.67</b>	<b>50.90</b>
	<b>Less: Inventories at the end of the year</b>		
	-Finished goods	35.78	19.66
	-Work-in-progress	80.29	61.02
		<b>116.07</b>	<b>80.68</b>
	<b>Net decrease/ (increase)</b>	<b>(35.40)</b>	<b>(29.78)</b>
<b>29</b>	<b>Employee benefits expense</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Salaries, wages, bonus and other allowances	95.12	75.58
	Contribution to Provident Fund and other funds	4.88	3.53
	Gratuity expenses (Refer Note 35)	1.07	0.86
	Staff welfare expenses	2.58	1.88
	<b>Total</b>	<b>103.65</b>	<b>81.85</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

<b>30</b>	<b>Finance costs</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Interest on borrowing	13.28	9.93
	Interest Expense on lease liability	1.27	1.32
	<b>Total</b>	<b>14.55</b>	<b>11.25</b>
<b>31</b>	<b>Depreciation and amortization expense</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Depreciation of property, plant and equipment (refer note 3 (a))	20.39	17.15
	Depreciation on Right of Use Assets (refer note 3 (b))	4.59	3.44
	Amortisation (refer note 5)	0.05	0.01
	<b>Total</b>	<b>25.03</b>	<b>20.60</b>
<b>32</b>	<b>Other expenses</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
	Sewing, stitching, weaving & finishing charges	20.14	23.74
	Power & fuel	35.81	29.84
	Clearing and forwarding expenses	25.78	18.97
	Repairs & maintenance:		
	Plant & machinery	3.65	3.37
	Building	1.00	1.81
	Other manufacturing expenses	22.22	11.58
	Jobwork Expenses	-	1.06
	Rent, rates & taxes	1.83	1.68
	Stores and spares consumed	4.41	3.17
	Audit fees (refer note i below)	0.27	0.21
	Fair Valuation of License in Hand	0.08	0.10
	Bank charges	9.52	10.41
	Corporate Social Responsibility Expenditure (refer note 46)	1.20	1.34
	Security expenses	2.49	2.36
	Courier expenses	3.62	2.58
	Travelling, vehicle & conveyance expenses	5.82	4.92
	Loss on sale/write-off of Property, plant and equipment	-	0.40
	Loss on foreign currency fluctuation	4.01	2.73
	Legal & professional fees	4.13	4.29
	Insurance charges	1.30	1.27
	Selling & distribution expenses	11.72	10.09
	Miscellaneous expenses	4.44	3.38
	<b>Total</b>	<b>163.43</b>	<b>139.30</b>



**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

Note i: The following is the break-up of Auditors remuneration (exclusive of taxes)

	31 March 2025	31 March 2024
<b>As auditor:</b>		
Statutory audit fees (including for quarterly limited reviews)	0.25	0.20
Reimbursement of expenses	0.02	0.01
<b>Total</b>	<b>0.27</b>	<b>0.21</b>

**33 Income Tax**

(A)	Income Tax recognised in profit or loss		31 March 2025	31 March 2024	
	Current tax				
	In respect of current year		10.11	14.16	
			10.11	14.16	
	Deferred tax charge / income				
	In respect of current year origination and reversal of temporary differences		1.88	1.70	
			1.88	1.70	
Total Income Tax recognised in profit or loss		11.99	15.86		
Income Tax recognised in other comprehensive income		31 March 2025	31 March 2024		
Items that will not be reclassified to profit or loss					
Re-measurement on net defined benefit plans		0.09	0.19		
Total Income Tax recognised in other comprehensive income		0.09	0.19		
(B) Deferred tax assets/ (liabilities) (net):					
	Particulars	Balance as at 1 April 2024	Charge / (Credit) to Profit or Loss	Charge / (Credit) to Other Comprehensive Income	Balance as at 31 March 2025
	Deferred tax assets				
	Provision for employee benefits	1.82	0.39	0.09	2.30
	Capital losses	0.90	(0.90)	-	-
	On Temporary Difference on account of ROU	2.52	(0.25)	-	2.27
	Other	-	(0.01)	-	(0.01)
	Deferred tax liabilities				
	On Temporary Difference on account of leases	(2.02)	0.22	-	(1.80)
	Fiscal allowances on property, plant and equipment	(9.36)	(1.33)	-	(10.69)
	Total deferred tax assets / (liabilities), net	(6.14)	(1.88)	0.09	(7.92)

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

Particulars	Balance as at 1 April 2023	Charge / (Credit) to Profit or Loss	Charge / (Credit) to Other Comprehensive Income	Balance as at 31 March 2024
<b>Deferred tax assets</b>				
Provision for employee benefits	1.44	0.18	0.19	1.82
Capital losses	1.82	(0.92)	-	0.90
On Temporary Difference on account of ROU	2.58	(0.06)	-	2.52
Other	-	-	-	-
<b>Deferred tax liabilities</b>				
On Temporary Difference on account of leases	(2.16)	0.14	-	(2.02)
Fiscal allowances on property, plant and equipment	(8.31)	(1.05)	-	(9.36)
<b>Total deferred tax assets / (liabilities), net</b>	<b>(4.63)</b>	<b>(1.71)</b>	<b>0.19</b>	<b>(6.14)</b>
(C) Capital tax losses amounting to ₹9.98 crores as of 31 March 2017 have been fully set off during the year against long-term capital gains arising from the sale of land. Consequently, no balance remains available for carry forward.				
(D) <b>Reconciliation of tax charge</b>				
		<b>31 March 2025</b>	<b>31 March 2024</b>	
Profit before tax		52.65	62.45	
Statutory Tax Rate		25.17%	25.17%	
Income tax expense at tax rates applicable		13.25	15.72	
Tax effects of:				
- Other items		(1.26)	0.14	
<b>Income tax expense</b>		<b>11.99</b>	<b>15.86</b>	

**34 Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2025	31 March 2024
Profit attributable to equity holders	40.66	46.59
Add/Less: Transactions during the year	-	-
Profit attributable to equity holders	40.66	46.59
Weighted average number of shares outstanding during the year	2,43,19,000	2,43,19,000
Effect of dilution:		
Treasury Stock	(1,191)	-
Weighted average number of equity shares adjusted for the effect of dilution	2,43,17,809	2,43,19,000
Basic earnings per share (₹) (Equity share of ₹ 10 each)	16.72	19.16
Diluted earnings per share (₹) (Equity share of ₹ 10 each)	16.72	19.16

**35 Employee benefits**

(A) Defined Contribution Plans	31 March 2025	31 March 2024
During the year, the Group has recognized the following amounts in the Statement of Profit and Loss		
Employers' Contribution to Provident Fund and Employer's State Insurance Corporation (Refer note 29)	4.88	3.53

**(B) Defined benefit plans**

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of employment after rendering continuous service for not less than five years, or on their superannuation or resignation. However, in case of death of an employee, the minimum period of five years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by Life Insurance Corporation of India that is legally separated from the entity. The Group does not fully fund the liability and maintains the funding from time to time based on estimations of expected gratuity payments.

These plans typically expose the Group to the following actuarial risks:

**Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Interest risk** - A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Asset Liability matching risk** - The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk** - Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration risk** - Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by M/S K. A. Pandit Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

	31 March 2025	31 March 2024
a) Gratuity payable to employees		
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	7.18%	7.18%
Rate of increase in Salary (per annum)	4.00%	4.00%
<b>Attrition rate</b>		
For service 2 years and below	45%	45%
For service 3 years to 4 years	30%	30%
For service 5 years and above	10%	10%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
<b>ii) Changes in the present value of defined benefit obligation</b>	<b>Employee's gratuity fund</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Present value of obligation at the beginning of the year</b>	<b>5.56</b>	<b>4.44</b>
Interest cost	0.40	0.32
Current service cost	0.67	0.54
Benefits paid	(0.59)	(0.49)
Actuarial (gain)/ loss on obligations	0.36	0.75
<b>Present value of obligation at the end of the year*</b>	<b>6.40</b>	<b>5.56</b>
*Included in provision for employee benefits (refer note 20)		
<b>iii) Expense recognized in the Statement of Profit and Loss</b>	<b>Employee's gratuity fund</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
Current service cost	0.67	0.54
Interest cost	0.40	0.32
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>1.07</b>	<b>0.86</b>
*Included in Employee benefits expense (Refer note 29 ). Actuarial Loss of ₹ 0.36 crores (31 March 2024 - ₹ 0.75) is included in other comprehensive income.		
<b>iv) Remeasurement (gain)/ loss recognized in other comprehensive income</b>		
Actuarial gain/(Loss) on obligation for the period	0.36	0.75
<b>Recognized in other comprehensive income</b>	<b>0.36</b>	<b>0.75</b>
<b>v) Changes in the fair value of plan assets are, as follows :</b>		
<b>Opening balance of fair value of plan assets</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Interest Income *	0.06	0.06
Return on plan assets (excluding amount of interest income) *	0.00	0.00
<b>Closing balance of fair value of plan assets</b>	<b>0.06</b>	<b>(0.00)</b>
* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.		
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>	<b>Employee's gratuity fund</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
Present value of unfunded obligation as at the end of the year	6.40	5.56
Fair value of the plan assets at the end of the year	(0.06)	(0.06)
<b>Unfunded net (asset) / liability recognized in Balance Sheet*</b>	<b>6.34</b>	<b>5.50</b>
*Included in provision for employee benefits (Refer note 20)		

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

vii)	A quantitative sensitivity analysis for significant assumption as at 31 March 2025 and 31 March 2024 is as shown below:
Impact on defined benefit obligation	
Discount rate	
1% increase	(0.35) (0.29)
1% decrease	0.39 0.33
Employee Turnover	
1% increase	0.05 0.06
1% decrease	(0.06) (0.07)
Rate of increase in salary	
1% increase	0.39 0.32
1% decrease	(0.35) (0.30)
viii)	Maturity profile of defined benefit obligation
Projected Benefits Payable in Future Years From the Date of reporting	
1st Following Year	0.67 0.67
2nd Following Year	0.68 0.61
3rd Following Year	0.76 0.61
4th Following Year	0.76 0.65
5th Following Year	0.63 0.69
Sum of Years 6 to 10	2.72 2.41
Sum of 11 and above	3.97 3.54
(C)	<b>The company's expected contribution during next year is Nil</b> <b>(31 March 24 : Nil)</b>

**36 Leases**
**a) As Lessee**

The Group's leasing arrangements are in respect of operating leases for buildings (corporate office, factory building etc.) and motor cars. These range between 3-8 years and usually renewable on mutually agreed terms.

(a) The following is the movement in lease liabilities during the year ended 31 March 2025 and 31 March 2024:

Particulars	Category of ROU Asset
	Leasehold Building
<b>Balance as at 1 April 2023</b>	<b>13.27</b>
Additions	4.15
Lease Payments	(4.33)
<b>Balance as at 31 March 2024</b>	<b>13.09</b>
Additions	4.83
Lease Payments	(5.78)
Transition Exchange Difference	0.04
<b>Balance as at 31 March 2025</b>	<b>12.18</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

- (b) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 and 31 March 2024 on an undiscounted basis:

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Less than one year	6.51	4.97
One to Five years	6.82	10.01
More than 5 years	-	-
<b>Total</b>	<b>13.33</b>	<b>14.98</b>

- (c) The following is the break-up of current and non-current lease liabilities as at 31 March 2025 and 31 March 2024

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Current lease liability	5.58	3.88
Non-Current lease liability	6.59	9.21

- (d) Amounts recognised in Statement of Cash Flows:

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Total cash outflow for leases	5.78	3.97

- (e) Amounts recognised in profit and loss

Particulars	Year Ended March 31,2025	Year Ended March 31,2024
Interest expense on lease liabilities	1.27	1.32
Amortisation of right-of-use assets	4.59	3.44

**37 Related Party Disclosures:**

- (A) Names of related parties and description of relationship as identified and certified by the Group:

**Entities in which the Key Management Personnel (KMP) has control**

VR Woodart Limited

Faze Three Autofab Limited

Ajay Anand (HUF)

Instyle Investments Private Limited

Next Interiors Private Limited

ARR Bath &amp; Home Private Limited

Mamata Finvest Private Limited

Anadry Investments Private Limited



**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**Key Management Personnel (KMP)**

In accordance with Ind AS 24 - Related Party Disclosures and the Companies Act, 2013, following personnels are considered as KMP.

<b>Name of related party</b>	<b>Relationship</b>
Ajay Anand	Managing Director
Sanjay Anand	Whole-time Director
Ankit Madhwani	Chief Financial Officer
Akram Sati	Company Secretary

**Others**

<b>Name of related party</b>	<b>Relationship</b>
Rohina Anand Khira	Daughter of Managing Director
Ashok Anand	Brother of Managing Director
Vishnu Anand	Son of Managing Director

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Entities in which the Key Management Personnel (KMP) has control</b>		
<b><u>Faze Three Autofab Limited</u></b>		
Sale of services	20.55	39.76
Sale of Goods	0.12	0.08
Purchase of goods	7.58	13.91
Purchase of Services	0.47	2.17
Jobwork expense	-	-
Purchase of Fixed Asset	-	0.05
Reimbursement of Expenses	0.15	0.07
<b><u>Next Interiors Private Limited</u></b>		
Sale of goods	0.86	1.09
Purchase of goods	-	0.03
Reimbursement of Expenses	0.00	-
<b><u>Sub Zero Insulation Technologies Private Limited</u></b>		
Sale of Goods	-	0.22
Purchase of Fixed assets	0.12	0.18
<b>Others</b>		
Ashok Anand (towards payment of employee benefit)	0.09	0.09
Vishnu Anand (towards payment of employee benefit)	0.60	0.60
<b>Key Management Personnel (KMP)</b>		
Compensation of key management personnel (Short term employee benefits)	1.93	1.82
<b>Amount due to related party as on</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
<b><u>Trade Receivable</u></b>		
Faze Three Autofab Limited	7.23	6.17
Next Interiors Private Limited	0.28	-
<b><u>Trade Payable</u></b>		
Faze Three Autofab Limited	0.48	0.03
Rohina Anand	-	0.01

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**(C) Terms and conditions of transactions with related parties**

As of 31 March 2025, the Group determined that no impairment was necessary for receivables due from related parties. This evaluation is performed annually, taking into account each related party's financial health and their operating market.

**38 Fair value measurement**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

As at 31 March 2025	Carrying Amount			Fair Value			
	FVTPL	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments (Non Current)	0.14	-	0.14	-	0.14	-	0.14
Other financial assets (Non Current)	-	3.58	3.58	-	-	-	-
Trade Receivables	-	90.83	90.83	-	-	-	-
Investments (Current)	10.51	-	10.51	10.51	-	-	10.51
Cash & Cash Equivalents	-	8.88	8.88	-	-	-	-
Bank balances other than cash and cash equivalent	-	0.19	0.19	-	-	-	-
Other financial assets (Current)	-	5.27	5.27	-	-	-	-
	<b>10.65</b>	<b>108.75</b>	<b>119.40</b>	<b>10.51</b>	<b>0.14</b>	<b>-</b>	<b>10.65</b>
<b>Financial liabilities</b>							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	6.59	6.59	-	-	-	-
Other financial liabilities (Non Current)	-	-	-	-	-	-	-
Borrowings (Current)	-	180.28	180.28	-	-	-	-
Lease Liabilities (Current)	-	5.58	5.58	-	-	-	-
Trade payables	-	40.44	40.44	-	-	-	-
Other financial liabilities (Current)	-	17.41	17.41	-	-	-	-
	<b>-</b>	<b>250.30</b>	<b>250.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

As at 31 March 2024	Carrying Amount			Fair Value			
	FVTPL	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b><u>Financial assets</u></b>							
Investments (Non Current)	0.21	0.01	0.21	-	0.21	-	0.21
Other financial assets (Non Current)	-	3.22	3.22	-	-	-	-
Trade Receivables	-	75.20	75.20	-	-	-	-
Investments (Current)	14.25	-	14.25	14.25	-	-	14.25
Cash & Cash Equivalents	-	35.71	35.71	-	-	-	-
Bank balances other than cash and cash equivalent	-	32.64	32.64	-	-	-	-
Other financial assets (Current)	-	0.43	0.43	-	-	-	-
	<b>14.46</b>	<b>147.20</b>	<b>161.66</b>	<b>14.25</b>	<b>0.21</b>	<b>-</b>	<b>14.46</b>
<b><u>Financial liabilities</u></b>							
Borrowings (Non Current)	-	-	-	-	-	-	-
Lease Liabilities (Non Current)	-	9.21	9.21	-	-	-	-
Other financial liabilities (Non Current)	-	0.11	0.11	-	-	-	-
Borrowings (Current)	-	156.59	156.59	-	-	-	-
Lease Liabilities (Current)	-	3.88	3.88	-	-	-	-
Trade payables	-	18.64	18.64	-	-	-	-
Other financial liabilities (Current)	-	10.81	10.81	-	-	-	-
	<b>-</b>	<b>199.24</b>	<b>199.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**39 Financial risk management objectives and policies**

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk primarily related to interest rate risk and Foreign currency risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

	31 March 2025	31 March 2024
Variable rate borrowings	180.12	123.98

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax (₹ in Crs)
FY 2025	100 bps	1.80
FY 2024	100 bps	1.24

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities.

The Group is exposed to foreign currency risk arising mainly on export of finished goods and import of raw material. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Exposure to currency risk	31 March 2025		31 March 2024	
	INR	USD/EURO/ GBP	INR	USD/EURO/ GBP
Trade receivables (hedged)	0.90	0.01	62.23	0.74
Trade receivables (unhedged)	51.39	0.60	-	-
Capital Creditors (hedged)	0.82	0.01	-	-
Capital Creditors (unhedged)	-	-	0.05	0.00

\* Amounts represented by '0' (zero) construes value less than ₹ fifty thousand.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The Group realises 90% of its sales in USD, based on the hedging policy followed by the Group in case of normal volatility in USD / INR, the following effect is estimated.

	Change in USD rate	Effect on profit before tax
2025		
USD / INR	0.50%	0.26
2024		
USD / INR	0.50%	-

**(B) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

**Trade Receivables:** The Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. In such case the insurance provider sets an individual credit limit and also monitors the credit risk. The concentration of credit risk arising from trade receivables is limited due to large customer base. Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

Before accepting new customer, the Group has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The credit period provided by the Group to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method. The credit risk related to the trade receivables is mitigated by taking security deposits / bank guarantee / letter of credit - as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

**Financial instruments and cash deposits:** The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the Group.

**(C) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The Group manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

	Less than 1 Year	1 to 5 years	More than 5 years	Total
<b>31 March 2025</b>				
Short term borrowings	180.28	-	-	180.28
Trade payables	40.04	0.40	-	40.44
Salary & reimbursement payable	10.22	-	-	10.22
Lease Liabilities (Refer note 36)	6.51	6.82	-	13.33
Capital Creditors	1.08	-	-	1.08
Expenses payable	5.57	-	-	5.57
Interest accrued but not due	0.43	-	-	0.43
Dividend payable	0.03	-	-	0.03
	<b>244.16</b>	<b>7.22</b>	<b>-</b>	<b>251.38</b>
<b>31 March 2024</b>				
Short term borrowings	156.59	-	-	156.59
Trade payables	18.30	0.34	-	18.64
Salary & reimbursement payable	7.27	-	-	7.27
Lease Liabilities (Refer note 36)	4.97	10.01	-	14.98
Capital Creditors	0.05	-	-	0.05
Expenses payable	2.71	-	-	2.71
Interest accrued but not due	0.46	-	-	0.46
Dividend payable	0.04	-	-	0.04
	<b>190.39</b>	<b>10.35</b>	<b>-</b>	<b>200.74</b>

**40 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions**

The Group has obtained borrowings from bank on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with bank are in agreement with the books.

**41 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**

The group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

**42 Registration of charges or satisfaction with Registrar of Companies**

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**43 Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.



Notes forming part of the Financial Statements for the year ended 31 March 2025  
**44 Ratios** (Amount in crores, unless otherwise stated)

Sr. No.	Ratio	Unit	Formula	Particulars		March 31, 2025		March 31, 2024		Ratio as on		Variation	Reason (if variation is more than 25%)
				Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2025	March 31, 2024		
(a)	Current Ratio	No. of times	Current Assets / Current Liabilities	Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Bank balances other than cash and cash equivalent + Other financial assets + Other current assets	Current Liability = Short term borrowings + Lease Liabilities + Trade Payables + Other financial Liability + Other Current Liability + Provisions + Current tax (Liabilities)	356.08	249.96	322.14	195.24	1.42	1.65	-14%	NA
(b)	Debt-Equity Ratio	No. of times	Debt / Equity	Debt = Current borrowings	Equity = Equity + Reserve and Surplus	180.28	420.02	156.59	380.66	0.43	0.41	4%	NA
(c)	Debt Service Coverage Ratio	No. of times	Net Operating Income / Debt Service	Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	80.24	194.83	78.43	167.83	0.41	0.47	-12%	NA
(d)	Return on Equity Ratio	%	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income = Net Profits after taxes – Preference Dividend	Shareholder's Equity	40.66	420.02	46.59	380.66	0.10	0.12	-21%	NA
(e)	Inventory Turnover Ratio	No. of times	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	342.44	165.44	256.87	106.71	2.07	2.41	-14%	NA
(f)	Trade Receivables Turnover Ratio	No. of times	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	654.75	83.02	538.91	85.74	7.89	6.29	25%	Increase in non due receivable leading to high trade receivable turnover ratio.
(g)	Trade Payables Turnover Ratio	No. of times	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	407.01	29.54	309.07	17.25	13.78	17.92	-23%	NA
(h)	Net Capital Turnover Ratio	No. of times	Revenue / Average Working Capital	Revenue	Average Working Capital = Total of Current assets – Current liabilities	689.94	106.12	564.52	126.91	6.50	4.45	46%	Increase in revenue and effective credit policy for Vendor and Customer leads to improvement in Net Capital Turnover Ratio
(i)	Net Profit Ratio	%	Net Profit / Net Sales	Net Profit	Net Sales	40.66	654.75	46.59	538.91	0.06	0.09	-28%	Increase in Material Cost & higher Interest rate Impacted Net Profit.
(j)	Return on Capital Employed	No. of times	EBIT / Capital Employed	EBIT = Earnings before interest and taxes	Capital Employed = Total Assets - Current Liability	67.20	436.49	73.70	398.24	0.15	0.19	-17%	NA
(k)	Return on Investment	%	Interest Income / Avg Investment	Interest Income = Interest income - on fixed deposits + Fair valuation adjustments of investments	Avg Investment = (Opening Fixed deposits + Opening Investments in Mutual Funds + Closing Fixed deposits + Closing Investments in Mutual Funds)/2	3.45	37.67	6.04	81.02	0.09	0.07	23%	NA

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**45 Utilisation of Borrowed funds**

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**46 Undisclosed income**

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**47 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a group, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are mainly for environmental sustainability, promotion of education, health care, etc. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

A. Particulars	31 March 2025	31 March 2024
Gross Amount required to be spent as per Section 135 of the Act	1.35	1.22
Add: Excess amount spent in previous years	(0.23)	-
Total Gross amount required to be spent during the year	1.12	1.22
<b>Amount approved by the Board to be spent during the year</b>	<b>1.12</b>	<b>1.22</b>

B. Amount spent during the year on	31 March 2025	31 March 2024
(I) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above - <b>Towards CSR contribution</b>	1.20	1.34

**C. Details related to amount spent/ unspent**

Particulars	31 March 2025	31 March 2024
<b>Contribution to following Trust</b>		
1. Jan Jagrati Sevarath Sansthan	1.00	-
2. Maatr Care Foundation	0.20	-
3. Omkar Andh Apang Samajik Sanstha	-	0.75
4. Kalawati Devi Memorial Charitable Society	-	0.59
<b>Accrual towards unspent obligations in relation to:</b>		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>1.20</b>	<b>1.34</b>

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**D. Details of CSR expenditure in respect of other than ongoing projects**

Nature of Activity	Balance unspent as at 1 April 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2025
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.35	1.20	-

Nature of Activity	Balance unspent as at 1 April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2024
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	-	-	1.22	1.34	-

**E. Details of excess CSR expenditure**

Nature of Activity	Balance excess as at 1 April 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2025
Contribution for Schedule VII activities through Donation to Charitable Trusts (Promoting Education)	0.23	1.35	1.20	0.08

**F. Contribution to Related Parties/ CSR Expenditure incurred with Related Parties- Not Applicable**
**G. Disclosures on Shortfall**

Particulars	31 March 2025	31 March 2024
Amount Required to be spent by the Group during the year	1.35	1.22
Actual Amount Spent by the Group during the year	1.20	1.34
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	NA	NA

**48 Details of Crypto Currency or Virtual Currency**

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**49 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

The outstanding dues to small and medium enterprises as defined under MSMED Act, 2006 are as under:

According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Group has amounts due to Micro, Small and Medium Enterprises under the said Act as follows

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

Particulars	31 March 2025	31 March 2024
(a) (i) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	6.92	0.30
Interest	-	-
<b>Total</b>	<b>6.92</b>	<b>0.30</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

**50 Details of Benami Property held**

There are no proceedings initiated or are pending against the group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**51 Wilful Defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**52 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt mainly comprises of current liabilities which represents - Packing Credit. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2025	31 March 2024
Total equity excluding revaluation reserve	(i)	<b>368.31</b>	<b>324.57</b>
Total debt		180.28	156.59
Less: Fixed deposits liened (refer note 12)		0.16	32.60
Less: Cash and cash equivalents (refer note 11)		8.88	35.71
Total net debt	(ii)	<b>171.24</b>	<b>88.27</b>
Overall financing	(iii) = (i) + (ii)	539.55	412.84
Gearing ratio	(ii)/ (iii)	0.32	0.21

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

**Notes forming part of the Consolidated Financial Statement for the year ended 31 March 2025.**

(Amount in crores, unless otherwise stated)

**53 Contingent Liability and commitments****Contingent liabilities (to the extent not provided for)**

	31 March 2025	31 March 2024
Bank Guarantees	3.20	2.32
Corporate Guarantees	15.00	-

The Company has no capital commitment as at year end

**54 Segment reporting**

- (a) The Group is engaged in only one segment viz 'Manufacturing of home textiles' such as bathmat, rugs, throws, curtains, etc., there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Group's operations are predominantly confined in India.

**(b) Geographical Information**

The revenues from operation have been allocated to countries based on location of the customers as shown below:

	31 March 2025	31 March 2024
(a) Within India (including rebate/drawback of Taxes and Duties)	101.93	122.82
(b) Outside India		
United States of America (USA)	379.70	271.44
United Kingdom	44.73	100.17
Europe	86.57	46.55
Rest of the world	77.00	23.54
<b>Total</b>	<b>689.94</b>	<b>564.52</b>

**(c) Information about major customers**

The following table gives details in respect of percentage of revenue generated (sale of products) from the top ten customers.

Particulars	31 March 2025	31 March 2024
	%	%
Revenue from top 10 Customers	58%	68%

- 55** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

**56 Events after the reporting period**

There are no significant subsequent events between the year ended 31 March 2025 and signing of consolidated financial statements as on 23 May 2025 which have material impact on the financials of the Group.

**57 Approval of consolidated financial statements**

The consolidated financial statements were approved for issue by the board of directors on 23 May 2025.

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**58 Statutory Group Information**

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of consolidated total comprehensive income	INR
<b>Parent</b>								
Faze Three Limited								
Balance as at 31 March 2025	99.23%	416.77	97.96%	39.83	103.94%	(0.28)	97.92%	39.55
Balance as at 31 March 2024	99.36%	378.24	90.39%	42.11	100.21%	(0.56)	90.27%	41.55
<b>Subsidiaries</b>								
<b>Indian</b>								
Mats and More Private Limited								
Balance as at 31 March 2025	1.24%	5.22	4.77%	1.94	(3.71)%	0.01	4.83%	1.95
Balance as at 31 March 2024	0.86%	3.29	6.83%	3.18	0.00%	-	6.91%	3.18
<b>Foreign</b>								
Faze Three US LLC								
Balance as at 31 March 2025	0.30 %	1.28	(1.23)%	(0.50)	0.00 %	0.00	(1.24)%	(0.50)
Balance as at 31 March 2024	0.47 %	1.78	2.81 %	1.31	0.00 %	0.00	2.85 %	1.31
<b>Inter-company eliminations and consolidation adjustments</b>								
Balance as at 31 March 2025	(0.77)%	(3.25)	(1.50)%	(0.61)	(0.22)%	0.00	(1.51)%	(0.61)
Balance as at 31 March 2024	(0.70)%	(2.65)	(0.03)%	(0.01)	(0.21)%	0.00	(0.03)%	(0.01)
<b>Total</b>								
Balance as at 31 March, 2025	100.00%	420.02	100.00%	40.66	100.00%	(0.27)	100.00%	40.39
Balance as at 31 March, 2024	100.00%	380.66	100.00%	46.59	100.00%	(0.56)	100.00%	46.03

**59 Non-controlling Interest**

The subsidiaries of the Group having non-controlling interests, all of which have been included in this consolidated financial statements, are as follows:

Name of the Company	Country of incorporation and principal place of business	Proportion of ownership interest		Proportion of equity interest held by non-controlling interests ("NCI")	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
Mats And More Private Limited	India	100.00%	100.00%	0.00%	0.00%
Faze Three US LLC	United States of America (USA)	100.00%	100.00%	0.00%	0.00%



**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2025**

(Amount in crores, unless otherwise stated)

**60** Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.:105047W

For and on behalf of Board of Directors of  
Faze Three Limited  
CIN: L99999DN1985PLC000197

**Rajesh Murarka**  
Partner  
Membership No: 120521

**Ajay Anand**  
Managing Director  
DIN: 00373248

**Sanjay Anand**  
Whole-time Director  
DIN: 01367853

**Place : Mumbai**  
**Date : May 23, 2025**

**Ankit Madhwani**  
Chief Financial Officer

**Akram Sati**  
Company Secretary  
M No: A50020