



November 26, 2019

Corporate Relationship Department,
BSE Limited,
New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Dear Sir(s),

Sub: Dun & Bradstreet – RBL Bank SME Business Excellence Awards 2019
Ref: FAZE THREE LIMITED (STOCK CODE: 530079)

Further to our announcement on 21st November 2019 on the subject, the following is the web link of the publication **Leading SMEs of India 2019** containing the interview of Mr. Ajay Anand, Managing Director of the Company - <https://www.dnb.co.in/events/sme-awards/Publications/Sme-awards-2019-Publication.html>. The same can be viewed on page no. 40 and 41 of the publication, which is also annexed herewith for reference.

Yours faithfully
For FAZE THREE LIMITED

AD Parekh
ANKIT PAREKH
Company Secretary
ACS 31990



Encl a/a



Ajay Anand
Managing Director



Faze Three Limited

Spencer, LIDL, etc. The group ventured into Technical Textiles in 1997 (known as Faze Three Autofab Limited), mainly Automotive fabrics i.e. Passenger Car Seat Fabric and is a leading supplier to all major OEM's with over 40% market share in the segment. The Group has 7 integrated manufacturing facilities in India, 3 in Silvassa, 3 at Panipat and 1 at Vapi. The Company is actively exploring inorganic growth opportunities including acquiring existing Home textile companies or Joint venture for manufacturing in India to add new range of products of Home Textile.

What are your views on Indian Textile industry?

Textiles have gone through severe consolidation in India in this decade. Also fewer new players have entered the space. The Companies who have survived & with Infrastructure in place will greatly benefit in coming decade as India will strengthen further as a Textile hub especially for made ups and value-added products. Also regardless of the outcome of trade war between US-China, there has been a tectonic shift in mindset of companies in the west leading to sizeable opportunity already moving out of China, this will benefit India and all incumbents in South East Asia.

Please provide a brief background of the Company.

The Company was founded for manufacture and export of Home Textile products in 1985 by Myself and Mr. Sanjay Anand, who joined as Director in 1992. The Company went public in 1995 on BSE and ventured into Technical Textiles (Automotive fabrics) in 1997.

What are the key products manufactured by your Company and the markets they cater to?

The product offering under Home Textiles are complete range of Bathmats, Accent Rugs/ Top of the bed along with Cushions, Curtains etc. The Home textile Customers are top retailers in USA led by Costco, Walmart Stores, Target etc. and in UK / EUR led by Sainsbury's, ASDA, Marks and

What has been the success mantra of Faze Three group?

Continuous Innovation, Absolute Commitment to Quality, Reliability (timely deliveries), Long serving Customer Relationships and Global Standard Infrastructure are at the heart of success at the group. We have always invested into infrastructure and products ahead of time which has put the Company as preferred partner supplier from India. The Customer is at the heart of every decision at the Company, we visualize the Retail of our products in our customer stores for the Home Textiles. Under Technical Textiles, we focus on performance factors and other technical factors. Another critical aspect is the cost competitiveness, at Faze Three group we have never engaged in pricing war / undercutting to gain market share over competitors which leads to overall loss for all suppliers in the ecosystem, instead have made efforts to educate customers on the costs and demonstrate value of offerings. Also we have a strong inclination to only work with AAA rated customers / global companies owing to their appreciation for Innovation and Quality. The Home textiles Business is 90% Exports and for Technical Textiles the sale is 80% Domestic which provides a good hedge at the group level. Also, as a policy we try and ensure that single customer exposure is below 15% of Total Revenue and on the raw





material side our dependence on imports is almost zero. On the financial side, the Company invests for long term from internal accruals therefore Company's repayable Debt is NIL over last 2 years now with overall debt/equity ratio of ~0.3. Our Management team and key people are passionate and the Company promotes younger people to take challenging roles.

Kindly elaborate on the innovation initiatives and its impact in the recent years.

The Company has in-house Research, Design & Development department. There are continuous efforts to innovate new technology. The Company has registered various trademarks and Brands which are directly used in various products manufactured and supplied to customers. The Company has received Best Innovation Award from Sainsbury's UK and also an Outstanding Partnership Award from Williams-Sonoma Inc.

What are the kind of Assets / Infrastructure does the Company has or plans to invest to achieve group growth plans over the next 3-5 years?

At group level, we have Assets block of over ₹ 3 billion

which includes land, building, plant and machinery. In terms of overall capacity utilization, we are ~65% with a room to add more capacities with marginal increase in capex. The Company has incurred a capex of over ₹ 350 million in last 3 years predominantly for new products and progressive capex rather than brick and mortar. The current group Revenue is around ₹ 4.6 billion which we aim and endeavor to double within 3 years since all ingredients required to do so within the same product line, same business, same customers are in place now. This growth is expected to come with nominal capex of ₹ 300 million the similar period which would be adequately funded from internal accruals.

What are the efforts made towards sustainability and green initiatives?

The Company has invested into water processing plant and reduced fresh water consumption in one of its processing plant upto 30%. It is working on zero discharge by 2020 and way forward. We are also currently shipping complete range of Home products in organic cotton and recycled polyester. Further, the Company has also initiated usage of clean & renewable energy for running all its plants.

