

## Mirza International Limited

A-7, Mohan Coop. Indl. Estate, Mathura Road,  
New Delhi - 110044 (India)  
Ph. +91 11 4095 9500 / 9501, 2695 9553  
Fax. +91 11 2695 0499  
CIN : L19129UP1979PLC004821  
E-mail : marketing@redtapeindia.com  
Website : www.redtape.com

September 1, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001  <b>Scrp Code: 526642</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051  <b>NSE symbol: MIRZAIN</b>
--	---

Dear Sir(s),

### Sub.: Notice of 43<sup>rd</sup> Annual General Meeting & Annual Report 2021-22

The Annual Report for the financial year 2021-22, including the notice convening 43<sup>rd</sup> Annual General Meeting of the Members of the Company scheduled to be held on Wednesday, September 28, 2022 at 11:00 A.M. (IST) at the Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur 208 002 is enclosed.

The Annual Report including AGM Notice are also available on the Company's website at <https://www.mirza.co.in/pdf/annual-report/Annual-Report-2021-22.pdf>.

This is for your information and record please.

Thanking you,

Yours faithfully,

For **Mirza International Limited**



**Harshita Nagar**

**Company Secretary & Compliance Officer**

Encl.: As above



Registered & HO :  
14/6, Civil Lines, Kanpur - 208 001 (Uttar Pradesh)  
Ph. +91 512 253 0775 Fax. +91 512 253 0166  
Email : mirzaknp@redtapeindia.com  
Website : www.mirza.co.in

Annual Report  
**2021-22**



*Off The Hook*  
LONDON



**Thomas Crick**  
Est. 1830



**From India.  
For the World.**

*Off The Hook*  
LONDON



**REDTAPE**



# Contents

## 1

### Corporate Overview

Mirza International:  
The World's Local Leather  
Destination **02**

Letter from the Managing  
Director **04**

Striding Forward with  
World-Class Manufacturing **06**

Striding Forward with Global  
Partnerships **08**

Striding Forward with Exciting  
International Brands **10**

Striding Forward in a  
Rejuvenated India **12**

Striding Forward with  
Sustainable Operations **14**

Corporate Social  
Responsibility **16**

Financial Highlights **18**

Awards and Accolades **19**

Corporate Information **20**



### Letter from the Managing Director

P. 4

## 21

### Statutory Reports

Management Discussion and  
Analysis Report **21**

Directors' Report **26**

Report on Corporate Governance **44**

Business Responsibility Report **65**

## 73

### Financial Statements

Standalone Financial Statements **73**

Consolidated Financial Statements **129**

AGM Notice **186**

Attendance Slip

AGM Venue Route Map

Proxy Form

### Striding Forward with World-Class Manufacturing

P. 6

### Striding Forward with Exciting International Brands

P. 10

*Off The Hook*  
LONDON





## Striding Forward with Sustainable Operations

P. 14

The Indian economy is growing from strength to strength. As the global economy presently reels under pressure due to risks of stagflation and geopolitical tension, this shining beacon headed for its best run, is projected to uplift it with a 22% contribution to the global GDP growth in FY 2022-23.

The world today needs India. And the Government in many ways is acting to play a greater role, including capitalizing the country's extensive capabilities to Make in India; and not just for the nation, but for the world as well.

At Mirza International, we are partnering with this ambition of the nation. Since decades, we have played a crucial role in establishing India as a global destination for leather, leather footwear and other products. As the country's largest exporter of such products and a preferred supplier to world's leading retail chains, we believe it is time to stride forward.

We are driving structural change to separate domestic and international businesses, to propel their growth with dedicated focus. We are taking efforts to effectively use our large capacities, manufacturing excellence and innovation capabilities, to widen and deepen footprint and to enable existing and new customers globally.

Aligned with the nation, we are harnessing our potential to promote local for global.



# Mirza International: The World's Local Leather Destination

Mirza International is one of India's leading manufacturers and exporters of leather footwear, apparels and accessories.

A strong proponent of Make-in-India since 1979, we have been at the forefront of making the country a force to reckon with globally. We are a supplier partner of choice in multiple overseas markets driven by our integrated capabilities right from processing leather at our tannery, to conceptualizing fashionable innovations at our design studio and manufacturing final products. Our branded and White label footwear are sought by leading international brands in the fashion capitals of the world.

With our large integrated manufacturing capacities and robust reputation, we are well-placed to consolidate and scale operations globally.

**43+**

Years of experience

**30**

Years of supplying footwear to established global brands

**54 Mn**

Pairs of annual footwear manufacturing capacity

## Meeting Consumer Expectations Globally



### Operations in 37 Countries across 6 Continents

Accra Ghana, Argentina, Australia, Bangladesh, Bhutan, Canada, China, Denmark, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Israel, Korea, Latvia, Lithuania, Mexico, Nepal, Netherlands, New Zealand, Philippines, Poland, Portugal, Saudi Arabia, Singapore, Slovakia, South Africa, Spain, Sri Lanka, Switzerland, UAE, United Kingdom, USA, Vietnam

Map not to scale. For illustrative purposes only

## Global Presence

1,000+

Multi-brand outlets in UK selling Thomas Crick, Off the hook and REDTAPE brands

8

Exclusive Showrooms (Dubai – 5, Sharjah – 1, Nepal – 1, Sri Lanka – 1)

6

Global online portals

## Overseas Online Presence

United Kingdom



UAE



## India Presence

348

Exclusive REDTAPE Stores

188

Cities

245

Shop-in-shop

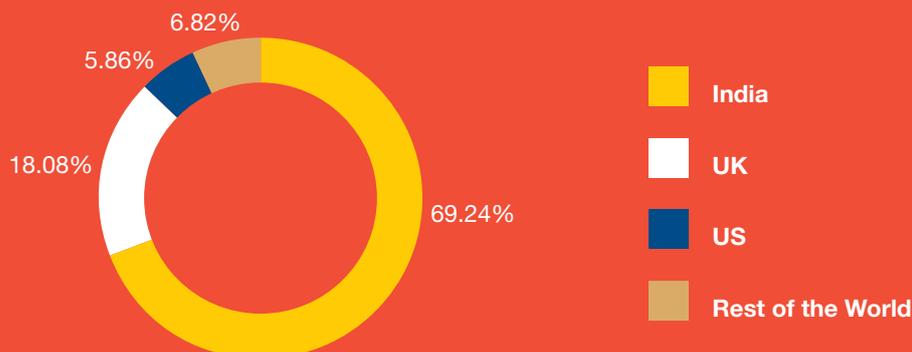
8

Online portals in India

## India Online Presence



## Revenue share by geography





# Letter from the Managing Director



## Dear Shareholders,

FY 2021-22 has been a great year for Mirza International in many ways. While our brands, products and business model were always strong, the challenges in the last two years allowed us to introspect and rethink our approach to unlock value creation potential. And this was made possible by our passionate team whose commitment helped us emerge stronger from the pandemic and deliver a record performance.

## Performing through the macro challenges

The year began with the second wave of COVID-19 which was more severe and had a significant toll on social factors. However, a localized lockdown strategy by the government along with our past learnings ensured minimal impact on our operations. As the year progressed, economic activities picked up strongly, resulting in significant fiscal expansion. Globally too, the markets rebounded and demand was strong. This saw discretionary spending reviving, which helped our business.

Supported by the positive developments, we delivered one of our best performances. Our total revenue increased by 60% to an all-time high of ₹ 1,677.26 Crore in FY 2021-22. Profitability increased sharply despite the persistent challenge of high input costs, assisted by optimization measures and improved capacity utilization at 65.85% as against 38.91% in the previous year. The profit after tax grew from ₹ 7.38 Crore in FY 2020-21 to ₹ 110.44 Crore.



Our total revenue increased by 60% to an all-time high of ₹ 1,677.26 Crore in FY 2021-22. Profitability increased sharply despite the persistent challenge of high input costs, assisted by optimization measures and improved capacity utilization at 65.85% as against 38.91% in the previous year.”

Our growth has been broad-based as all segments posted robust performance. The revenue from overseas grew 54.98% to ₹ 515.89 Crore led by improved acceptance of our products among the global brands. The business also benefited from the launch of the legacy Thomas Crick brand in the UK which has great resonance in this market. We had acquired it in 2019, and owing to the pandemic, its launch got delayed. We are optimistic of this brand and intend to steadily launch it in other markets.

Revenues from domestic business grew 62.38% from ₹ 715.20 Crore in the previous year to ₹ 1,161.37 Crore in FY 2021-22. The growth was assisted by improved economic and consumer sentiments, considering which we expanded our presence from 119 to 188 cities and added 72 exclusive REDTAPE stores.

### Striving to unlock value

Perhaps one of the most significant developments is the strategic scheme of arrangement to demerge REDTAPE business, aimed at driving value creation.

Pursuant to this arrangement, the REDTAPE business will be spun-off into a new entity REDTAPE Limited, which will focus on branded footwear and apparel in the Indian market.

Our Company, Mirza International, will focus on manufacturing and export of leather-based footwear and accessories, which has been its mainstay since inception. It will undertake leather exports, white labeling and private label, in the global markets for both men's and women's footwear, upholstery, furniture and accessories. Our Company will continue to hold Mirza (U.K.) Limited. It will be exclusively engaged in selling our leather-based footwear and accessories in the international market by positioning as a manufacturing partner of excellence for leading global brands looking for quality-first and sizable capacity partners.

We are confident that this measure to separate domestic and international businesses will help drive a more focused growth strategy for the respective businesses, thereby unleashing their true potential. I thank the shareholders who have whole-heartedly supported this decision and voted in favor of it. We are underway with the demerger process and expect to complete it during the current financial year.

### Positioned to deliver

Going into FY 2022-23, we expect the domestic business to be strongly led by a flourishing economy. We are already witnessing good momentum led by our widened presence, and will continue to work our way to gain market share.

As for the global economy, we see some headwinds in the short-term. Our key markets of the UK, Europe and the US are faced with the challenge of high inflation and



Sustainability has been a cornerstone of our business. We have continuously adopted best practices and technologies at our manufacturing units and tannery. This has earned us a global reputation as one of the most environmentally-conscious players in this segment having low emissions and natural resource consumption and effectively managing wastes.”

economic recession. The Russia-Ukraine war has especially pushed back the Euro area economies.

That said, we are confident of the long-term in these markets. Being a well-established and preferred supplier to leading brands, we are better placed to consolidate our position. We further expect to stand benefited as global companies aggressively pursue supply chain diversification in near future, driven by disruptions due to persistent lockdowns and a weak macro in China.

### Sustainable growth

Sustainability has been a cornerstone of our business. We have continuously adopted best practices and technologies at our manufacturing units and tannery. This has earned us a global reputation as one of the most environmentally-conscious players in this segment having low emissions and natural resource consumption and effectively managing wastes. We are proud to have one of the best safety performances, which is one of the many ways that we care for our people.

We also actively consider the welfare of the nearby communities with efforts around education, healthcare and rural infrastructure.

### Final comments

On behalf of the Board, I thank all our stakeholders for the faith reposed in us through this difficult phase. Today, as we stand better and stronger, I am confident that with your continued support, we will deliver sustainable performance to create value for all.

Warm regards,

**Rashid Ahmed Mirza**  
Chairman and Managing Director



# Striding Forward with World-Class Manufacturing

Mirza International is globally reputed as a manufacturer and supplier of leather footwear and accessories with top notch quality. We ensure every product rolling out from our facility is an uncompromised blend of quality materials, superior craftsmanship and operational excellence.



### Manufacturing excellence

At Mirza International, we continue to protect our legacy of quality excellence with our world-class manufacturing capabilities. We have six fully integrated manufacturing units. Equipped with modern machinery and technology and following global best practices, they enable production of high-quality leather footwear while ensuring uninterrupted operations for timely delivery.

Our manufacturing facilities are further supported by an in-house tannery and over 25 dedicated ancillary units. This robust ecosystem

ensures sustained supply of best quality raw materials for seamless operations alongside the advantage of economies of scale which positions us competitively to scale operations and brand equity.

### Asset-light scalability

We have entered into a strategic outsourcing agreement with reputed vendors for manufacture of footwear, apparels and accessories production. Following stringent quality standards and specifications set by us, they allow us to scale business in an asset-light manner while maintaining our brand equity.

# 4

Integrated manufacturing units

# 1

Tannery equipped with state-of-the-art effluent treatment plant

# 2

Advanced warehouses to serve E-commerce channels in Noida (70,000 sq. ft.) and Unnao (30,000 sq. ft.)

# 3

Distribution branches

# 65.85%

Footwear capacity utilization in FY 2021-22





# Striding Forward with Global Partnerships

Mirza International is a name to reckon in the fashion capitals of the world, where we supply branded and white-label footwear. Through the years, with our ability to develop right products as per trend with global quality standards and efficient supply chain management, we have earned the reputation as a highly admired footwear exporter in the international arena.



**2**

In-house design studios

**3.49 Mn**

Branded and white-label footwear exported in FY 2021-22

## Trusted Partner to Leading Global Brands

We have long-standing relations with top retail chains in the UK, US, France, Germany, Australia and UAE among others. Competing against top suppliers, we have held our positioning as a preferred supplier in these markets manifesting the solid reputation of our trendy and quality products, supply chain agility and sustainable operations. This has resulted in high customer retention and sustained new additions, providing stability and scalability.



**₹515.89  
Crore**

Overseas revenues in  
FY 2021-22

**₹487.12  
Crore**

Proportion of overseas  
revenues in FY 2021-22 from  
non-REDTAPE segment

**Deepening our Footprint**

As an established global supplier, we are continually exploring opportunities to build new relationships. This is especially after the pandemic and China's sustained zero COVID policy, whereby businesses in the US are looking to diversify their supply chain.

**Delighting Partners with Design Excellence**

Our ability to innovate with speed and help our partners to remain ahead of the market trends as well as respond effectively to customer demand has been a key to our success. At the forefront of this have been our two in-house design studios which houses an expert team of designers. Led by their creative competence and in consultation with the global sales team, we release over 900 delightful new designs each year as per global fashion trends and diverse customer preferences.

We have also connected our design centers and manufacturing units with advanced CAD/CAM software to optimize resources and ensure speed to market.

**Products Exported**





# Striding Forward with Exciting International Brands

We understand the pulse of consumers in international markets. And that is how we have created winning product brands that hit the right notes of diverse segments and resonate with them. Globally, these brands have created a niche and have a cult following of their own.

At Mirza International, we have established premium footwear brands in the UK, US, France, Germany and UAE, among others, geographies. Despite tough competition, these brands have enjoyed consistent success and high brand equity, which is a testament of our unique designs and quality.



## Oaktrak

A high fashion leather footwear brand, Oaktrak stands for style and comfort. Targeted at discerning, niche consumers including senior professionals and upwardly mobile executives, the brand continues to witness a strong market.



## Launching the all-new Thomas Crick



### Thomas Crick

Est. 1830

In FY 2021-22, we successfully launched the premium, 100% leather-based footwear brand Thomas Crick in the UK market. Thomas Crick is a 190+ year old UK-based brand, which we acquired in 2019. With this new launch, we have combined the brand's rich legacy with our manufacturing excellence to deliver an unmatched value proposition to customers. The brand is targeted at the fashion forward customer and combines heritage with modern style. Launched with many of our online and retail partners in the UK and EU, such as ASOS, Amazon, M&M Direct, Debenhams, TJX Group, Sole Trader.

#### The legacy of Thomas Crick

Established in 1828, Thomas Crick is amongst the oldest shoe brands. Its founder, Thomas Crick, was a pioneer of the boot industry in Leicester and was locally known as the father of the industry. He ran a warehouse as well as engaged in boot making, leather-carrying and straining business. The brand became the leading, large-scale manufacturer of shoes and acknowledged for its machinery installation. It has been the most successful brand in its era.

**£0.5 Million**

The expected sale for  
FY 2022-23 is  
approximately £ 4 Million



# Striding Forward in a Rejuvenated India

Mirza International is known to deliver the best value proposition of quality, style and attractive price points alongside differentiated shopping experiences to India’s discerning consumers. With the Indian economy now back on growth track, and the sentiments and buying power of consumers improving, we look to build on these to capture a large market pie. We are reinforcing our omni-channel presence and deploying innovative technologies to better understand consumers.

## REDTAPE

A premium lifestyle brand that offers international style, quality and comfort at competitive prices. It has a well-entrenched position as a leading leather footwear brand, and also offers garments and accessories.

## REDTAPE Athleisure

An aspirational brand offering attractively priced, quality Athleisure shoes for men, especially the one who are Athleisure and fitness-oriented or are always on-the-go.

## Bond Street

A fashionable footwear brand with products in polyurethane (PU) casuals and sports category at low price points for mass appeal.

## MODE

A fashionable women’s exclusive wear brand from the house of REDTAPE, it provides elegant footwear and clothing combined with feminine charm and strength.



## The Brand for India’s millennials

The millennials in India are increasingly becoming digital-driven, and are having a growing preference for owning premium and branded footwear. Additionally, they also want the option to buy the products in a channel they prefer with experiences they want.

At Mirza International, we have evolved in line with our customer’s expectations. We have established a presence across all channels including online, physical stores and a combination of offline-online

to reach out to them. Further, we are leveraging advanced digital technologies to understand their behavior and requirements, to deliver personalized experiences.

Most importantly, we have built several aspirational brands which give them the pride of ownership. Targeted at different consumer segments, occasions and price points, these brands offer a comprehensive range of stylish, formal and casual footwear and are rapidly finding great acceptance among consumers. Our brands include:

## Being where our customers want

We have established a solid pan-India presence through a mix of Exclusive Brand Outlets (EBOs) and E-commerce platforms. As of March 31, 2022, our total retail store count was 348 with a combined 8,15,818 sq. ft. area, including 111 Company-owned Company-operated (COCO).

**Offline EBOs:** We have 225 offline EBOs across prime shopping destinations such as High Street and Malls. In FY 2021-22, 72 new offline/online EBOs were added, primarily in Tier II & III cities where we see tremendous opportunities.

**Online-Offline EBOs:** We have 348 online-offline EBOs which are primarily on the outskirts of cities. Larger in size, they stock an extensive range of collections which can be viewed and booked online and purchased in-store.

**E-commerce:** We have established a presence on 10 online e-commerce platforms given the rapid growth of consumers buying online led by accelerated digital adoption. To drive e-commerce strategy and growth, dedicated divisions along with warehouse have been set-up in Noida, Uttar Pradesh. They are facilitating seamless and timely deliveries as well as strengthening our presence in tier II and III cities.



## Channel-wise domestic branded sales

	FY 2020-21 (₹ in Crore)	FY 2021-22 (₹ in Crore)
EBOs	462.57	798.15
E-commerce	207.86	283.89
<b>Total</b>	<b>670.43</b>	<b>1,082.04</b>



# Striding Forward with Sustainable Operations

At Mirza International, we are not just the leading leather footwear manufacturer, we are also the most responsible and continue to set new benchmarks every year. This reputation as an environmentally responsible company reinforces our positioning as a preferred supplier to leading global brands.



## Sustainable tannery

We operate one of the largest tanneries in India, and have implemented global best sustainable practices. It is equipped with a state-of-the-art effluent treatment plant and ensures all discharges are treated to permissible limits. High-quality tanning drums are used which has significantly reduced fresh water and energy consumption. We undertake to process exhaust chrome liquor as well as recover sludge and sell them to authorized chemical vendors, thus preventing groundwater contamination. We further ensure all raw materials are sourced responsibly and ethically.

**Our tannery has been recognized to cause no environmental pollution under the National Framework of Environmental Laws as per a study by IIT Roorkee**



### Clean and green energy

Renewable energy is an important focus area. We have installed 1,700 kW solar panels at one of our plants for electricity consumption. It is helping us reduce carbon footprint. We are in the process of installing another 5,000 kW of solar panels in three other plants.



# Corporate Social Responsibility



With a comprehensive development approach, Mirza Foundation, the CSR arm of Mirza International, is serving the communities which plays an indispensable role along with the Government, civil society and communities to resolve critical development challenges faced by the communities. The CSR wing invested in far-reaching initiatives in the areas of Healthcare, Education and Social Sustainability. Mirza Foundation through Mirza Charitable Hospital Limited has been contributing continuously towards the healthcare.

As a part of its COVID-19 response initiatives, your Company reached out to all possible geographical clusters and enabled COVID and disaster response support like vaccination support. Independent professional doctors specialized in the fields of orthopedics, ophthalmology, and dental, among others, have extended their support during the COVID-19 pandemic. The Company has contributed towards providing the healthcare facilities to the villagers and poor and weaker sections of the society.



**₹109.84  
Lac**

Spent during the year  
towards CSR activities



We also aim to provide opportunities for the young to develop themselves into future citizens who contribute to society. There's a lot to consider in the education sector. While it is important to provide students with an in-depth understanding of certain principles and concepts, it is equally vital to ensure that your business meets all the right criteria in delivering high-quality educational products and services — especially in terms of technology maintenance and service continuity. The Company has

also contributed its efforts to promote the education sector of The Company also continued to extend direct support to the students belonging to poorer and underprivileged sections of the society.

During the year under review, the Company has spent ₹ 109.84 Lac towards CSR activities.



# Financial Highlights

## Total Revenue

**₹1,67,155.02  
Lac**

↑ 60% (vs FY 2020-21)

↑ 11.51% (5-year CAGR)

## Overseas Revenue

**₹51,589.31  
Lac**

## Domestic Revenue

**₹1,15,565.71  
Lac**

## EBITDA

**₹23,637.35  
Lac**

↑ 100.78% (vs FY 2020-21)

↑ 6.27% (5-year CAGR)

## PAT

**₹11,043.66  
Lac**

↑ 1,396% (vs FY 2020-21)

↑ 7.09% (5-year CAGR)

## Net Worth

**₹75,494  
Lac**

↑ 18% (vs FY 2020-21)

↑ 5.65% (5-year CAGR)



# Awards & Accolades

2018-2019

Council for Leather Exports, Northern Regional Export Awards for 2018-19

**1st Place**

Overall Export of Leather and Leather Products including Non-Leather Products

**1st Place**

Excellent Export performance in Leather Footwear (above ₹ 300 Crore Council for Leather Export)

**1st Place**

For Excellent Export performance in Finished Leather (Up to ₹ 25 Crore)

2019-2020

Council for Leather Exports, Northern Regional Export Awards for 2019-20

**1st Place**

Leather Footwear Above ₹ 300 Crore

**1st Place**

Finished Leather Above ₹ 25 Crore & Up to ₹ 25 Crore

**1st Place**

Overall

2020-2021

Council for Leather Exports, Northern Regional Export Awards for 2020-21

**1st Place**

Leather Footwear Above ₹ 200 Crore & Up to ₹ 300 Crore

**1st Place**

Finished Leather Above ₹ 50 Crore & Up to ₹ 100 Crore

**1st Place**

Overall



## Recognition in E-Commerce

November 2021	Zonal Top Flipstars from Flipkart
July 2021	Expert Advertisers from Flipkart
February 2021	Zonal top Flipstars from Flipkart
November 2019	Best Men's Casual Footwear Brand (Tech Threads 2019) from Myntra
November 2019	Gold in "Top Notch Seller" from Flipkart
November 2019	2nd Runner up in "APL Go for Gold (Advertiser Premier League 2019)" from Flipkart
June 2019	Platinum Partner Award from Paytm



# Corporate Information

## Board of Directors & Management

**Mr. Rashid Ahmed Mirza**

Chairman and Managing Director

**Mr. Shahid Ahmad Mirza**

Whole-time Director

**Mr. Tauseef Ahmad Mirza**

Whole-time Director

**Mr. Tasneef Ahmad Mirza**

Whole-time Director

**Mr. Shuja Mirza**

Whole-time Director

**Mr. Narendra Prasad Upadhyaya**

Whole-time Director

**Dr. Yashvir Singh**

Independent Director

**Mr. Sanjiv Gupta**

Independent Director

**Mr. Qazi Noorus Salam**

Independent Director

**Mr. Sudhindra Kumar Jain**

Independent Director

**Mr. Sanjay Bhalla**

Independent Director

**Ms. Saumya Srivastava**

Independent Director

**Mr. V.T. Cherian**

Chief Financial Officer

**Ms. Harshita Nagar**

Company Secretary & Compliance Officer

## Statutory Auditors

M/s. DRA & Co.

Chartered Accountants

## Bankers

Punjab National Bank

HDFC Bank

CitiBank N.A.

## Registered Office

14/6, Civil Lines, Kanpur - 208 001

## Corporate & Marketing Office

A-7, Mohan Co-operative Industrial Estate, Mathura Road,  
New Delhi - 110 044

Plot No. 08, Sector 90, Noida,  
Gautam Buddha Nagar - 201 301, Uttar Pradesh

## Works

- Kanpur-Unnao Link Road, Magarwara, Unnao - 209 801
- Kanpur-Unnao Link Road, Sahjani, Unnao - 209 801
- C-4, 5, 36 & 37, Sector-59, Noida - 201 303
- UPSIDC Industrial Area, Site II, Unnao - 209 801
- Plot-1A, Ecotech-I, Extension-I, Greater Noida - 201 308
- Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1  
Mahua Khara Ganj, Kashipur, Udham Singh Nagar,  
Uttarakhand - 244 713

## Registrar & Transfer Agents

KFin Technologies Limited  
Selenium Tower B, 6th Floor,  
Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032  
Tel.: +91-40-67161563  
Fax: +91-40-23114087

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ECONOMY AND MARKET OUTLOOK

As the omicron variant of the COVID-19 pandemic compelled the countries to reimpose mobility restrictions, the global economy entered 2022 on a weaker footing. The emergence of new COVID-19 variants prolonged the pandemic and induced renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility and localized wage pressures caused the uncertainty around inflation. As advanced economies lifted policy rates, risks to financial stability, capital flows, currencies and fiscal positions of emerging markets and developing economies have emerged, especially with increased debt levels. Other global risks may also crystallize as geopolitical tensions remain high and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

According to the International Monetary Fund, global growth moderated from 5.9% in 2021 to 4.4% in 2022, half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation and continued supply shortages produced a downward 1.2 percentage-point revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade.

## INDIAN ECONOMY

The Delta variant of COVID-19 struck India in the beginning of 2021-22 marking the onset of the second wave. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. The Advanced Estimates of real GDP growth (YoY) in FY 2021-22 at 9.2% which reaffirms the sustained momentum of GDP growth since the second wave. The economy in the current year has recovered 101.6% of the pre-pandemic output in FY 2019-20. This is supported by a strong rebound seen in several high-frequency indicators in Q3 FY 2021-22 and rapid progress in vaccination coverage.

A wide range of measures have been adopted by the Government to counter the challenges posed by the pandemic, encompassing all sections of the population and all possible requirements of the health sector.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. With an improvement in the economic scenario, there have been investments across various sectors of the economy.

India reported a record 2,224 deals amounting to \$115 billion in 2021, according to the Annual Grant Thornton Bharat Deal tracker. In 2021, the total deal value jumped worth \$37 billion year-on-year. In the M&A segment, 499 deals were signed worth \$42.9 billion, while 1,624 deals worth \$48.2 billion were inked in the private equity category.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The footwear sector is a very significant segment of the leather industry in India; rather it is the engine of growth for the entire Indian leather industry. Indian Footwear and Leather Development Programme (IFLDP) (erstwhile IFLADP), a Central Government Scheme, has been approved for continuation from 2021-22 with an approved financial outlay of ₹ 1,700 crore. Indian Footwear and Leather Development Programme (IFLDP) aims at development of infrastructure for the leather sector, addressing environmental concerns specific to the leather industry, facilitating additional investments, employment generation and increased production.

The scheme will be implemented through the following sub-schemes:

- i) Sustainable Technology and Environmental Promotion (outlay ₹500 crore)
- ii) Integrated Development of Leather Sector (IDLS) (outlay ₹500 crore)
- iii) Establishment of Institutional Facilities (outlay ₹200 crore)
- iv) Mega Leather Footwear and Accessories Cluster Development (MLFACD) (outlay ₹300 crore)
- v) Brand Promotion of Indian Brands in Leather and Footwear Sector (outlay ₹100 crore)
- vi) Development of Design Studios (outlay ₹100 crore)

India is the second largest global producer of footwear after China, accounting for 13% of global footwear production of 16 billion pairs. India produces 2,065 million pairs of different categories of footwear (leather footwear – 909 million pairs, leather shoe uppers – 100 million pairs and non-leather footwear – 1,056 million pairs). India exports about 115 million pairs. Thus, nearly 95% of its production meets its own domestic demand.

Over the years, India has become a focal point for the fashion and lifestyle industry, reflecting a powerful manufacturing sector and a fast-growing middle class country. These forces make India a very significant international fashion brand coupled with strong economic fundamentals and rapid digital transformation. According to a report by Invest India, India is the second largest consumer and producer of



footwear in the world and the sector is projected to increase manifold by 2030. The purchasing behaviours of the end-users have changed dramatically owing to the rise in their disposable and per capita incomes.

Undoubtedly, the onset of the global health emergency will go down in history as the most challenging one for almost every industry. The footwear sector seems to be no exception. It finds itself amid unprecedented adversity, with revenues and margins under pressure. This can be attributed to declining sales, shifting customer behaviour, disrupted supply chains and several other pandemic-induced restrictions.

The leather industry is spread in different segments namely Finished Leather, Footwear, Footwear Components, Leather Garments, and Leather Goods including Bags, Saddlery, Harnesses and Leather Gloves. For every 1,000 pairs produced and sold in India per day, the sector can create 425 jobs spanning manufacturing, allied industries, and retail. In terms of volume, India produced 1.8 billion units and is expected to produce almost 3 billion units by 2024 growing by more than 10% annually.

Some of the largest importers of the Indian footwear industry include the USA, UK, Germany, France, Italy, and UAE.

### India's Leather Exports

India is the second-largest exporter of leather garments, the third-largest exporter of saddlery & harnesses and the fourth-largest exporter of leather goods in the world. The garments sector accounted for 7.03% of the country's total leather export in FY 2021-22. Of the total leather and leather products exported from India, the footwear segment accounts for the majority of exports, with FY 2020-21 and FY 2021-22 exports from the country valued at US\$ 1.49 billion and US\$ 2.05 billion, respectively. The leather goods export during FY 2021-22 was US\$ 1.29 billion, a 36.3% increase from the previous year. The finished leather and leather components export in FY 2021-22 was US\$ 456 million (20.59% YoY increase) and US\$ 250 million (26.46% YoY increase), respectively. The exports of saddlery & harness and non-leather footwear grew by 48% and 10.28%, respectively in FY 2021-22 over the previous year. During FY 2021-22, India exported total leather and leather products of value US\$ 4.87 billion, a 32% increase from the previous year. In March 2022, the leather and leather products exports in the country were valued at US\$ 471.39 million, a 7% increase from February 2022. In May 2022, the total exports increased by 48.53% from May 2021 to US\$ 402.6 million.

## OPPORTUNITIES AND THREATS

### Opportunities

The global footwear market is expected to grow by 12.83% YoY by 2028. Changing lifestyles, growing economies and heightened focus on health, especially in the wake of the pandemic, have boosted the demand for footwear

globally. There has also been a massive shift in consumer perspectives regarding footwear. Consumers no longer look at shoes and footwear to serve just function but are now gradually moving towards footwear for fashion. The leather and non-leather segments, driven by a robust domestic market, make up the Indian footwear industry. According to Invest India's report on the 'Non-leather footwear Industry in India', the sector in India is projected to increase eight-fold by 2030. India's non-leather footwear industry will soon cross the \$6 billion mark by 2024.

Due to changing consumer preferences, 86% of footwear consumption has become non-leather by volume globally and India is witnessing a similar trend. However, leather footwear continues to be a significant part of the industry and is a major export category for India. The UK, for example, is one of the leading export destinations for Indian leather footwear.

Your Company is always keen to experiment with new ideas and activities and feel appreciative to fulfil the consumer demands. Given the enormous growth of the footwear industry over the years, Mirza International Limited feels innovating not only in its products, but also in the way of presenting the brand to the consumer and the same has become a part of brand identity. Your Company strives to stand by its values which is the strength of its brand.

### Threats and Challenges

Today's consumers are more informed, educated, demand branded and aspirational products. This presents a serious challenge for the footwear industry, as they have to follow and quickly adapt to consumer preferences, which are fundamental in purchasing decisions.

Consumers also look for transparency and security while purchasing footwear. They want to ensure that the footwear is safe and comfortable and is made in adherence to the prescribed standards.

The footwear industry has largely been unorganized and scattered in different parts of the country. Uttar Pradesh and Tamil Nadu are the biggest footwear-related markets. Though technology has marked its presence in the modernization of the footwear industry, most of the production is still handmade.

### Increasing competition

Nearly 85% of the Indian footwear industry comprises unorganized players. These players sell their products at unimaginably low prices and have benefits such as lower sales tax, lower overhead cost, lower labor cost and absence of research and development (R&D) expenses. This intensifies competition as organized players will pass the price benefits to the consumers, while unorganized players try to enter the organized space.

### Sluggish growth of the Indian leather footwear market

The UK is one of the leading export destinations of the Indian footwear sector. However, with BREXIT affecting the value of the British pound (GBP), it has impacted Indian leather exports. Furthermore, government policies banning animal slaughter in leather tanneries have impacted the leather availability.

### Growing imports from China

Around 63% of leather imported comes from India's neighbor, China. This hurts the Indian footwear manufacturers as Chinese leather is cheaper and is sold in the unorganized retail market without sales tax and creating a loss for the economy.

Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with the Risk Management Committee and the Audit Committee of the Board to identify and mitigate such risks.

## RISKS, CONCERNS, AND CONTINGENT LIABILITIES

Adverse economic and political factors, both national and global, and factors force majeure may directly affect the performance of the Company as well as the footwear industry. These factors include interest rates and their impact on availability of retail space, slower economic growth, fiscal and monetary policies, inflation, consumer debt levels, tax rates and policy, unemployment trends, geopolitical tensions, pandemic, and other matters that influence consumer confidence and spending.

Risks are an integral part of any business and it is essential that the Company should have suitable processes in place which are capable of identifying and alleviating the risks. Adequate risk management ensures controls and monitoring mechanisms for smooth and uninterrupted running of the Company's business. The Board is responsible for reviewing the risk policy of the Company whereas the Audit Committee of the Board is responsible for evaluating the risk management systems. Key risks of your Company include competitive business environment, varying consumer preferences, import of cheap complete shoes, showroom/office occupancy cost, foreign currency fluctuation and the fragmented structure of the industry.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls and systems serve multiple needs in any organisation. Well- designed internal control systems lay down the framework for day-to-day operations and provide guidelines for employees and most importantly, provide a certain level of security against the risks. The primary responsibility for the development and maintenance of internal control rests with an organization's management. Internal control evaluation involves everything management does to control the organization in the effort to achieve its objectives. Your Company's control system and procedures are regularly reviewed for relevance and effectiveness.

The Company has an Audit Committee consisting of Independent Directors, the details of which have been given in the Corporate Governance Report. An independent Chartered Accountant firm has been appointed as internal auditors to review the effectiveness of internal control mechanism at regular intervals. The Audit Committee reviews audit reports submitted by the Internal Auditors from time to time. Suggestions for improvement are considered by the Audit Committee and its decisions are followed by the management through the implementation of the corrective actions and improvements in business processes. The Committee also meets the statutory auditors from time to time to ascertain, inter-alia, their views on the adequacy of internal control systems and also keeps the Board of Directors informed of the major observations .

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company is able to retain its competitive edge not only because of its operational excellence but also because of a diverse talent pool. It leverages the domain knowledge of its people to create the building blocks of a world-class Company. The Company provides a congenial work environment and conducts various initiatives to boost employee skills and capabilities. As on March 31, 2022, the Company had a total of 2,409 permanent employees.

## OCCUPATIONAL HEALTH AND SAFETY

### Commitment

MIL is committed to carrying out all its operations free from accidents and occupational illnesses. It strives for the implementation of the best possible practices for ensuring the safety of its all stakeholders, including employees and contractors. The Company firmly believes that providing safe working conditions to its workforce is not only a statutory requirement but also a moral responsibility.

## RESOURCES

A team of highly qualified, experienced and skilled professionals has been deputed to provide the required support to the management on occupational health, safety, and fire-related matters. The Company deploys the latest in-built safety technologies and systems in all new projects and expansions to safeguard its operations. The state-of-the-art fire prevention and mitigation technologies are in place across all its operations. These standards address General Safety, Occupational Health, Process Safety, and Emergency Preparedness.

## INTERNATIONAL HEALTH AND SAFETY STANDARDS

The Company's operations conform with the International Occupational Health & Safety Management Standard ISO 45000, which is certified by the world's renowned external accredited agencies. The continuation of certification is subject to periodic surveillance by external accredited agencies for ensuring the consistency of health and safety considerations in the Company's operations.

## MANAGEMENT ENGAGEMENT

The Company firmly believes that ensuring safety, health and wellbeing of employees at the workplace is the primary responsibility of the management. Hence, the Company has initiated a number of safety programs for engaging the line management in safety activities.

## FINANCIAL PERFORMANCE

The key indicators of the financial performance of the Company for the FY 2021-22 are as under:

S. No	Particulars	FY 2020-21	FY 2021-22
1	Total Revenue	1,04,806	1,67,726
2	Total Expenses excluding Finance Cost & Depreciation	93,033	1,44,088
<b>3</b>	<b>EBIDTA (Earnings before Interest, Depreciation &amp; Tax)</b>	<b>11,773</b>	<b>23,638</b>
4	Finance Costs	4,100	2,698
5	Depreciation and Amortisation Expense	6,627	5,998
<b>6</b>	<b>Profit/ Loss before Exceptional items (3-4-5)</b>	<b>1,046</b>	<b>14,942</b>
7	Add Exceptional Items [Gain (+)/ Loss(-) ]	-	-
<b>8</b>	<b>Profit/ Loss from Continuing Operations Before Tax (6-7)</b>	<b>1,046</b>	<b>14,942</b>
9	Tax Expense	308	3,898
<b>10</b>	<b>Profit/ Loss from Continuing Operations After Tax</b>	<b>738</b>	<b>11,044</b>
<b>11</b>	<b>Profit/ Loss from Discontinued Operations After Tax</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>Profit/ Loss for the year after Tax</b>	<b>738</b>	<b>11,044</b>
13	Other Comprehensive Income	113	343
<b>14</b>	<b>Total Comprehensive Income (10+12)</b>	<b>851</b>	<b>11,387</b>
15	Basic EPS (per share of ₹2/-) (in ₹)	0.61	9.18
16	Diluted EPS (per share of ₹2/-) (in ₹)	0.61	9.18

## SEGMENT WISE PERFORMANCE & REVIEW OF OPERATIONS

Segment Revenue	FY 2020-21	FY 2021-22
a Shoe Division (Footwear)	61,763	1,00,211
b Tannery Division (Leather)	12,719	19,105
c GAR & ACC Division	34,258	55,368
d Unallocated	124	118
<b>Total</b>	<b>1,08,864</b>	<b>1,74,802</b>
Less: Inter- segment Revenue	4,058	7,075
<b>Total sales/ Income from operations</b>	<b>1,04,806</b>	<b>1,67,726</b>
Add: Other Income	-	-
<b>Total Revenue</b>	<b>1,04,806</b>	<b>1,67,726</b>

Segment Profit / Loss	FY 2020-21	FY 2021-22
a Shoe Division (Footwear)	5,179	11,468
b Tannery Division (Leather)	(2,036)	301
c GAR & ACC Division	2,843	6,511
d Unallocated	124	118
<b>Total</b>	<b>6,109</b>	<b>18,398</b>
Less: Finance Cost	4,100	2,698
Add: Exceptional items	963	(759)
<b>Profit from continuing operations before Tax</b>	<b>1,046</b>	<b>14,942</b>

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in Government regulations, tax laws, economic developments within the country and other factors globally.

The financial statements have been prepared on a historical cost basis and on the accrual basis and are prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, as amended, and other relevant provisions of the Companies Act, 2013 (the 'Act'). The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Act read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The management of Mirza International Limited ("MIL" or "Mirza" or "the Company") has used estimates and judgments related to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.

The following discussions on MIL's financial condition and result of operations should be read together with the audited financial statement and the notes to the statements included in the Annual Report.

# DIRECTORS' REPORT

To,  
The Members of  
**Mirza International Limited**

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report on the business and operations of the **Mirza International Limited** ("the Company" or "MIL") along with the Audited Financial Statements for the financial year ended March 31, 2022.

## FINANCIAL SUMMARY

The Company's standalone and consolidated financial performance for the year ended March 31, 2022 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>INCOME</b>				
Revenue from operations	1,67,155	1,04,682	1,67,867	1,04,893
Other income	571	124	572	120
<b>Total Income</b>	<b>1,67,726</b>	<b>1,04,806</b>	<b>1,68,439</b>	<b>1,05,013</b>
<b>EXPENSES</b>				
Operating Expenditure	1,04,874	67,763	1,04,952	67,808
Finance costs	2,698	4,100	2,698	4,101
Depreciation and Amortization expense	5,998	6,627	6,026	6,654
Other expenses	39,214	25,270	39,408	25,257
<b>Total Expenses</b>	<b>1,52,784</b>	<b>1,03,760</b>	<b>1,53,084</b>	<b>1,03,820</b>
<b>Profit before tax</b>	<b>14,942</b>	<b>1,046</b>	<b>15,355</b>	<b>1,193</b>
Net Income Allocable to Non-Controlling Interest	-	-	8	4
<b>Tax Expense</b>	<b>3,898</b>	<b>308</b>	<b>4,057</b>	<b>355</b>
<b>Profit for the Year</b>	<b>11,044</b>	<b>738</b>	<b>11,290</b>	<b>834</b>

## STATE OF COMPANY AFFAIRS

The FY 2021-2022 has been a remarkable year for your Company in this pandemic year. The Company has crossed ever turnover of ₹1,67,155 Lakhs. The major highlights are given below:

### Standalone and Consolidated

- The Consolidated Revenue from operations increase to ₹ 1,67,867 Lakhs from ₹ 1,04,893 Lakhs in the previous year. Thus, showing an increase of about 60.04%.
- The Standalone Revenue from operations increase to ₹ 1,67,155 Lakhs from ₹ 1,04,682 Lakhs during the previous year. Thus, showing an increase of about 59.68%.
- The Standalone Profit before Tax has increased to ₹ 14,942 Lakhs as compared to ₹ 1,046 Lakhs during the previous year.
- The Earning Per Share has increased to ₹ 9.38 as against ₹ 0.69 in the Previous Year.

Your Company has shown growth on the key financial metrics for the year, despite the market scenario being uncertain and increasing competition in the year. Management believes that your Company will continue its journey of profitable growth driven by the strong fundamentals of operating model, continued focus on long term business plan and an overwhelming desire to serve customers. Despite adverse situation your Company managed to achieve reasonable growth in value and impressive profit growth during the year.

## GROWTH STRATEGY

### Sales & Marketing

During the year, your Company continued to strengthen its distribution network expansion in under penetrated markets, while empowering its sales force and channel partners with innovative digitized solutions for seamless efficiency. Comprehensive measures undertaken to give best-in-class rewards and recognition to the sales force have arrested attrition and reinforced our value proposition to our employees.

With its philosophy of 'Customer First' your Company regularly refreshed its product portfolio in line with consumer expectations and launched a slew of new products this year.

## E-commerce

E-commerce is the fastest growing channel for your Company. With all our brands present in leading e-commerce portals, your Company continued its sustained investments on these platforms and is well positioned to drive growth in the future.

## Retail

With the continuous focus on the Indian Domestic market, which is also one of largest market in the World, REDTAPE remains successful in expanding its presence across the length and breadth of India. Despite external pressures, your Company has demonstrated growth in the retail network by expanding its store footprint to 348 stores. With 72 number of retail outlets opened during 2021-22 only, total number of retail outlets has reached to 348 stores which resulted into ever high turnover of ₹ 1,161.37 crore from domestic market only with 62.38% increase. Inspired by this, REDTAPE is retaining its aggressive marketing strategy with clear focus to reach and attract the growing middle-class youth of the Country. All this while your Company has kept a firm focus on improving the in store customer experience with range availability and regular staff training.

## Exports

During the year, your Company is also focusing on export marketing of its product with facts that during FY 2021-22, export turnover of the Company was ₹ 515.89 crore as against ₹ 332.86 crore during FY 2020-21. Company is looking to get upward movement from last achieved export turnover subject to global economic conditions. Your Company's efforts in maintaining a focus on promoting own brands, ensuring timely product availability to our international partners has further led to your Company being recognized as one of the top non-leather exporters from India.

## Product Development

Footwear along with Apparels & Accessories category is gradually evolving to be a style statement of one's personality, necessitating constant product innovation, both in functionality and design. Through a robust market sensing & research process, feedback from our channel partners and access to renowned national & international design studios, your Company constantly strives to offer products that exceed consumer expectations. With an eye on quality and speed, each brand is now supported by a separate team for focused product design and development, enabling your Company to focus on launching different sub-categories like the recently launched Womens Ethnic Wear Apparel collection along with Women Belts. We continue to focus on products that excite our consumers and having tasted success in the apparel & footwear category of all 3 genders, we plan to be more aggressive in designing ranges for the same while building greater synergies in our retail, wholesale and e-commerce portfolios.

## Manufacturing and Quality

During FY 2021-22, the Company has increased its product lines by launching new products under REDTAPE brands like travel bags, undergarments etc. and also increased its product mix in garment and shoes segments as well. Company has achieved turnover of ₹ 553.68 crore in Garment segment which shows its increasing customer confidence for future growth as well. Company's sport brand REDTAPE athleisure is rapidly finding its place in foofs of young and sporty Indians.

## MATERIAL CHANGES AND COMMITMENTS

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Entering the COVID-19 pandemic wreaked havoc on financial conditions of the Company. Reacting to the pandemic and adaptation in the "new normal" had been a challenging task. The Company has up to the date of approval of financial results, evaluated and factored into the extent possible likely material events and circumstances arising from COVID-19 pandemic and their impact on carrying value of its Assets and Liabilities as at March 31, 2022. The impact of any future events and developments emerging out of COVID-19 pandemic, if any, and occurring after the balance sheet date and relating to the Assets and Liabilities of the Company as on March 31, 2022 will be recognised prospectively.

## SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company, in its meeting held on December 10, 2021 had approved a Composite Scheme of Arrangement framed under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Sections 2(1B) and 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for (a) Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd; (b) De-merger of Branded Business/ REDTAPE Business of Mirza International Ltd into Redtape Ltd. The Company has received approval from BSE Limited and the National Stock Exchange of India Limited. The Scheme is subject to necessary regulation, approval and sanction by Hon'ble National Company Law Tribunal.

## SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has two foreign subsidiary as on March 31, 2022 viz. Mirza Bangla Limited and Mirza (H.K.) Limited. Pursuant to the provisions of IND AS 110, Sen En Mirza



Industrial Supply Chain LLP, being Indian subsidiary of the Company as at March 31, 2022. There has been no material change in the nature of the business of the subsidiary.

During the year, a wholly owned subsidiary, i.e. Redtape Limited has been incorporated with the initial Authorized Share Capital of ₹ 1,00,000 divided into 50,000 equity shares of ₹ 2/- each, for the purpose of transferring the domestic business of the Company. There are no other associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

A statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is annexed as Annexure-I to the Directors' Report.

In accordance with Section 136 of the Act, the audited financial statement, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website www.mirza.co.in. These documents will also be available for inspection at our Corporate Office in New Delhi, on any working day between 3:00 p.m. to 5:00 p.m. till the date of the ensuing Annual General Meeting (AGM) of the Company.

## DIVIDEND

The Company has not declared any Dividend for the Financial Year ended on March 31, 2022.

## TRANSFER TO RESERVE

The Board has not transferred any amount to General Reserve.

## DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

## SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2022 stood at ₹ 51,25,00,000 divided into 25,62,50,000 equity shares of ₹ 2/- each. The Issued, Subscribed and Paid-up Share Capital of your Company is ₹ 24,06,12,000 divided into 12,03,06,000 equity shares of ₹ 2/- each.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third

of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently,

- i) Mr. Narendra Prasad Upadhyaya, Whole-time Director retired by rotation at the 42<sup>nd</sup> AGM, and being eligible, re-appointed by the members in the Annual General Meeting held on September 24, 2021.
- ii) Mr. Tauseef Ahmad Mirza and Mr. Tasneef Ahmad Mirza, Whole-time Directors will retire by rotation at the ensuing AGM, and being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013. The Board recommends the resolutions for adoption by the members.

Ms. Harshita Nagar was appointed as Company Secretary & Compliance Officer subsequent to deputation of Ms. Priyanka Pahuja as Company Secretary & Compliance Officer of Redtape Limited w.e.f. June 1, 2022.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the Management.

The Independent Directors of the Company are persons of integrity and comprise of appropriate skills/expertise/competencies (including proficiency) and have rich and varied experience in diversified domains for effective functioning of the Board of Directors of the Company.

## EVALUATION OF BOARD'S PERFORMANCE

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and Committees were evaluated by the Board after seeking inputs from all the Directors based on various criteria. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, considering the views of the Executive Directors and Non-Executive Directors. The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

## FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the

industry in which the Company operates, business model of the Company etc., has been uploaded on the Company's website at the web link: <https://www.mirza.co.in/corporate-information.php>. For further details, please refer to the Report on Corporate Governance which is forming part of this Annual Report.

### COMPANY'S POLICIES:

Pursuant to the provisions of the Companies Act, 2013 and other corporate laws, the Board of Directors are required to frame different policies/ maintain systems/ plans and devise codes. Hereunder, details of Company's policies are detailed below:

#### 1. NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and fixation of their remuneration as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Remuneration Policy is available on Company's website at the link: <https://www.mirza.co.in/corporate-information.php>.

#### 2. RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The Policy provides for a robust Risk Management Framework to identify and assess strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

Risk Management Committee of the Company constituted on June 29, 2021 has been entrusted with responsibility to assist the Board in the matters which are given below:

- (a) Providing a framework that enables future activities to take place in consistent and controlled manner.
- (b) Improve decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.
- (c) Contributing towards more efficient use/allocation of resources within the organization.
- (d) Protecting and enhancing assets and Company image.
- (e) Reducing volatility in various areas of the business.

- (f) Developing and supporting people and knowledge base of organization.
- (g) Optimizing operational efficiency.

The Board takes responsibility for the overall process of Risk Management in the organization, through Enterprise Risk Management Programme, Business units and Corporate functions address opportunities and attendant risks through an institutionalized approach aligned to the Company's objective.

#### 3. VIGIL MECHANISM (WHISTLE BLOWER)

The Company has in place a Whistle Blower Policy to establish a vigil mechanism for Directors/Employees and other stakeholders of the Company to report concerns affecting the smooth and efficient running of operations of the Company. This Policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual, suspected fraud or violation of the Company's Code of Conduct. The Vigil Mechanism (Whistle Blower) Policy is available on Company's website at the <https://www.mirza.co.in/corporate-information.php>.

#### 4. DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has in place the Dividend Distribution Policy which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is available on Company's website at <https://www.mirza.co.in/corporate-information.php>.

### DISCLOSURE UNDER SECRETARIAL STANDARDS

The Directors state that the Company is complying with all the applicable Secretarial Standards on meetings of the Board of Directors.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company had not given any guarantees covered under the provisions of Section 186 of the Companies Act, 2013 and rules made there under. Particulars of loans and investments form part of the notes to the Financial Statements.

### INTERNAL CONTROL SYSTEM

The internal control systems commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable

financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The Audit Committee of the Board of Directors, comprising of Independent Directors, reviews the effectiveness of the internal control system across the Company including annual plan, significant audit findings and recommendations, adequacy of internal controls and compliance with accounting policies and regulations.

The following table provides a list of years for which unclaimed dividend and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Year	Type of dividend	Dividend Per Share	Date of declaration	Due date for transfer	Amount*
2014-15	Final	0.50	29 <sup>th</sup> September, 2015	28 <sup>th</sup> October, 2022	5,29,209.00
2015-16	Final	0.50	29 <sup>th</sup> September, 2016	28 <sup>th</sup> October, 2023	6,18,426.50
2016-17	Final	0.90	28 <sup>th</sup> September, 2017	27 <sup>th</sup> October, 2024	9,76,678.20
2017-18	Final	0.90	26 <sup>th</sup> September, 2018	25 <sup>th</sup> October, 2025	7,75,770.30
2018-19	Final	0.90	19 <sup>th</sup> September, 2019	18 <sup>th</sup> October, 2026	33,74,712.00
2019-20	Interim	0.90	12 <sup>th</sup> February, 2020	9 <sup>th</sup> March, 2027	9,24,179.40

\*Amount unclaimed as on 31<sup>st</sup> March, 2022.

The Company has not declared any final dividend for the Year 2019-20, 2020-21 and 2021-22.

The Company sends periodic intimation to the shareholders concerned, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefit accruing on such shares if any, can be claimed back from IEPF following the procedure prescribed in the Rules.

#### Details of the Nodal Officer

Ms. Harshita Nagar, Company Secretary and Compliance Officer of the Company has been appointed as the Nodal officer as per the provisions of IEPF. The details of the same may be accessed on the Company's website at: <https://www.mirza.co.in/shareholders-information.php>.

#### Share Transferred to IEPF

During the year, the Company transferred 20,775 shares on December 20, 2021 to the IEPF. The shares transferred were on account of dividends unclaimed for seven consecutive years.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section, forming part of the Annual Report.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), mandates that Companies shall transfer dividend that has remained unclaimed for a period of 7 years from the unpaid dividend account to IEPF. Further, the rules mandates that the shares on which dividend has not been paid or claimed for a period of 7 consecutive years or more be transferred to the IEPF.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a Corporate Social Responsibility Committee in place as per the provisions of Section 135 of the Companies Act, 2013. As on March 31, 2022, the Committee consisted of Mr. Tauseef Ahmad Mirza, Chairman, Mr. Shuja Mirza, Mr. Tasneef Ahmad Mirza and Mr. Sanjiv Gupta as members of the Committee.

The Company's Corporate Social Responsibility Policy (CSR Policy) duly approved by the Board, indicates the activities to be undertaken by the Company to fulfil the expectation of our Stakeholders and to continuously improve our social, environmental and economical performance while ensuring sustainability and operational success of our Company.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013. The guiding principles for all CSR initiatives of the Company are as follows:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects;
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting; and
- Creating opportunities for employees to participate in socially responsible initiatives.

The CSR Policy may be accessed on the Company's website at the link: <https://www.mirza.co.in/corporate-information.php>

The Annual Report on CSR activities for the FY 2021-22 is annexed as Annexure-II to this Report.

## HUMAN RESOURCES

Company believes that Human Resource is the key to its success. A well planned Human Resource policy and its proper implementation with employees satisfaction nurture the Company's growth story for long run. The Company provides a fair and inclusive environment that promotes new ideas, respect for the individual and equal opportunity to succeed. Experience, merit and performance, leadership abilities, strategic vision, collaborative mindset, teamwork and result orientation are actively promoted and rewarded through an objective appraisal process.

The number of people employed as on March 31, 2022 was 2,409 (March 31, 2021: 2,774). Industrial Relations were satisfactory during the year.

The Company wishes to put on record its deep appreciation of the co-operation extended and efforts made by all employees.

## PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

Information required as per Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-III to this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Corporate Office of the Company on all working days during the business hours till the date of ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### a) Conservation of energy:

Energy conservation measures are being carried out continuously in its operational activities by way of monitoring energy related parameters on regular basis.

To achieve above objectives, the following steps are being undertaken by the Company:

- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor on regular basis;
- Installation of energy efficient LED lights by replacing high energy consuming lights;
- Increasing the awareness of energy saving within the organization to avoid the wastage of energy;

Steps taken for utilization of alternate source of energy:

- Installation of 1,700 KW solar panels at one of our plant and implementation of installing 5,000 KW solar panels in three other plants.

Capital investment on energy conservation equipment:

Financial Year	2021-22
Amount	₹ 265.47 Lakhs

### b) Technology Absorption

- Efforts made towards technology absorption

Following efforts are made during the year towards technology absorption:

- Replacement of old Desktops / Laptops with latest technology Laptops and data processing units;
- Introduction of women sports / running shoes with memory foam socks;
- Introduction of new designs for shoe uppers; and
- Expansion of retail base of online stores in domestic market.

- Benefits derived

- Speedy and real time updated flow of information between management and staff level;
- Adding customer base remaining half population i.e., Indian Women;
- Value addition and Brand Building via online outlets with more customer reach;
  - (i) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : N/A
  - (ii) Expenditure incurred on Research and Development: ₹ 963.16 Lakhs

### c) Foreign Exchange Earnings and Outgo

During the year, the foreign exchange earned was ₹ 468.98 Crore as compared to ₹ 304.62 Crore during the previous year. The foreign exchange outgo was ₹ 603.97 Crore as compared to ₹ 336.56 Crore during the previous year.



## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

## AUDITORS AND AUDITORS REPORT

### a) Statutory Auditors

The first term of office of M/s. DRA & Co., Chartered Accountants, as Statutory Auditors of the Company will expire with the conclusion of ensuing Annual General Meeting of the Company. M/s. DRA & Co., Chartered Accountants have expressed their inability to be re-appointed as Statutory Auditors of the Company for second term due to practical difficulties.

The Board proposed for the appointment of M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants, in the ensuing AGM for a period of 5 years.

As recommended by Audit Committee, the Board has proposed a resolution at the ensuing Annual General Meeting for appointment of M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants as Statutory Auditors of the Company in place of M/s. DRA & Co., (who have shown their unwillingness for re-appointment) pursuant to Section 139 of the Companies Act, 2013 which forms part of the Notice. The Company has received a letter from them to the effect that their appointment, if made, shall be in accordance with the conditions laid down in Section 139 of the Companies Act, 2013.

The Board also places on record its appreciation for the services rendered by M/s. DRA & Co., as the Statutory Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and therefore do not require any further comments. There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

### b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Board has appointed M/s. Ankit Misra & Company, Company Secretaries, (CP No. 23471), as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit was carried out by Mr. Ankit Misra, Company Secretary, (CP No. 23471) for the Financial Year 2021-22. The Report given by the Secretarial Auditors is annexed as Annexure-IV and forms an integral part of this Board's Report.

The Secretarial Audit Report contains few remarks regarding maximum gap between two meetings of Board and Audit Committee of the Board. The Board of Directors, considered and observed the remarks given in the said report and approved the same.

### c) Cost Auditor

In terms of provisions of Section 148(1) of the Companies Act, 2013 maintenance of Cost Records is required by the Company and accordingly such accounts and records are made and maintained.

The Board of Directors, in compliance with the provisions of the Companies Act, 2013, Rules and Notifications issued thereunder, have appointed Mr. Arun Kumar Srivastava, Cost Accountants, as Cost Auditors to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2021-22.

## WEB ADDRESS FOR ANNUAL RETURN

The Annual Return of the Company pursuant to Section 92(3) of the Companies Act, 2013 is available on the website of the Company i.e., [www.mirza.co.in](http://www.mirza.co.in) under "Investors" Section.

## NUMBER OF BOARD MEETINGS

During the year under review, six Board Meetings were convened and held on June 29, 2021, July 27, 2021, August 13, 2021, November 12, 2021, December 10, 2021 and February 11, 2022 the details of which are given in the Corporate Governance Report which is forming part of this Annual Report.

## AUDIT COMMITTEE

The Audit Committee comprises of Non-Executive Independent Directors namely Mr. Sudhindra Kumar Jain, Mr. Sanjay Bhalla, Mr. Sanjiv Gupta and Ms. Saumya Srivastava. For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

The recommendations/observations of the Audit Committee placed before the Board during the financial year ended March 31, 2022 in respect of matters pertaining to the financial management or any other matter related thereto, were considered and duly accepted by the Board of Directors of the Company.

## RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with Related Parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 are given in "Annexure V" forming part of this Report. Notes to Accounts cover information on Related Party Transactions entered into by the Company.

All contracts/ arrangements entered with Related Parties in terms of Section 188(2) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. During the year under review, the Company has entered into transactions with Euro Footwear Private Limited and Mirza (U.K.) Limited, Related Parties which were considered material in terms of the Company's policy on materiality of Related Party Transactions read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The aforesaid transactions were approved by members in the Annual General Meeting held on September 24, 2021.

The Policy on Related Party Transactions is available on the website of the Company, i.e., <https://www.mirza.co.in/corporate-information.php>.

## REPORTING OF FRAUD

During the financial year 3 cases of fraud /embezzlement in the nature of misappropriation were reported. The amount involved was ₹ 36.77 Lakhs out of which ₹ 0.72 Lakhs were recovered and management is of the opinion that ₹ 10.57 Lakhs is recoverable whereas ₹ 25.49 Lakhs has been written off considering same as non recoverable.

The Company has also written off ₹ 21.62 Lakhs pertaining to the fraud/embezzlement occurred during previous financial year which was considered as then recoverable. Thus, the total amount written off ₹ 47.11 Lakhs.

## OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of Sexual Harassment at workplace.

The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability etc. All women associates (permanent, temporary, contractual & trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees

are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee has been setup to redress complaints regarding Sexual Harassment, if any.

## DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors, in terms of Section 134 of the Companies Act, 2013 ("Act"), state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates 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, 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) Issue of equity shares with differential right as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.



- d) Issue of Employees Stock Option to employees of the Company under any scheme.
- e) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

### **ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers,

Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all employees of the Company.

**For and on behalf of the Board of Directors**

Place: Dubai  
Date: August 8, 2022

**Rashid Ahmed Mirza**  
Chairman & Managing Director

# ANNEXURE-I

## FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### PART "A": SUBSIDIARIES

Sl. No.	Particulars	Details	Details	Details	Details
1	Name of the subsidiary	MIRZA BANGLA LIMITED	MIRZA (H.K.) LIMITED	SEN EN MIRZA INDUSTRIAL SUPPLY CHAIN LLP	REDTAPE LIMITED
2	The date since when subsidiary was acquired	08.10.2018	17.10.2017	30.03.2020	08.12.2021
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	TAKA 1 TAKA=0.88 INR	Hong Kong Dollar (HK\$) 1 HKD=9.58 INR	INR	INR
5	Share capital	46,92,000 TAKA	10,000 Hong Kong Dollar (HK\$)	52,00,000	1,00,000
6	Reserves & surplus	5,15,65,442	12,620	32,13,652	(41,800)
7	Total Assets	7,71,96,593	31,130	1,88,96,183	63,200
8	Total Liabilities	2,09,18,151	8,510	1,04,82,531	5,000
9	Investments	-	-	-	-
10	Turnover	8,18,50,625	-	4,01,75,522	-
11	Profit/Loss before taxation	5,77,30,749	(25,577)	25,33,387	(41,800)
12	Provision for taxation	1,73,19,225	-	7,90,417	-
13	Profit after taxation	4,04,11,524	(25,577)	17,42,970	(41,800)
14	Proposed Dividend	-	-	-	-
15	Extent of shareholding (in percentage)	99.99%	100%	52%	100%

### PART "B": ASSOCIATES AND JOINT VENTURES

Not applicable as the Company does not have any associate company / joint venture during the year under review.



## ANNEXURE-II

### ANNUAL REPORT ON CSR ACTIVITIES

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

To actively contribute to the social and economic development of the communities in which we operate and in the process, build a better, sustainable way of life for the weaker sections of society and to contribute effectively towards inclusive growth and raise the country's human development index. Our projects mainly focus on healthcare, education, sustainable livelihood, infrastructure development and social reform, epitomising a holistic approach to inclusive growth.

The activities undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and activities undertaken by the Company are available on [www.mirza.co.in](http://www.mirza.co.in) at the link [mirza.co.in/corporate-information.php](http://mirza.co.in/corporate-information.php)

#### 2. Composition of CSR Committee:

S. 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. Tauseef Ahmad Mirza	Whole Time Director, Chairman	2	2
2	Mr. Tasneef Ahmad Mirza	Whole Time Director, Member	2	1
3	Mr. Shuja Mirza	Whole Time Director, Member	2	1
4	Mr. Sanjiv Gupta	Independent Director, Member	2	2

#### 3. Provide the web-link where the composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

[mirza.co.in/corporate-information.php](http://mirza.co.in/corporate-information.php)

#### 4. Provide the details 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 (attach the report).

Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Not Applicable

#### 6. Average Net profit of the Company as per 135(5)

₹ 5,044.70 Lakhs

#### 7. CSR Obligation

a)	Two percent of the average net profit of the Company as per section 135(5).	100.89 Lakhs
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
c)	Amount required to be set off for the financial year, if any	-
	<b>Total CSR obligation for the financial year.</b>	<b>100.89 Lakhs</b>

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year	Amount Unspent				
	Total amount transferred to the 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 the Fund	Amount	Date of transfer
109.84 Lakh*	15.00 Lakh*	30/04/2022	Not Applicable	Nil	Not applicable

\*The Company has transferred the total amount of CSR required to be spent in FY 2021-2022 to Mirza Foundation, a society registered under Society Registration Act, 1860. However, an amount of ₹ 15 Lakhs, being allocated for the ongoing project, has been transferred to unspent CSR account opened in the name of Mirza foundation. Therefore, the Company has fulfilled its liability of spending 2% of the Average Net Profit for preceding three years, however, the amount is pending on the part of Mirza Foundation which has been transferred to unspent account for an ongoing project.

## (b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII in the Act	Local Areas (Yes/No)	Location of the Project		Project duration	Amount allocated for the project	Amount spent in the current Financial year	Amount transferred to the unspent CSR Account for the project as per 135(6)	Mode of implementation	Mode of implementation through Implementing Agency	
				State	District						Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No	Name of the Project	Item from the list of activities specified in Schedule VII to the Act	Local Area (YES/NO)	Location of the Project		Amount spent for the project (in Lakh)	Mode of implementation – Direct (Yes/No)	Mode of implementation- Through implementing Agency	
				District	State			Name	CSR Registration Number
1.	Contribution for Schedule VII activities	(i), (iii), (iv)	Yes	Pan India		102.89	No	Mirza Foundation	CSR00012939
1	Healthcare	i	Yes	Unnao	Uttar Pradesh	0.91	Yes	-	-
2	Healthcare	i	No	New Delhi	Delhi	1.00	Yes	-	-

## d) Amount spent in administrative overheads: ₹ 5.04 Lakhs

## e) Amount spent on impact assessment, if applicable: NIL

## f) Total amount spent for the financial year (b+c+d+e): ₹ 109.84 Lakhs

## g) Excess amount for set-off, if any:

S. No	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	100.89 Lakhs
(ii)	Total amount spent for the Financial Year	109.84 Lakhs
(iii)	Excess amount spent for the Financial Year	8.95 Lakhs
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NIL
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	NIL*

\*Being a small amount, no set-off is considered

## 9. (a) Details of the unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to the Unspent CSR Account under Section 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
Nil							



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No	Project Id	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project – completed/ ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset(s) so created or acquired through CSR spent in the financial year:

S. No	Detail	Name of the Asset
a)	Date of creation or acquisition of the capital asset(s)	-
b)	Amount of CSR spent for creation or acquisition of the capital asset	-
c)	Details of the entity or public authority or beneficiary under whose name such capital asset(s) is / are registered, their address, etc	-
d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	-

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5):  
Not applicable

## ANNEXURE-III

### DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A) The information required as per Section 197 (12) read with Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year:

Name of Director	Ratio to median remuneration*
<b>Executive Directors</b>	
Mr. Rashid Ahmed Mirza	NIL
Mr. Shahid Ahmad Mirza	174.15
Mr. Tauseef Ahmad Mirza	197.55
Mr. Tasneef Ahmad Mirza	178.72
Mr. Shuja Mirza	157.51
Mr. Narendra Prasad Upadhyaya	36.14
<b>Non-Executive Directors</b>	
Mr. Sudhindra Kumar Jain	0.59
Mr. Qazi Noorus Salam	0.42
Ms. Saumya Srivastava	0.59
Mr. Sanjay Bhalla	0.59
Dr. Yashvir Singh	0.51
Mr. Sanjiv Gupta	0.59

\*Remuneration includes sitting fees and is calculated on paid basis.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the financial year*
Mr. Rashid Ahmed Mirza	NIL
Mr. Shahid Ahmad Mirza	9.26%
Mr. Tauseef Ahmad Mirza	10.10%
Mr. Tasneef Ahmad Mirza	11.09%
Mr. Shuja Mirza	11.42%
Mr. Narendra Prasad Upadhyaya	8.50%
Mr. Sudhindra Kumar Jain	40.00%
Mr. Qazi Noorus Salam	66.67%
Ms. Saumya Srivastava	16.67%
Mr. Sanjay Bhalla	16.67%
Dr. Yashvir Singh	200.00%
Mr. Sanjiv Gupta	40.00%
Mr. V.T. Cherman	21.36%
Ms. Priyanka Pahuja <sup>§</sup>	166.61%
Ms. Harshita Nagar <sup>§</sup>	N.A.

<sup>§</sup>Ms. Harshita Nagar was appointed as Company Secretary & Compliance Officer subsequent to deputation of Ms. Priyanka Pahuja as Company Secretary & Compliance Officer of Redtape Limited w.e.f. June 1, 2022.

\*Remuneration includes sitting fees and is calculated on paid basis.



- (iii) The percentage increase/decrease in the median remuneration of employees in the financial year: (7.75%)
- (iv) The number of permanent employees on the rolls of the Company as on March 31, 2022: 2,409
- (v) Average percentile already made in the salaries of the employees other than the managerial increase personnel in the last financial year and its comparison with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is an Average percentile increase/(decrease) made in the salaries of the employees other than the managerial personnel in the last financial year: 6.64%

Percentile increase/(decrease) in the managerial remuneration: 10.34%

- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

# ANNEXURE-IV

## FORM NO. MR-3 SECRETARIAL AUDIT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

[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,  
**Mirza International Limited**  
**Kanpur**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mirza International Limited (CIN: L19129UP1979PLC004821)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Mirza International Ltd'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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 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) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other applicable Laws:
  - (a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - (b) The Employees State Insurance Act, 1948;
  - (c) The Maternity Benefit Act, 1961;
  - (d) The Payment of Bonus Act, 1965;
  - (e) The Payment of Gratuity Act, 1972;
  - (f) Environmental Laws like The Water (Prevention and Control of Pollution) Act, 1974,  
The Environment (Protection) Act, 1986;
  - (g) Factories Act, 1948

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement/Listing Regulation entered into by the Company with BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) (hereinafter called as "Listing Agreement/Listing Regulation");

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



For the compliances of Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

S. No	Non-Compliance / Delayed Compliance	Due date upto which Meeting should be held	Date of Meeting	Maximum gap between any two consecutive meeting (in number of days)
1	Violation of Regulation 17 of SEBI (LODR) Regulation, 2015.	June 12, 2021	June 29, 2021	136
2	Violation of Regulation 18 of SEBI (LODR) Regulation, 2015.	June 10, 2021	June 29, 2021	138

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to convene the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance 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.

Decisions were passed with unanimous majority and recorded as part of the minutes.

**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 to the extent applicable.

For **ANKIT MISRA & CO.,**  
Company Secretaries

**ANKIT MISRA**  
Proprietor  
CP No. 23471

Unique Code Number S2020UP749900

Date: 29/07/2022 Peer Review Certificate No. 1447/2021  
Place: Kanpur UDIN: A030650D000710054

# ANNEXURE-V

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	N.A.
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

(a) Name of the related party and nature of relationship	Euro Footwear Private Limited and Mirza (U.K.) Limited, Related Parties u/s 2(76)(iv) of Companies Act, 2013
(b) Nature of contracts/arrangements/transactions	Purchase of Footwear and other components, jobwork and sale of Leather and Footwear
(c) Duration of the contracts / arrangements/transactions	One year w.e.f. 01.10.2021 to 30.09.2022
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Footwear and other components, jobwork and sale of Leather and Footwear aggregating to ₹ 257.58 Crore.
(e) Date(s) of approval by the Board	June 29, 2021
(f) Amount paid as advances, if any	-



# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Mirza International Limited follows the highest standard of corporate governance principles. Corporate Governance is a reflection of its value system encompassing its culture, policies and relationships with its shareholders. The Company recognises that the enhancement of Corporate Governance is one of the most important aspect in terms of achieving the Company's goal of enhancing corporate value by deepening societal trust. The Corporate Governance standards established and updated from time to time by the Board of the Company to provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders. These standards prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interest of stakeholders.

The Company believes that timely and accurate disclosure of information, transparency in accounting policies and a strong and independent Board are critical for maintaining good Corporate Governance, preserving shareholders' trust and maximizing long-term corporate value. For establishing good Corporate Governance, the Company has put systems, procedures, policies, practices, standards in place to ensure effective strategic planning, optimum risk management, integrity of internal control and reporting. The Company's philosophy on Corporate Governance is, thus, concerned with the ethics, values and morals of the Company and its directors who are expected to act in the best interests of the Company and remain accountable to members and other beneficiaries for their actions and properly comply with all the applicable legal and regulatory requirements.

## 2. BOARD OF DIRECTORS

**Composition, Category & Size of Board:** The Company's policy is to have an appropriate blend of Executive Directors and Non-Executive Directors, representing a judicious mix of professionalism, knowledge and experience, in line with the management's commitment for the principle of integrity and transparency in business operations for good Corporate Governance.

As on March 31, 2022, the Board comprised of 12 (twelve) directors. The composition and category of directors on the Board of the Company are as under:

Category	Name of Directors and DIN
Promoter and Promoter Group Executive and Non-Independent Directors	Mr. Rashid Ahmed Mirza Chairman and Managing Director (DIN: 00049009)
	Mr. Shahid Ahmad Mirza Whole-time Director (DIN: 00048990)
	Mr. Tauseef Ahmad Mirza Whole-time Director (DIN: 00049037)
	Mr. Tasneef Ahmad Mirza Whole-time Director (DIN: 00049066)
	Mr. Shuja Mirza Whole-time Director (DIN: 01453110)
Executive and Non-Independent Director	Mr. N. P. Upadhyaya Whole-time Director (DIN: 00049196)
Independent Directors	Mr. Sudhindra Kumar Jain (DIN: 00189602)
	Dr. Yashvir Singh (DIN: 00049360)
	Mr. Qazi Noorus Salam (DIN: 00051645)
	Mr. Sanjiv Gupta (DIN: 02240256)
	Mr. Sanjay Bhalla (DIN: 00699901)
	Ms. Saumya Srivastava (DIN: 08206547)

## 3. BOARD FUNCTIONING & PROCEDURE

- i) **Background:** With a view to institutionalise all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussions and decisions by the Board, the Company has defined procedures for meetings of the Board of Directors and Committees thereof.

The Board is committed to ensure good governance through a self-governing style of functioning. The directors enjoy complete freedom to express their opinion. The decisions are taken on the basis of consensus/majority arrived at after detailed discussions. The directors are also free to bring up any matter for discussion at the Board Meetings.

ii) **Scheduling and Selection of Agenda items:**

The Board meets at least four times in a year, with a maximum time gap of 120 days between any two meetings, to discuss and review the quarterly results and other items of agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board also meets and conducts additional meetings as and when required and thought fit. The dates for the Board Meetings are decided in advance and timely communicated to the Directors.

The Chairman / Managing Director / Whole-time Directors of the Board and the Company Secretary discuss the items to be included in the agenda. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance (at least one week before the meeting) to all the directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Board members are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic.

Update(s) on matters arising from previous meetings are placed at the succeeding meeting of the Board/Committees for discussions, approvals, noting, etc.

iii) **Minimum Information placed before the Board Members:** In addition to the regular business items, the Company provides the following information to the Board and/or Board Committees as and when required, either as part of the agenda papers or by way of presentations and discussion material during the meetings:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Board, Audit Committee and other Committee meetings of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;

- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any Joint Venture or Collaboration Agreement, if any;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problems and their proposed solutions;
- Any significant development in human resources/industrial relations front;
- Any sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

iv) **Recording Minutes of the Proceedings:** The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board / Committee meetings are circulated amongst all the members of the Board / Committee for their feedback / comments. The minutes of all the meetings are entered in respective Minutes Books within prescribed time limits.

v) **Post Meeting Follow-Up Mechanism:** In adherence to good Corporate Governance, the important and significant decisions taken at the Board / Committee levels are promptly communicated to the concerned departments. Moreover, the action taken in respect of such decisions is also reported in the form of status report and is placed at the next meeting of the Board / Committee.



- vi) **Statutory Compliance of Laws:** The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances if any.

any two meetings during the year under review was 90 days and the minimum gap was 16 days.

#### 4. BOARD MEETINGS

The Board held 6 (six) meetings during the financial year 2021-22 on June 29, 2021, July 27, 2021, August 13, 2021, November 12, 2021, December 10, 2021 and February 11, 2022. The maximum time gap between

#### 5. ATTENDANCE OF DIRECTORS AND THE DETAILS OF DIRECTORSHIP, COMMITTEE CHAIRMANSHIP AND MEMBERSHIP

Attendance of the Directors at Board and Committee meetings held during the financial year 2021-22 and the last Annual General Meeting (“AGM”) held on September 24, 2021 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on September 24, 2021	Board meeting attended / held	Audit Committee attended / held	Stakeholder Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Risk Management Committee attended / held
Total number of meetings held		6	7	4	2	2
<b>Directors attendance</b>						
Mr. Rashid Ahmed Mirza	-	6 of 6	-	-	-	-
Mr. Shahid Ahmad Mirza	Yes	2 of 6	-	-	-	-
Mr. Tauseef Ahmad Mirza	-	5 of 6	-	-	-	-
Mr. Tasneef Ahmad Mirza	Yes	4 of 6	-	2 of 4	-	-
Mr. Shuja Mirza	-	4 of 6	-	-	-	1 of 2
Mr. N. P. Upadhyaya	Yes	6 of 6	-	-	-	-
Mr. Sudhindra Kumar Jain	Yes	6 of 6	7 of 7	-	-	-
Dr. Yashvir Singh	-	5 of 6	-	-	1 of 2	-
Mr. Qazi Noorus Salam	-	3 of 6	-	-	-	-
Mr. Sanjiv Gupta	-	6 of 6	6 of 7	4 of 4	-	2 of 2
Mr. Sanjay Bhalla	Yes	6 of 6	7 of 7	4 of 4	2 of 2	2 of 2
Ms. Saumya Srivastava	-	6 of 6	7 of 7	-	2 of 2	-

#### 5.1 The details of directorships, committee chairmanships and memberships held by the Directors as on March 31, 2022 were as under:

Name of Director	Number of directorship (including MIL)	Committee(s) Chairmanship / Membership (including MIL)		Name of other listed entity	
		Membership	Chairmanship	Directorship	Category
Mr. Rashid Ahmed Mirza	2	-	-	-	-
Mr. Shahid Ahmad Mirza	1	-	-	-	-
Mr. Tauseef Ahmad Mirza	1	-	-	-	-
Mr. Tasneef Ahmad Mirza	2	1	-	-	-
Mr. Shuja Mirza	2	-	-	-	-
Mr. N. P. Upadhyaya	1	-	-	-	-
Mr. Sudhindra Kumar Jain	1	1	1	-	-
Dr. Yashvir Singh	1	-	-	-	-
Mr. Qazi Noorus Salam	1	-	-	-	-
Mr. Sanjiv Gupta	1	2	-	-	-
Mr. Sanjay Bhalla	2	2	1	-	-
Ms. Saumya Srivastava	1	1	-	-	-

#### Notes:

- a. None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Companies Act, 2013 (“the Act”).

- b. Pursuant to the provisions of Regulations 17A(1) of the Listing Regulations, none of the Directors hold directorships in more than 7 listed entities and none of the Independent Directors of the Company hold the position of Independent Director in more than 7 listed companies.
- c. No Director holds Membership of more than 10 Committees of Board nor is a Chairman of more than 5 Committees across Board, of all listed entities.
- d. None of the director has been appointed as Alternate Director for Independent Director.
- e. This information includes Directorship in Public Limited Companies (including Subsidiary of Public Limited Companies) and excludes Directorship in Associations, Private, Foreign and Section 8 Companies.
- f. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1)(b) of the Listing Regulations: (i) Audit Committee; and (ii) Stakeholders Relationship Committee.
- g. The committee membership and chairmanship above excludes membership and chairmanship in Private Companies and Section 8 Companies.
- h. Membership of committees include chairmanship, if any.
- i. None of the director is related to other director on the Board except Mr. Rashid Ahmed Mirza, Managing Director, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza, Whole-time Directors of the Company are Brothers and Mr. Shuja Mirza, Whole-time Director of the Company is son of Mr. Rashid Ahmed Mirza.
- j. The Company's Independent Director meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. One meeting of the Independent Directors was held during the financial year.

## 6. DETAILS OF DIRECTORS

The abbreviated resumes of all the directors are furnished hereunder:

**Mr. Rashid Ahmed Mirza**, aged about 65 years is driving force behind Mirza's sustained growth and success since its inception. He holds a Diploma in Leather Technology from London. Having extensive

experience of more than four decades, his expertise extends across Industrial & Leather Technology and Business Management. He is responsible for the overall management of the Company. He holds 1,36,65,520 shares in the Company as on March 31, 2022.

**Mr. Shahid Ahmad Mirza**, aged about 64 years, holds a diploma in Leather Goods Technology from UK. With an experience of about four decades in the field of leather goods, he has a vast expertise in Leather Technology. He is the overall in-charge of the Shoe Division of the company and the procuring of local raw materials and equipment. He holds 1,49,81,465 shares in the Company as on March 31, 2022.

**Mr. Tauseef Ahmad Mirza**, aged about 52 years, holds a Diploma in Shoe Technology from UK and has a vast experience of more than three decades in the leather industry. He is heading the product line for women's shoes. Everything from scratch to the end product in women's shoes division is overseen and gracefully handled by him. Furthermore, he is actively involved in setting up of ultra-modern shoe manufacturing unit at Greater Noida. He holds 1,80,58,453 shares in the Company as on March 31, 2022.

**Mr. Tasneef Ahmad Mirza**, aged about 50 years, holds a Degree in Leather Technology from the renowned Leicester University of UK. A Leather Technologist having an experience of over two decades. He looks after the core operations of the company and is the overall in-charge of the Tannery Division of the company. He holds 1,40,76,104 shares in the Company as on March 31, 2022.

**Mr. Shuja Mirza**, aged about 41 years, is a graduate in Science from the California State University, USA. Having a rich experience in the field of marketing, he is responsible for heading the REDTAPE business in Pan-India market. He is overlooking operations, product development and design and manufacturing. He introduced the retailing units in the company which helped multiply the business. With exposure from the international markets, he is responsible for diversifying and bringing the needed vigor to the company. He holds 1,02,02,099 shares in the Company as on March 31, 2022.

**Mr. N. P. Upadhyaya**, aged about 73 years, holds a Bachelors degree in Mechanical Engineering and Post-graduate Diploma in Business Management. With an experience of over five decades in the field of Engineering and Chemicals, along with an in-depth understanding of the Leather industry, he is closely associated with the operations of the shoe units of the company. He does not hold any share in the Company as on March 31, 2022.



**Mr. Sudhindra Kumar Jain**, aged about 66 years, is a Chartered Accountant having wide experience of more than thirty years in the field of Income Tax, Accountancy, etc. He is a researcher and speaker at seminars on various subjects in Direct Taxes. He has been an Independent Director of Nationalised Banks. He is the Chairman of the Audit Committee of the Company. He does not hold any share in the Company as on March 31, 2022.

**Dr. Yashvir Singh**, aged 75 years, is a Post-Graduate in Science as well as holds a Degree in M.Phil., PhD. He is a scientist and has an experience of more than three decades in the Industry, Government Bodies and Institutions. He is a member of the Nomination and Remuneration Committee of the Company. He does not hold any share in the Company as on March 31, 2022.

**Mr. Qazi Noorus Salam**, aged 78 years, is a leading advocate in Kanpur. He has a rich and varied experience of more than five decades in the legal profession. He does not hold any share in the Company as on March 31, 2022.

**Mr. Sanjiv Gupta**, aged 54 years, is a qualified Chartered Accountant, with industrial experience of over two and a half decades. He is a member of the Audit Committee, the Stakeholders Relationship Committee, Risk Management Committee and CSR Committee of the Company. He does not hold any share in the Company as on March 31, 2022.

**Mr. Sanjay Bhalla**, aged 62 years, holds a Bachelors degree in Chemical Engineering and has a rich industrial experience of more than two decades. He is the Chairman of the Stakeholders Relationship Committee and the Nomination & Remuneration Committee of the Company. He is also a member of the Audit Committee and Risk Management Committee of the Company. He does not hold any share in the Company as on March 31, 2022.

**Ms. Saumya Srivastava**, aged 36 years, is a Practicing Chartered Accountant having rich experience of more than a decade in the field of Finance, Taxation & Accounting. She is a member of Audit Committee & Nomination and Remuneration Committee of the company. She does not hold any share in the Company as on March 31, 2022.

## 7. CORE SKILLS / EXPERTISE / COMPETENCIES AVAILABLE WITH THE BOARD

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

The core skills, expertise and competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Area of Expertise	Name of Directors											
	Mr. Rashid Ahmed Mirza	Mr. Shahid Ahmad Mirza	Mr. Tauseef Ahmad Mirza	Mr. Tasneef Ahmad Mirza	Mr. Shuja Mirza	Mr. N. P. Upadhyaya	Mr. Sudhindra Kumar Jain	Dr. Yashvir Singh	Mr. Qazi Noorus Salam	Mr. Sanjiv Gupta	Mr. Sanjay Bhalla	Ms. Saumya Srivastava
Strategy	√	-	√	-	√	-	√	-	-	√	-	√
Business Administration & Management	√	√	√	√	√	√	√	√	-	√	√	√
Corporate Governance	√	√	√	√	√	√	√	√	√	√	√	√
Manufacturing	√	√	√	√	-	√	-	-	-	-	-	-
Sales & Marketing	√	√	√	√	√	-	-	-	-	-	-	-
Community Services	√	√	√	√	√	-	√	√	√	-	√	-
Business Development	√	√	√	√	√	√	-	-	-	√	√	√
Finance & Legal	√	-	√	-	√	√	√	-	√	√	-	√
Global Vision	√	-	√	√	√	-	-	-	-	√	-	-

## 8. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, Business Strategies and risks involved. The Board members are also provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic updates for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment. The details of programs for familiarisation of independent directors is put on the website of the Company at the link <https://www.mirza.co.in/corporate-information.php>.

## 9. CONFIRMATION REGARDING INDEPENDENT DIRECTORS

The Independent Directors provide annual confirmations stating that they meet the criteria of independence as stated in Section 149(6) of the Act and Regulation 16 of the Listing Regulations. On the basis of confirmations/ declarations / disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and Listing Regulations and are independent of the management.

## 10. INDEPENDENT DIRECTOR DATABANK REGISTRATION

Pursuant to the requirements issued by Ministry of Corporate Affairs ("MCA") vide its notification dated October 22, 2019, all independent directors of the Company are registered in the databank of Indian Institute of Corporate Affairs ("IICA"). Requisite disclosures under Section 149(6) of the Act, have also been received from the independent directors in this regard.

## 11. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company which gives guidance and support needed for ethical conduct of Business and compliance of law. The said Code has been communicated to the Directors and Senior Management Personnel and is also available on the website of the Company and can be accessed through the link <https://www.mirza.co.in/corporate-information.php>.

Declaration from the Managing Director confirming that the Company has received affirmations from the Board Members and the Senior Management Personnel regarding compliance of Code of Conduct during the year under review, is given below:

It is hereby declared that the Company has obtained from all members of the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the financial year 2021-22.

**Rashid Ahmed Mirza**  
Managing Director

## 12. SUCCESSION PLANNING

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee of the Company works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. The Board members also bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

## 13. AUDIT COMMITTEE

The Audit Committee of the Board constituted in terms of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee presently comprises of:

S. No.	Name	Position	Category
1.	Mr. Sudhindra Kumar Jain	Chairman	Independent Director
2.	Mr. Sanjiv Gupta	Member	Independent Director
3.	Mr. Sanjay Bhalla	Member	Independent Director
4.	Ms. Saumya Srivastava	Member	Independent Director

All the members of the Audit Committee possess financial / accounting expertise and exposure.

The Audit Committee, inter alia, advises the management on the areas where systems, processes,



measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved. The terms of reference, inter alia, comprises the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any Related Party Transactions; and
  - (g) Qualifications in Draft Audit Report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with Related Parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
- Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- 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;
- Reviewing reports of internal audit and discussion with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- Reviewing reports of Cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Looking into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower Mechanism;
- Approval of appointment of Chief Financial Officer after assessing the Qualifications, experience and background, etc. of the candidate;
- Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- Reviewing the Management Discussion and Analysis of financial condition and results of operations;

- Reviewing the statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
- Reviewing the Management Letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Reviewing the Internal Audit Reports relating to internal control weaknesses;
- Reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and verify that the systems for internal controls are adequate and are operating effectively; and
- Reviewing the utilisation of loans and/or advances from/investment by the Company in its subsidiary companies exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its Shareholders;
- Recommending to the Board, the appointment, removal and terms of remuneration of Chief Internal Auditor.
- Reviewing the statement of deviations as follows:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee, inter alia, supports the Board to ensure an effective internal control environment. The Committee discharges such duties and functions with powers generally indicated in Listing Regulations.

#### Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Meetings of Audit Committee and attendance of members

The Audit Committee held its meetings on June 29, 2021, July 26, 2021, August 13, 2021, November 12, 2021 (10:30 A.M), November 12, 2021 (07:00 P.M), December 10, 2021 and February 11, 2022. The maximum and minimum gap between any two meetings, during the year under review was 91 and 18 days respectively. The details of attendance of Committee members are given in this report.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

## 14. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee. The composition and terms of reference are in compliance with the provisions of Section 178 of the Companies Act and Regulation 19 of the Listing Regulations. The Committee presently comprises of:

Sr. No.	Name	Position	Category
1.	Mr. Sanjay Bhalla	Chairman	Independent Director
2.	Dr. Yashvir Singh	Member	Independent Director
3.	Ms. Saumya Srivastava	Member	Independent Director

The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, inter alia, comprises the following:

- Formulating 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 and other Employees;
- Formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors;



- Devising a Policy on diversity of Board of Directors;
- 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;
- Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided on the website of the Company at the link <https://www.mirza.co.in/corporate-information.php>.

#### Meeting of Nomination and Remuneration Committee and attendance of members

The Nomination and Remuneration Committee held its meeting on August 13, 2021 and February 11, 2022. The details of attendance of Committee members are given in this Report.

#### Performance Evaluation Criteria for Independent Directors

One of the key function of the Board is to monitor and review the Board evaluation framework. In view of the same and pursuant to the applicable provisions of the Act & the Listing Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees, executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

A structured questionnaire is in place covering various aspects of the functioning of the Board and its Committees, such as adequacy of the constitution & composition of the Board and its Committees, matters addressed in the Board and Committee meetings,

processes followed at the meetings, Board's focus, regulatory compliances and Corporate Governance, compliance with code of conduct etc. Similarly, for evaluation of individual director's performance, the questionnaire covers various aspects like his/her profile, attendance, effective participation / contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately without the presence of Non-Independent Directors and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of each director's performance.

The performance evaluation of the Independent Directors has been done by the entire Board, excluding the director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

#### Remuneration of Directors

The Nomination and Remuneration Committee makes annual appraisal for the performance of the Executive Directors based on a detailed performance evaluation and recommends the remuneration payable to them, within the parameters approved by the shareholders, to the Board for their approval

- a) **Remuneration to Executive Directors:** The details of remuneration paid to Executive Directors during the financial year 2021-22 are as under:

(Amount in ₹)					
Sr. No.	Name	Designation	Salary	Allowances/ Perquisites	Total
1.	Mr. Rashid Ahmed Mirza	Chairman and Managing Director	-	-	-
2.	Mr. Shahid Ahmad Mirza	Whole-time Director	2,04,00,000	1,30,388	2,05,30,388
3.	Mr. Tauseef Ahmad Mirza	Whole-time Director	2,28,00,000	4,88,300	2,32,88,300
4.	Mr. Tasneef Ahmad Mirza	Whole-time Director	2,04,00,000	6,68,754	2,10,68,754
5.	Mr. Shuja Mirza	Whole-time Director	1,80,00,000	5,68,192	1,85,68,192
6.	Mr. Narendra Prasad Upadhyaya	Whole-time Director	42,60,000	-	42,60,000

Notes:

1. The tenure of office of Chairman / Managing Director / Whole-time Directors is for 3 (three) years from their respective date of appointments.
2. The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis.

- b) **Remuneration to Non-Executive Independent Directors:** The Non-Executive Independent Directors are being paid only the sitting fees for attending the meetings of the Board, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of sitting fees paid to the Non-Executive Independent Directors during financial year 2021-22 are as under:

(Amount in ₹)		
Sr. No.	Name	Sitting Fees
1.	Mr. Sudhindra Kumar Jain	70,000
2.	Dr. Yashvir Singh	60,000
3.	Mr. Qazi Noorus Salam	50,000
4.	Mr. Sanjiv Gupta	70,000
5.	Mr. Sanjay Bhalla	70,000
6.	Ms. Saumya Srivastava	70,000

Notes:

- No remuneration by way of commission paid to the Non-Executive Directors.
- The Company has so far not issued any stock options to its Non-Executive Directors.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the financial year ended on March 31, 2022.

## 15. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee presently comprises of:

Sr. No.	Name	Position	Category
1.	Mr. Sanjay Bhalla	Chairman	Independent Director
2.	Mr. Sanjiv Gupta	Member	Independent Director
3.	Mr. Tasneef Ahmad Mirza	Member	Executive Director

The terms of reference, inter alia, comprises the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, General Meetings etc;
- Reviewing the measures taken for effective exercise of voting rights by shareholders;
- Reviewing the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Reviewing various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of Dividend Warrants/Annual Reports/Statutory Notices by the shareholders of the company.

The Stakeholders Relationship Committee held its meeting on June 29, 2021, August 13, 2021, November 12, 2021 and February 11, 2022. The details of attendance of Committee members are given in this Report. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company. Ms. Harshita Nagar, Company Secretary & Compliance Officer acts as the Secretary to the Stakeholders Relationship Committee.

**Stakeholders' Grievance Redressal:** The details of Investors complaints received and resolved during the financial year 2021-22 are as under:

No. of Investor Complaints			
Pending as at April 1, 2021	Received from April 1, 2021 to March 31, 2022	Resolved from April 1, 2021 to March 31, 2022	Pending as at March 31, 2022
Nil	50	50	Nil

The Company put utmost priority to the satisfaction of its shareholders. The Company maintains continuous interaction with its Registrar and Transfer Agent ("RTA") viz. KFin Technologies Limited and takes proactive steps and actions for resolving shareholder complaints / queries. The Company addresses all complaints, suggestions and grievances expeditiously and suitable replies have been sent / issues have been resolved expeditiously, except in case of dispute over facts or other legal constraints. There were no shares transfers lying pending as on March 31, 2022.



## 16. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee. The composition and terms of reference of Risk Management Committee are in compliance with the provisions of the Act, Listing Regulations and other applicable laws. The Committee presently comprises of:

Sr. No.	Name	Position	Category
1.	Mr. Shuja Mirza	Chairman	Whole-time Director
2.	Mr. Sanjay Bhalla	Member	Independent Director
3.	Mr. Sanjiv Gupta	Member	Independent Director
4.	Mr. Abhinav Jain	Member	Assistant General Manager (Accounts)

The terms of reference, inter alia, comprises the following:

- Formulation of a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor

and evaluate risks associated with the business of the Company;

- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Reviewing periodically the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- Coordinating its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- Monitoring and reviewing the Risk Management Plan; and
- To carry out any other duties/terms of reference which are incidental/necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

The Risk Management Committee held its meeting on November 12, 2021 and February 11, 2022. The details of attendance of Committee members are given in this Report.

During the year, the Board has accepted all the recommendations of all the Committee(s).

## 17. GENERAL BODY MEETINGS

### a) Annual General Meetings

The Company held its last three Annual General Meetings (AGM) as under:

Financial Year	Date	Time	Whether Special Resolution passed or not
2020-21	September 24, 2021	11:00 A.M.	No
2019-20	December 18, 2020	11:00 A.M.	No
2018-19	September 19, 2019	1:00 P.M.	<ul style="list-style-type: none"> <li>• Re-appointment of Dr. Yashvir Singh (DIN: 00049360) as an Independent Director</li> <li>• Re-appointment of Mr. Qazi Salam Noorus (DIN: 00051645) as an Independent Director</li> <li>• Re-appointment of CA Sudhindra Kumar Jain (DIN: 00189602) as an Independent Director</li> <li>• Re-appointment of Mr. Subhash Sapra (DIN: 00049243) as an Independent Director</li> <li>• Appointment of Mr. Shuja Mirza (DIN: 01453110) as Whole-time Director</li> </ul>

Financial Year	Date	Time	Whether Special Resolution passed or not
			<ul style="list-style-type: none"> <li>Approval for increase in the Borrowing Power of the Company</li> <li>Approval for creation of mortgages and /or charges in addition to the existing mortgage(s) / charge(s) created by the Company</li> <li>Consent for continuation of directorship of Mr. Narendra Prasad Upadhyaya (DIN:00049196) as Whole Time Director</li> <li>Consent for continuation of directorship of Mr. Qazi Salam Noorus (DIN: 00051645) as Non-Executive Director</li> <li>Consent for continuation of directorship of Mr. Subhash Sapra (DIN: 00049243) as Non- Executive Director</li> <li>Consent for continuation of directorship of Mr. Pashupati Nath Kapoor (DIN: 00058126) as Non- Executive Director.</li> </ul>

The Annual General Meetings were held at Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur 208 002.

**b) Extraordinary General Meeting**

During the year, there was no Extra-Ordinary General Meeting held by the Company.

**c) Postal Ballot**

The Company had not conducted any business through Postal Ballot during the financial year 2021-22. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

## 18. MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of any disclosure, results etc. and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly or to the Company's Registrar and Transfer Agent throughout the year. Some of the modes of communication are mentioned below:

**a) Quarterly Results:** Quarterly Results in ordinary course, are published in Business Standard (English and Hindi) newspapers circulating in substantially the whole of India and are also posted on the Company's website.

**b) Intimation to the Stock Exchanges:** The Company also intimate / make disclosures to

the Stock Exchanges about all price sensitive matters or such matters which, in its opinion, are material and of relevance to the shareholders and subsequently issues a press release on the matter, wherever necessary. The Company also regularly provides information to the stock exchanges as per the requirements of the Listing Regulations.

**c) News Releases, Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations, if any, made to media, analysts, institutional investors, etc. are posted on the Company's website.

**d) Annual Report:** The Annual Report containing, inter alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website. The Annual Report is also available in downloadable form on the website of the Company under the link <https://www.mirza.co.in/financial.php>.

**e) Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the Financial Results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities



extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.

- f) **Presentations to Institutional Investors/ analysts:** No presentations on Financial Results are made to the Institutional Investors or to the analysts.
- g) **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.
- h) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, (if any), results, annual report, etc. are filed electronically on NEAPS.
- i) **BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, (if any), results, annual report, etc. are filed electronically on the Listing Centre.
- j) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com) and Investors can also mail their queries to Registrar and Transfer Agent at [shivakumar.n@karvy.com](mailto:shivakumar.n@karvy.com).

## 19. GENERAL INFORMATION FOR SHAREHOLDERS

- a) **Company Registration Details:** The Company is registered in the State of Uttar Pradesh, India. The Corporate Identification Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is L19129UP1979PLC004821.
- b) **Date of AGM:** The 43<sup>rd</sup> AGM is to be held on Wednesday, September 28, 2022, at 11:00 A.M. at Auditorium of Directorate of Extension, Chandra

Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur 208 002.

- c) **Financial Year:** The financial year of the Company covers the period from April 1 to March 31.

d) **Financial Calendar 2022-23 (tentative):**

Sr. No.	Tentative Schedule	Tentative Date
1.	Financial reporting for the quarter ending June 30, 2022	On or before August 14, 2022
2.	Financial reporting for the quarter ending September 30, 2022	On or before November 14, 2022
3.	Financial reporting for the quarter ending December 31, 2022	On or before February 14, 2023
4.	Financial reporting for the quarter ending March 31, 2023	On or before May 30, 2023
5.	Annual General Meeting for the year ending March 31, 2023	On or before September 30, 2023

- e) **Dividend Payment Date:** During the financial year under review, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.

- f) **Listing on Stock Exchanges:** The Company's Equity Shares are listed on the following Stock Exchanges:

- The National Stock Exchange of India Limited, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 ("NSE").
- BSE Limited, P J Tower, Dalal Street, Mumbai 400 001 ("BSE").

The Company has paid listing fees for the financial year 2022-23 to both the above stock exchanges and there is no outstanding payment as on date.

- g) **Payment of Depository(ies) fees:** The Company has paid Annual Custody/ Issuer fee to both Depositories based on invoices received from the Depositories and there is no outstanding payment as on date.

- h) **Stock Code of Equity Shares:**

- Trade Symbol at NSE is MIRZAIN.T.
- Stock Code at BSE is 526642.
- ISIN No. for Dematerialization is INE771A01026.

- i) **Market Price data:** The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2022 are as under:

Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
April, 2021	48.55	42.95	48.40	43.00
May, 2021	57.15	44.55	57.20	44.65
June, 2021	60.55	52.55	60.50	52.60
July, 2021	69.35	53.35	69.40	53.45
August, 2021	66.00	53.50	65.90	53.50
September, 2021	62.90	56.25	62.55	56.00
October, 2021	68.40	58.30	68.45	58.35
November, 2021	94.45	59.40	93.75	60.10
December, 2021	138.50	86.40	138.50	86.60
January, 2022	169.75	125.20	169.85	124.50
February, 2022	174.20	127.10	174.45	128.50
March, 2022	182.00	142.30	181.70	142.20

- j) **Registrar and Transfer Agent:** KFin Technologies Limited is acting as Registrar and Transfer Agent (“RTA”) for handling the shares related matters, both in physical as well as dematerialized mode. All works relating to equity shares are being done by them. The Shareholders are, therefore, advised to send all their correspondence directly to the RTA. However, for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.
- (generally within a week of receipt) and transferred expeditiously and wherever applicable, the share certificate(s) are returned to the shareholder(s) by registered post. As per the requirement of Regulation 40(9) of Listing Regulations, the half yearly certificates from a Company Secretary in Practice have been obtained for due compliance of share transfer formalities.
- k) **Share Transfer System:** SEBI has mandated that, effective from April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In case of shares held in electronic form, the transfers are processed by National Securities Depository Ltd. (‘NSDL’) and Central Depository Services (India) Ltd. (‘CDSL’) through respective Depository Participants.
- l) **Nomination Facility:** Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. The members holding shares in physical form and desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, available on the Company’s website at [www.mirza.co.in](http://www.mirza.co.in) or may write to the RTA of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant to avail the nomination facility.
- m) **Reconciliation of Share Capital Audit:** The Company get reconciliation of share capital audit done from Practicing Company Secretary in each quarter to reconcile the total admitted capital with National Securities Depository Ltd. (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”) and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2021-22, have duly been filed with Stock Exchanges within one month of the end of the respective quarter.
- The authority for transmission, transposition and dematerialisation of the Company’s shares has been delegated to the Company Secretary and the RTA. The delegated authority generally attends the formalities on weekly basis and as and when required to expedite all such matters and redressal of Investors’ grievance, etc., if any. The requests received by the Company / RTA for registration of transmission, transposition and dematerialization are processed by RTA

n) **Distribution of Shareholding as on March 31, 2022:**

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Amount	% of Amount
Upto 5,000	65,641	97.08	2,89,97,392	12.05
5,001-10,000	1,055	1.56	76,44,552	3.18
10,001-20,000	516	0.76	74,44,892	3.09
20,001-30,000	159	0.24	39,16,698	1.63
30,001-40,000	76	0.11	27,23,844	1.13
40,001-50,000	25	0.04	11,45,042	0.48
50,001-1,00,000	70	0.10	47,62,918	1.98
1,00,001 and above	73	0.11	18,39,76,662	76.46
<b>Total</b>	<b>67,615</b>	<b>100.00</b>	<b>24,06,12,000</b>	<b>100.00</b>

o) **Pattern of Shareholding as on March 31, 2022:**i) **Equity Shares:**

Sr. No.	Category	No. of Shares	% of Shareholding
1.	Promoters and Promoter Group	8,17,00,441	67.91
2.	Institutional Investors (FIIs, Banks & Mutual Funds)	39,14,932	3.25
3.	NRIs / OCB / Foreign Corporate Bodies / Foreign Portfolio Investors	25,61,247	2.13
4.	Bodies Corporate	11,46,971	0.95
5.	Resident Individuals	3,03,17,841	25.21
6.	Indian Public / Trust / PMS / Others	6,64,568	0.55
	<b>Total</b>	<b>12,03,06,000</b>	<b>100.00</b>

p) **Share Dematerialization System:** The request for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization of shares is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

q) **Dematerialization of Shares and its liquidity:** The Company has been among the few top most companies in India in which maximum number of shares have been dematerialized. As on March 31, 2022, 99.61% of the Company's total Equity Share Capital representing 11,98,47,905 Equity Shares were held in dematerialized form and only 4,58,095 Equity Shares were in physical form.

The shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Shares of the Company are regularly traded at the NSE and the BSE.

r) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments Conversion Date and likely impact On Equity:** The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible instruments as on March 31, 2022.

s) **Disclosure of commodity price risks and commodity hedging activities:** The Company uses forward contract for hedging the risks.

t) **Plant Locations:** The plants of the Company are located at various places. The details are as follows:

1	Kanpur- Unnao Link Road, Magarwara, Unnao-209 801	(Unit-1 & Tannery Division)
2	Kanpur- Unnao Link Road, Sahjani, Unnao- 209 801	(Unit-2)
3	UPSIDC Industrial Area , Site II, Unnao- 209 801	(Unit-5)
4	Plot No. 1A, Ecotech-1, Extn. 1, Greater Noida - 201 303	(Unit-6)

**u) Address for correspondence:**

For transfer/dematization of shares, payment of dividend and any other query relating to shares

KFin Technologies Limited is the Registrar and Share Transfer Agent (RTA) of the Company. The contact details of the RTA are:

KFin Technologies Limited  
Selenium Tower B, Plot no. 31-32  
Gachibowli Financial District,  
Nanakaramguda, Hyderabad-500 032  
Tel: + 91-40-67162222  
Fax: + 91-040-23001153  
E-mail: einward.ris@kfintech.com

For investors assistance

The Company Secretary, Mirza International Limited  
A-7, Mohan Co-operative Industrial Estate, Mathura Road,  
New Delhi - 110 044, India  
Phone: +91-11-40959500  
Email:compliance@mirzaindia.com

**v) Credit Rating:** The Company has obtained the following credit ratings during the financial year:

Sr. No.	Name of rating Agency	Instrument Type	Rating	Revision, if any
1.	CRISIL Limited	Fund based-Long Term	A-	Nil
		Fund based-Short Term	A2+	Nil
2.	ICRA Limited	Fund based-Long Term	A-	Nil
		Fund based-Working Capital facilities	A-	Nil
		Non-fund based- Working Capital Facilities	A2+	Nil

**20. OTHER DISCLOSURES:**

- a) Related Party Transactions:** All transactions entered into with related parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year 2021-22 were in the ordinary course of business and on an arm's length basis.

The required statements / disclosures with respect to the related party transactions, if any, as prescribed in Listing Regulations, are placed before the Audit Committee on regular basis with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, external expert opinions are sought for Board consideration.

The related party transactions are given in Note No. 30 of the Notes to the Financial Statements for the year ended March 31, 2022 forming part of the Annual Report.

In accordance with Regulation 23 of Listing Regulations, a policy relating to dealing with Related Party Transactions has been formulated by the Company and available on the website of the Company & can be accessed through the link <https://www.mirza.co.in/corporate-information.php>. The Statements of related party transactions are placed before the Board/ Audit Committee regularly.

- b) Compliances by the Company:** During the financial year 2021-22, BSE Limited and National

Stock Exchange of India Limited imposed a fine amounting to ₹1,59,300/- each for delay in filing of financial results for financial year ending March 31, 2021 under Regulation 33 of Listing Regulations. No other strictures or penalties have been imposed on the Company by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

- c) Vigil Mechanism / Whistle Blower:** The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting instances of illegal or unethical behaviour. The Company has a Vigil Mechanism and has implemented a Vigil Mechanism/ Whistle Blower Policy in the Company in pursuance of Regulation 22 of SEBI LODR Regulations and no personnel has been denied access to the Audit Committee of the Company. A copy of Vigil Mechanism / Whistle Blower Policy is available on the website of the Company & can be accessed through the link: <https://www.mirza.co.in/corporate-information.php>.
- d) Details of Fund Utilization:** During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.
- e) Certification from Company Secretary in Practice:** A certificate has been received from M/s. Ankit Misra & Co., Company Secretaries, 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 Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed and forms part of this Report.

- f) **Subsidiary Companies:** All subsidiary companies are managed with their Board of Directors having the rights and obligations to manage such companies in the best interest of their stakeholders. During the year under review, there was no material subsidiary of the Company.

The minutes of Board meetings of Indian subsidiary companies are placed at the Board Meeting of the Company and the significant transactions or arrangements entered into by the unlisted subsidiary companies are periodically informed to the Board.

- g) **Disclosure of Accounting Treatment:** The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ('IND-AS') notified by the Ministry of Corporate Affairs. The Significant Accounting Policies applied in preparation of the financial statements as per IND-AS have been set out in the Notes to financial statements.
- h) **Risk Management:** The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Company has formulated a Risk Management Policy. The Board of Directors / Management periodically reviews the risk management framework of the Company and comes out with strategic risk mitigation measures.
- i) **Fees paid to the Statutory Auditors:** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company, i.e. M/s. DRA & Co., Chartered Accountants (Firm Registration No. 006476N) and other firms in the network entity of which the statutory auditors are a part, during the financial year 2021-22 was as follows:

		(Amount in ₹)
S. No.	Nature of Services	Amount
1.	Statutory Audit Fee	17,00,000
2.	Tax Audit Fee	1,00,000
3.	Certification Fees and other reimbursement	1,55,180
<b>Total</b>		<b>19,55,180</b>

- j) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The Company is committed to provide a work environment that

ensures every employee is treated with dignity, respect and afforded equal treatment. No complaint has been filed during the financial year 2021-22. The details of the same have also been disclosed in the Directors' Report forming part of the Annual Report.

## 21. COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

- a) **Mandatory requirements:** The Company has complied with all mandatory requirements of the Listing Regulations with regard to corporate governance. The Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) of the Listing Regulations for the financial year ended March 31, 2022.
- b) **Non-mandatory requirements:** The status on the compliance with the non-mandatory recommendations/discretionary requirements as specified in Part E of Schedule II to the Listing Regulations is as under:
- i) **Shareholders' rights:** The quarterly / half-yearly / annual financial results, after they are approved by the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS Portal and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sr. No. 18 above and also displayed on the Company's website viz. <https://www.mirza.co.in>. The results are not separately circulated to the shareholders.
- ii) **Modified opinion(s) in audit report:** The Company is in the regime of unmodified audit opinion on financial statements.
- iii) **Reporting of Internal Auditors:** The Internal Auditors of the Company report directly to the Audit Committee.
- iv) **Prohibition of Insider Trading:** The Company has instituted a comprehensive Code of Conduct to regulate, monitor and report trading by designated persons and relevant business associates in the securities of the Company, in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 which is available on the website of the Company viz. [www.mirza.co.in](http://www.mirza.co.in). The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with the Shares of the Company.

**22.** Disclosure of the compliance with Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations

Sr. No.	Regulation No.	Particulars	Compliance Status (Yes or No)
1.	17	Board of Directors	Yes
2.	17A	Maximum Number of directorship	Yes
3.	18	Audit Committee	Yes
4.	19	Nomination and Remuneration Committee	Yes
5.	20	Stakeholders Relationship Committee	Yes
6.	21	Risk Management Committee	Yes
7.	22	Vigil Mechanism	Yes
8.	23	Related Party Transactions	Yes
9.	24	Corporate Governance requirements with respect to subsidiaries	Yes
10.	24A	Secretarial Audit	Yes
11.	25	Obligations with respect to Independent Directors	Yes
12.	26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
13.	27	Other Corporate Governance requirements	Yes
14.	46(2)(b) to (i)	Website	Yes

**23. CEO/CFO CERTIFICATION**

The Managing Director and Chief Financial Officer have certified, in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification of the Financial Statements, internal control and the Cash Flow Statement for the financial year 2021-22 is annexed and forms part of this Report. The Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the the Listing Regulations.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To  
The Members of  
**MIRZA INTERNATIONAL LIMITED**  
14/6, CIVIL LINES,  
KANPUR- 208001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mirza International Limited** having **CIN: L19129UP1979PLC004821** and having registered office at 14/6, Civil Lines, Kanpur-208001 (hereinafter referred to as 'the Company'), produced before us 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment
1	Mr. Rashid Ahmed Mirza	00049009	05/09/1979
2	Mr. Shahid Ahmad Mirza	00048990	06/09/1979
3	Mr. Tauseef Ahmad Mirza	00049037	06/09/1989
4	Mr. Tasneef Ahmad Mirza	00049066	01/01/1997
5	Mr. Shuja Mirza	01453110	01/06/2019
6	Mr. Narendra Prasad Upadhyaya	00049196	01/04/1997
7	Mr. Qazi Salam Noorus	00051645	08/07/1994
8	Dr. Yashvir Singh	00049360	08/07/1994
9	Mr. Sudhindra Kumar Jain	00189602	30/07/2008
10	Mr. Sanjiv Gupta	02240256	12/11/2019
11	Ms. Saumya Srivastava	08206547	09/08/2019
12	Mr. Sanjay Bhalla	00699901	09/08/2019

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 **Ankit Misra & Co.**  
Company Secretaries

Place: Kanpur  
Date: 16/08/2022

**Ankit Misra**  
ACS- 30650  
C.P.- 23471  
UDIN- A030650D000799836

**CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

[Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Board of Directors,  
**Mirza International Limited**

We do hereby confirm and certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that, to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii) these statements together present a true and fair view of the Company'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 violative 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Mirza International Limited

**Rashid Ahmed Mirza**  
Managing Director  
Place: Dubai

**V. T. Cherian**  
Chief Financial Officer  
Place: New Delhi

Dated: May 30, 2022

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Mirza International Limited

- We have examined the compliance of the conditions of corporate governance by Mirza International Limited (“the Company”) for the year ended 31<sup>st</sup> March, 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

**Management’s Responsibility**

- The compliance of conditions of corporate governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

**Our Responsibility**

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**Opinion**

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2022.except for the following.

S. No	Non-Compliance / Delayed Compliance	Due date upto which Meeting should be held	Date of Meeting	Maximum gap between any two consecutive meeting (in number of days)
1	Violation of Regulation 17 of SEBI (LODR) Regulation, 2015.	June 12, 2021	June 29, 2021	136
2	Violation of Regulation 18 of SEBI (LODR) Regulation, 2015.	June 10, 2021	June 29, 2021	138

- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For **Ankit Misra & Co.**  
Company Secretaries

**Ankit Misra**  
ACS No.- 30650  
COP No.- 23471

Place: Kanpur  
Date: 16/08/2022

UDIN- A030650D000799935

# BUSINESS RESPONSIBILITY REPORT

Mirza International Limited ("MIL") believes in the four core pillars - Responsible Stewardship, Building Strong Relationships, Adding & Sharing Values and Strategic Communication are designed to support the long-term development, ensuring long lasting relationship and providing superior returns to all our stakeholders. MIL has a Code of Conduct, that every employee and business partner abide by, is committed to enhance the welfare of the communities. The adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. MIL ensures its legacy of responsible business and keeping community as the ultimate purpose of its existence.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing regulations') and its amendments thereon and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government Of India.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identification Number (CIN) of the Company: L19129UP1979PLC004821
- Name of the Company: Mirza International Limited
- Registered Address: 14/6, Civil Lines, Kanpur - 208 001
- Website: [www.mirza.co.in](http://www.mirza.co.in)
- Email ID: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com)
- Financial year reported: April 1, 2021 – March 31, 2022
- Sector(s) that the company engaged in (industrial activity code-wise)

S. No	Activity	Code
1.	Manufacturing of Leather	15112, 15113, 15115, 15119
2.	Manufacturing and Trading of Footwear	15209, 47713
3.	Trading of Textile Garments and Clothing Accessories	47711

- List three key products/services that the Company manufactures/provides (as in balance sheet):
  - Footwear;
  - Garments; and
  - Accessories

- Total number of locations where business activity is undertaken by the Company

a) Number of International locations: 36 Countries

b) Number of National locations: The Company has 4 operational manufacturing units located at:

- Magarwara, Unnao, Uttar Pradesh (Unit-1); and
- Magarwara, Unnao, Uttar Pradesh (Unit-2); and
- Site-2 Unnao, Uttar Pradesh (Unit-5); and
- Greater Noida, Uttar Pradesh (Unit- 6)

3 Warehouses at

- Greater Noida (Unit-6);
- Noida Sec-59 ; and
- Kashipur, Uttarakhand

The Company also operates through more than 348 retail stores across cities / towns in India.

- Market served by the Company- Local / State / National / International:

Local	State	National	International
Yes	Yes	Yes	Yes

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

<b>Paid up Capital (INR)</b>	₹ 2,406 Lakhs
<b>Total Turnover (INR)</b>	₹ 1,67,726 Lakhs
<b>Total Profit after taxes (INR)</b>	₹ 11,044 Lakhs

**Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** During the year under review, the Company has spent ₹ 109.84 Lakhs towards CSR activities.

**List of activities in which expenditure in above has been incurred** The details of CSR activities undertaken by the Company and CSR expenditures incurred thereon during the financial year 2021-22 by the Company have been provided in the Board's Report and also in the 'Annual Report on CSR Activities', annexed to the Board's Report marked as Annexure II.

## SECTION C: OTHER DETAILS

- Do the Company have any Subsidiary Company / Companies?

Yes, pursuant to the provisions of the Companies Act, 2013, as on March 31, 2022, the Company have two (2) foreign subsidiaries viz. Mirza (H.K.) Limited and Mirza Bangla Limited and one (1) wholly owned subsidiary



i.e. Redtape Limited. Further, pursuant to the provision of IND AS 110, Sen En Mirza Industrial Supply Chain LLP is also subsidiary of the Company as on March 31, 2022.

**2. Do the Subsidiary Company / Companies participate in BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

The Company has 4 (Four) subsidiaries. All these subsidiaries are complying with the applicable laws of their country. The subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the Parent company.

**3. Do any other entity/ entities that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%)**

The Company does not mandate its suppliers / distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

## SECTION D: BR INFORMATION

**1. Details of Director / Directors responsible for Business Responsibility**

**(a) Details of Director/Directors responsible for implementation of the BR policy/policies**

- **DIN:** 00049009
- **Name:** Mr. Rashid Ahmed Mirza
- **Designation:** Chairman and Managing Director

**(a) Details of compliances (reply in Y/ N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	How the policy being approved by the Board? If yes, has it been signed by MD/Owner/GEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	<a href="https://www.mirza.co.in/corporate-information.php">https://www.mirza.co.in/corporate-information.php</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**(b) Details of the BR head**

No.	Particulars	Details
1.	DIN (if applicable)	00049009
2	Name	Mr. Rashid Ahmed Mirza
3	Designation	Chairman and Managing Director
4	Telephone number	0512 2530 775
5	E mail id	compliance@mirzaindia.com

**Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

**Principle 1:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**Principle 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**Principle 3:** Businesses should promote the well-being of all employees.

**Principle 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

**Principle 5:** Businesses should respect and promote human rights.

**Principle 6:** Businesses should respect, protect and make efforts to restore the environment.

**Principle 7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**Principle 8:** Businesses should support inclusive growth and equitable development.

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-House structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievance related to the policy/ policies?	Yes, any grievances or feedback to the policies can be sent to compliance@mirzaindia.com								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'NO', please explain why:

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done with next 6 months									
5	It is planned to be done with next 1 year									
6	Any other reason (please specify)									

## 2. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, more than 1 year

The BR head shall annually assess the BR performance of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes its Business Responsibility Report, whenever applicable to the Company under the appropriate laws, rules and regulations, which forms a part of Company's Annual Report. The same can be accessed on Company's website at the link: <https://www.mirza.co.in/financial.php>.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof. In about 50 words or so

Stakeholder	Complaints received during FY 2021-22	Complaints resolved during FY 2021-22	Complaint Resolved (%)
Investors' Complaints	50	50	100
Consumer Complaints	6,112	6,112	100
<b>Total</b>	<b>6,162</b>	<b>6,162</b>	<b>100</b>

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Mirza International Limited is a manufacturer of Fashion Footwears for the end consumers of various export markets where it is sold. We are RCS certified and claim up to 5% of recycled materials on our product (shoes). The following are the products whose design has incorporated social or environmental concerns, risks and/or opportunities:

- The Company is manufacturing Sports Shoes with memory foam technology for the end consumers and other organizations where it is sold.
- The Company is using Natural Rubber and Leather in the making of Sole and Shoe upper alongwith Synthetic EVA (Ethylene Vinyl Acetate) and PU coated PVC, thereby contributing towards natural resource conservation.

## SECTION E: PRINCIPLE WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. Does the policy relating to ethics, bribery and corruption covers only the Company? Yes/ No. Does it extend to the Group/Joint ventures/ Suppliers/ Contractors/NGOs/Others?

The Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct, is applicable to all individuals working in the Company and its subsidiaries. For the foreign subsidiaries, the code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the code.



iii. The Company has also introduced usages of recycled waste rubber from tyre waste for rubber outsole production which is environment friendly.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- a. The Company has installed a state of the art latest mono perc solar power plant with a capacity of 1,700 KW. This will provide clean and green power for major part of the consumption.
- b. The Company is in process of installing the solar plant in another units to save power energy.
- c. The Company has reduced the carbon dioxide (CO<sub>2</sub>) emission by 1188.03 tons since the installation of solar plants.
- d. The Company is promoting the CNG instead of Diesel for the Commercial Vehicles. It will help in reducing pollution.
- e. The Company has actively reduced paper consumption and printing by way of working maximum on e-mails and reduction of printers.
- f. The Company has constructed its building with east west orientation reducing major impact of heat inside its plant, thereby reducing the power consumption. It has also used fly ash bricks for the entire building construction which are very good for insulation and have built its walls with special air gaps for better insulation and thereby reduction of heat load inside the building.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Mirza International Limited continuously takes appropriate measures to reduce the consumption of electrical energy, water & fuel. The company has installed modern and efficient machines and has able to save energy and water. LED lights, electrical panel are able to save energy. The Company has also encouraged its employees to save natural resources where ever possible to do. The Company has reduced the CO<sub>2</sub> emission by way of installing Solar Plants. It is highly promoting the CNG for the commercial vehicles for its operations to reduce the pollution.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so

Yes, the Company keeps the integration of Social, Ethical and Environmental performance factors for selection of suppliers including transportation. While processing rubber compound, the rejected rubber material are used. It becomes perennial substance. The Company has also established an internal mechanism for continual improvement process towards sustainable excellence and has taken adequate steps for safe transportation, which improves manufacturing system of the Company. The use of appropriate mode of transportation is a continuous part of effective supply chain mechanism and the Company endeavour to reduce transport related environmental impact is an ongoing process. Also, we are trying to work with the vendors registered under GRS to ensure sustainable sourcing for some of our components.

4. Has the Company taken any steps to procure goods or services from local & small procedures, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken number of steps to procure goods and services from the local and small producers locally and enhancing their capabilities for the suitable growth. The Company always prefers to procure goods and services like finished goods supplies, security, house keeping, loading unloading operation etc. from near by suitable supply. Maximum suppliers who are engaged in supplying of raw materials for shoe manufacturing process are located nearby. This helps the Company to minimize its transportation cost and environmental impact. Also, the small vendors like silicon suppliers are given the containers back for repacking. Further, we have worked on import substitution by buying our trims and fittings from local manufacturers, increase in our orders automatically built pressure to increase their capacity.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

Yes, the Company has a proper mechanism to recycle products and waste. The Company has agreement and valid licence from Bharat Oil Waste Management for safe environment and scientific disposal of waste. 5% of recycling of products and waste are taking place. Company is RCS certified and it claims 5% of recycled materials on their products. Also, the following are the percentages for recycling specific products:

1. Soles: from 5% to 15%
2. Paper and packaging waste: around 3%

Further, the nearby vendors collect back these waste and they process to make pulp for papers. We have a mechanism to recycle products and waste. The TPR waste that is collected after injecting a batch of soles, is mixed in with the next batch. This is our in-house recycling of TPR and reduces the consumption (we mix around 10% of the recycled TPR). We are currently in the process of obtaining the GRS (Global Recycled Standards) certification which will certify that our product is made of minimum 20% recycled materials. We are in the process of sourcing sustainable materials as well like laces, linings, toe puff and counters.

### Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees: 2,409
2. Please indicate the total number of employees hired on Temporary/ Contractual/ Casual basis: 632
3. Please indicate the number of permanent women employees: 75
4. Please indicate the number of permanent employees with disabilities: N.A.
5. Do you have an employee association that is recognised by management?: N.A.
6. What percentage of your permanent employees is members of this recognised Employee Association?: N.A.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	N.A.	N.A.
2	Sexual harassment	N.A.	N.A.
3	Discriminatory employment	N.A.	N.A.

8. What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?
  - (a) Permanent Employees : 100%
  - (b) Permanent Women Employees : 100%
  - (c) Casual/Temporary/contractual employees: 100%
  - (d) Employees with Disabilities: N.A.

### Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operation.

2. Out of the above, has the Company identified the disadvantage, vulnerable and marginalized stakeholders.

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantage, vulnerable and marginalized stakeholders? If So, provide details thereof, in about 50 words or so

During the year under review, the Company approved various programmes under Corporate Social Responsibility i.e. providing basic healthcare facilities and Solar Systems to various schools, plantation of trees etc. which are helpful to various stakeholders of local community.

### Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGO/Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its foreign subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units /with business associates.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the Management?

No complaint was received pertaining to human rights violation during the reporting period.

### Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGO/Others?

Yes, the company make a commitment to respect human rights to the extent mentioned above. The Company's Environment, Health & Safety (EHS) policy



extends to cover the Company and all its relevant stakeholders. We are trying to ensure that some of our suppliers have the GRS certificate which is an internationally recognized standard for sustainability and recycled materials. We are also in the process for getting this certificate for our factory.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.? Y/ N. If Yes, please give hyperlink for the webpage etc.

The company has taken necessary steps towards reduction of energy and GHG emission in its manufacturing process and to reduce the concerns related to global warming.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has identified and took steps for removal of environmental hazardous substances which has impact on the environment routed from the Company. The Company has implemented the Pollution Control Plant.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has in place the most modern water treatment plant for recycling of processed water.

5. Has the Company undertake any other initiatives on – clean technology, energy efficiency, renewal energy etc.? Y/N. If yes, please give hyperlink for the webpage etc.

Initiatives which have been undertaken by the Company are as follows:

- 100% LED lights both internal and external
- Harvesting natural day light
- 100% rainwater harvesting
- Plantation

6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, Emission / Waste generated by the Company are well within the permissible limits prescribed by CPCB / SPCB. These emission and waste generated are being regularly monitored and reported to SPCB.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

We have not received any show cause notice from either CPCB or SPCB in FY 2021-22.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- i. Federation of Indian Export Organisations, Delhi
- ii. Merchants Chamber of Uttar Pradesh, Kanpur
- iii. Federation of Indian Chambers of Commerce And Industries
- iv. Indian Industries Association, Unnao
- v. Upper India Employer’s Association
- vi. Council For Leather Exports, New Delhi

2. Have any advocated / lobbied through above associations for the advancement or improvement of public good? Y/N; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food security, Sustainable Business Principles, Others)

We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue.

**Principle 8: Businesses should support inclusive growth and equitable development.**

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to principle 8? If yes, details thereof

The Company undertakes the initiatives through the CSR Committee of the Board as per the CSR Policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

- i. Promoting healthcare;
- ii. Promoting education, enhancing vocational skills and livelihood enhancement projects;
- iii. Rural development, social upliftment programmes and promotion of art and culture; and
- iv. Ensuring environmental sustainability and ecological balance.

These projects are in accordance with schedule VII of the Companies Act, 2013 and rules made thereunder.

2. Are the programmes/ project undertaken through in-house team/own foundation/ external NGO/ Government structures/any other organisation?

The Company has constituted Mirza Foundation (Special Purpose Vehicle), a Society registered

under Societies Registration Act, 1860 which takes up all the CSR activities. Mirza Foundation engages credible NGOs that have an established track record of carrying out CSR activities for designing and on-ground implementation of the CSR projects.

**3. Have you done any impact assessment of your initiative?**

No, the Company has not done any impact assessment of its initiative. However, the CSR committee of the Company internally reviews and evaluates its initiatives at the end of each year to understand the efficacy of the programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the project undertaken.**

During the financial year ended March 31, 2022, the Company has spent a total amount of ₹ 109.84 Lakhs towards various CSR projects. The details thereof have been provided in the "Annual Report on CSR Activities" as attached to the Board's Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so**

Considering community as the most important stakeholder for CSR objective, the Company's CSR projects at several locations are developed in consultation and participation with various stakeholders including the local communities. Mirza Foundation ensures their active involvement at all the stages from need assessment to impact assessment.

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

**1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

Nil consumer complaints are pending as on March 31, 2022.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A / Remark (additional information)**

The company displays all information as mandated by the statutory regulations to ensure full compliance with relevant laws.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year? If So, provide details thereof, in about 50 words or so**

No case was filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

**4. Did your company carry out any Consumer survey / Consumer satisfaction trends?**

Yes, the Company has introduced a strong Customer Feedback Mechanism to capture feedback from customers on their shopping experience and measuring it as per the global standard tool NPS (Net Promoter Score). The Company has started an initiative to close loop Detractors (customers who give negative feedback) by calling them and addressing / resolving their queries.

# **Financial Statements**

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of Mirza International Limited  
**Report on the Audit of the Standalone Financial Statements**

## OPINION

We have audited the accompanying standalone financial statements of Mirza International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

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 the 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, 2022, the profit and total 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 specified under section 143(10) of the Act (SAs). 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 made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## 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 of the current period. 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 Matter	How the key audit matter was addressed in the audit
<p>Net Realisable Value of Inventories of Finished Goods</p> <p>Refer Note No.- 45(12) and Note No.- 4 to the standalone financial statement.</p> <p>Inventory is carried in the Financial Statements at the lower of cost and net realisable value. The major portion of the Company's inventory consist of finished goods which are lying at multiple locations such as retail stores, depots and factories. Finished goods are counted on a recurring basis and determination of NRV is made based on various estimates as at end of the reporting period.</p> <p>Since the company is dealing in footwear, apparel and accessories, sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trend.</p> <p>As a result, the carrying value of inventory may exceed in net realisable value.</p>	<p>We have designed the procedure to challenge the adequacy and effectiveness of the Company's determination of Net Realisable Value of finished goods, our procedures included:</p> <ul style="list-style-type: none"> <li>• Testing classification : Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season;</li> <li>• Historical trends of the company &amp; market: evaluated the current year provision by assessing historical trends. We examined the Company's historical trading patterns of inventory sold at full price and inventory sold below full price due to discount and season offers through alternative clearance routes, together with the related margins achieved for each channel. We used the information on trading patterns to assess whether the provisions held have historically been set at an appropriate level; and</li> <li>• Our understanding on the Company Business: based on our knowledge of the Company and the market, the appropriateness of the provision percentages applied by challenging the assumptions made by the Company on the extent to which older season's inventory can be sold through various channels.</li> </ul>



## **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including disclosure relating to Composite Scheme of Arrangement and Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this audit report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Management and Board of Directors are 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) 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 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 statements 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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.

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 controls 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 system 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.
- Conclude on the appropriateness of management'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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 of the current period 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, based on our audit we report that:
    - 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.
    - 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 and proper financial statements adequate for the purposes of our audit have been received from the branches not visited by us.
    - The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and with the financial statements received from the branches not audited by us.
    - In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    - On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
    - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
    - With respect to other matter to be included in the auditor's report in accordance with the requirements of the section 197 (16) of the Act, as amended; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.



- (B) 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, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No-27.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a) 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 persons or entities 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 ("ultimate beneficiaries") by or on behalf of the company or
    - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- b) The management has represented that to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate beneficiaries") by or on behalf of the company or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv)(b) contain any material misstatement.
- v. The company has neither declared nor paid any dividend during the year.

For **D R A & Co.**  
Chartered Accountants  
FRN:006476N

**Priyanka Rai**  
Partner  
M.No.429735

Date: May 30, 2022

Place: New Delhi

UDIN: 22429735AJWSNQ8377

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mirza International Limited, of even date on the standalone financial statements for the year ended 31<sup>st</sup> March, 2022)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) According to the information and explanations given to us
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment in a phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its Assets. Pursuant to the Program certain Fixed Assets were physically verified by the management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deed of the Immovable properties of the company (other than Immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee, disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions Prohibition Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification including goods lying at third party locations & goods in transit.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. The quarterly returns and statements filed by the Company with such Bank & financial Institutions are generally in agreement with the Books of accounts of the company and no material discrepancy has been noticed.
- (iii) The Company has neither made any investment, nor has provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs or any other entity. Therefore clause (iii)(a) (A) & (B), (b), (c), (d), (e) & (f) of the order is not applicable.
- (iv) The company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has neither accepted any deposits nor amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, Cost records, prescribed by the Central Government in terms of provisions of Clause (1) of Section 148 of the Act, are being maintained by the company. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The company is regular in depositing undisputed Statutory dues including Goods and Service Tax , Provident Fund, Employees' State Insurance, Income Tax , Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax , cess and any other statutory dues to the appropriate authorities and nothing is outstanding as at the last day of the financial year under Audit, for a period of more than six months from the date they became payable.
- (b) Details of statutory dues relating to Goods and Service Tax , Provident Fund, Employees' State Insurance, Income Tax , Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax , cess and any other statutory dues, which have not been deposited on account of any dispute, are as mentioned below:



Nature of the Statute	Nature of Dues	Amount In ₹ Lakh	Period to which the amount relates	Forum where dispute is Pending
UP Entry Tax Act 2007	Entry Tax	4.06	1999-2000	Hon'ble High Court , Allahabad
UP VAT Act-2008 & CST Act-1956	VAT & CST	71.58	2008-2009	Jt. Commissioner, Corporate Circle -2, Commercial Tax Department, Kanpur
UP VAT Act-2008 & CST Act-1956	VAT & CST	61.33	2010-2011	Jt. Commissioner, Corporate Circle –Zone 2, Commercial Tax Department, Kanpur
UP VAT Act-2008 & CST Act-1956	VAT & CST	63.21	2015-2016	Additional Commissioner Grade-2, Appeal-5, Commercial Tax Department, Kanpur
UP VAT Act-2008 & CST Act-1956	VAT & CST	9.12	2016-17	Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur
UP VAT Act-2008 & CST Act-1956	VAT & CST	57.19	2017-18	Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur
UP Entry Tax Act 2007	Entry Tax	0.33	2017-18	Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur
Gujarat VAT	VAT	50.13	2009-2010 2010-2011 2011-2012	Deputy Commissioner (Appeal), Ahmedabad
Kerala VAT	VAT	3.44	2012-13	Deputy Commissioner Appeal-II, Ernakulam, Kerala
Haryana VAT	VAT&CST	53.50	2016-17	Excise and Taxation Officer- Cum- Assessing Authority, Ward-5, Hisar
Income Tax	Income Tax	128	FY 2016-17	ITAT
Jharkhand GST	GST	4.32	2019-20	First Appellate Authority
Bihar GST	GST	12.59	2020-21	First Appellate Authority

(viii) On the basis of our examination of the Books of Accounts & other related information, we have not come across any transaction, which is not recorded in the Books of Accounts, has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or other lender.
- (c) Term loans were applied for the purposes for which the loans were obtained.
- (d) No funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us and as per examination of Books of Accounts, the Company identified three new instances of Fraud/ embezzlement Cases in the nature of misappropriation by employees/ex-employees against the company. The total amount involved was ₹36.77 Lacs out of which ₹ 0.72 Lacs recovered from the employees and ₹ 25.49 Lacs has been provided for in the books of accounts, whereas ₹10.57 Lacs is still lying recoverable from employees. Please refer to Note no.44.

- (b) According to the information and explanations given to us, no report under Section 143(12) of the Companies Act, 2013 was required to be filed by the auditors.
- (c) According to the information and explanations given to us, no whistle - blower complaints have been received during the year by the company.
- (d) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a), (b) and (c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.
- (xiii) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, 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 date for the period under audit.
- (xiv) The Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xv) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable
- (b) The company has not conducted any Non-Banking Financial or Housing Finance Activity. Accordingly, clause 3(xvi)(b) of the Order is not applicable
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvi) The Company has neither incurred cash losses in the current nor in the immediately preceding financial year.
- (xvii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and based on our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report, that company is 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 state that our reporting is based on the facts up to the date of the audit report, however, this is not an assurance or guarantee that all liabilities falling due within a period of one year from the balance sheet date, will be discharged by the Company as and when they fall due.
- (xix) In our opinion and according to the information and explanations given to us, there is no unspent amount under section 135(5) of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xx) There is no qualification or adverse Remark given by the respective Auditors in the Companies ("Auditors Report") Order (CARO) Reports of the Companies included in the Consolidated Financial Statements.

For **D R A & Co.**  
Chartered Accountants  
FRN:006476N

**Priyanka Rai**  
Partner

Date: May 30, 2022  
Place: New Delhi

M.No.429735  
UDIN: 22429735AJWSNQ8377



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON STANDALONE FINANCIAL STATEMENTS OF MIRZA INTERNATIONAL LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022.

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Mirza International Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of MIRZA INTERNATIONAL LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting of the Company.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively

as at March 31, 2022, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **D R A & Co.**  
Chartered Accountants  
FRN:006476N

**Priyanka Rai**  
Partner

Date: May 30, 2022  
Place: New Delhi

M.No.429735  
UDIN: 22429735AJWSNQ8377



# STANDALONE BALANCE SHEET

Particulars	Note No.	As at	
		31 March 2022	31 March 2021
(₹ in Lakh)			
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment & intangible assets	1		
(i) Property, plant and equipment		45507	42556
(ii) Capital work-in-progress of properties, plant & equipment		1627	780
(iii) Intangible assets			
(iv) Capital work-in-progress of intangible assets		483	343
Right of Use Assets	1B	13668	13759
Financial Assets			
Investments	2	297	292
Other Financial Assets	3	1265	1272
Other Non Current assets	3.1	1027	28
<b>Total Non-Current assets</b>		<b>63874</b>	<b>59030</b>
<b>Current assets</b>			
Inventories	4	52592	42627
Financial Assets			
Trade receivables	5	15549	7967
Cash and cash equivalents	6	1486	1005
Other financial current assets	7	2795	2750
Other current assets	8	5403	3348
<b>Total Current assets</b>		<b>77825</b>	<b>57697</b>
<b>Total Assets</b>		<b>141699</b>	<b>116727</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	9A	2406	2406
Other Equity	9B	73088	61312
<b>Total Equity</b>		<b>75494</b>	<b>63718</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	10	1515	438
Provisions	11	1371	1333
Deferred tax liabilities (Net)	12	1554	1463
Other non-current Liabilities	13	23044	19373
<b>Total Non-current liabilities</b>		<b>27484</b>	<b>22607</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	6260	13518
Trade payables	15		
(i) MSME		408	283
(ii) Trade Payables other than MSME		24796	10608
Other financial current liabilities	16	6944	5813
Non financial current liabilities	16.1	225	133
Provisions	17	88	47
<b>Total current liabilities</b>		<b>38721</b>	<b>30402</b>
<b>Total Liabilities</b>		<b>66205</b>	<b>53009</b>
<b>Total Equity and Liabilities</b>		<b>141699</b>	<b>116727</b>
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

The Notes referred to above form an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date attached.

## For DRA & Co

Chartered Accountants  
FRN 006476N

## CA. Priyanka Rai

Partner  
M.No. 429735  
UDIN: 22429735AJWSNQ8377

Place : New Delhi  
Date : May 30, 2022

## For & on behalf of the board of Directors

## Rashid Ahmed Mirza

(Chairman and Managing Director)  
DIN: 00049009

## V. T. Cherian

(Chief Financial Officer)

## Tauseef Ahmad Mirza

(Whole Time Director)  
DIN: 00049037

## Priyanka Pahuja

(Company Secretary)

# STANDLONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	18	167155	104682
Other income	19	571	124
<b>Total Income</b>		<b>167726</b>	<b>104806</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	29458	18080
Purchases of Stock-in-Trade		70716	44072
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(5742)	(3265)
Employee benefits expense	22	10442	8876
Finance costs	23	2698	4100
Depreciation and Amortization expense	24	5998	6627
Other expenses	25	39214	25270
<b>Total Expenses</b>		<b>152784</b>	<b>103760</b>
<b>Profit before tax</b>		<b>14942</b>	<b>1046</b>
<b>Tax Expense</b>			
Current tax		3807	610
Deferred tax		91	-302
<b>Profit for the Year</b>		<b>11044</b>	<b>738</b>
<b>Other comprehensive Income:</b>			
<b>i. Items that will not be reclassified to Statement of Profit and Loss</b>			
Income tax relating to items that will not be reclassified to Profit and Loss	19 (i)	(10)	227
		3	(59)
<b>ii. Items that will be reclassified to Statement of Profit and Loss</b>			
Income Tax on above	19(ii)	527	(75)
		(177)	20
Other Comprehensive Income for the year		<b>343</b>	<b>113</b>
<b>Total comprehensive income for the year</b>		<b>11387</b>	<b>851</b>
<b>Earning per equity share of face value of ₹ 2 each</b>			
	26		
<b>Basic (in ₹)</b>		9.18	0.61
<b>Diluted (in ₹)</b>		9.18	0.61
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

The Notes referred to above form an integral part of the Financial Statements.  
This is the Balance Sheet referred to in our report of even date attached.

**For DRA & Co**  
Chartered Accountants  
FRN 006476N

**For & on behalf of the board of Directors**

**CA. Priyanka Rai**  
Partner  
M.No. 429735  
UDIN: 22429735AJWSNQ8377

**Rashid Ahmed Mirza**  
(Chairman and Managing Director)  
DIN: 00049009

**Tauseef Ahmad Mirza**  
(Whole Time Director)  
DIN: 00049037

Place : New Delhi  
Date : May 30, 2022

**V. T. Cherian**  
(Chief Financial Officer)

**Priyanka Pahuja**  
(Company Secretary)



## STANDALONE STATEMENT OF CHANGES IN EQUITY

### (A) EQUITY SHARE CAPITAL

		(₹ in Lakh)
<b>As at March 31, 2020</b>		<b>2406</b>
Changes in equity share capital	9A	-
<b>As at March 31, 2021</b>		<b>2406</b>
Changes in equity share capital	9A	-
<b>As at March 31, 2022</b>		<b>2406</b>

### (B) OTHER EQUITY

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve	Hedging Reserves	
<b>Balance as at March 31, 2020</b>	<b>11753</b>	<b>5</b>	<b>48443</b>	<b>196</b>	<b>(17)</b>	<b>60380</b>
Add : Profit for the year 2020-21			738			738
Add : Other Comprehensive Income (net of tax)			168			168
Less : Change in Fair Value of Hedging instruments net of taxes					(38)	(38)
Less : Income Tax Adjustment (Net)			88			88
Less : Distribution of Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred from Profit & Loss Account	0		0	(23)		(23)
<b>Balance as at March 31, 2021</b>	<b>11753</b>	<b>5</b>	<b>49437</b>	<b>173</b>	<b>(55)</b>	<b>61313</b>
Add : Profit for the year 2021-22			11044			11044
Add : Other Comprehensive Income (net of tax)			(7)			(7)
Add:- Capital Revaluation Reserve	0		0			0
Add : Change in Fair Value of Hedging instruments net of taxes			0		760	760
Add : Income Tax Adjustment (Net)			(0)			(0)
Less : Distribution of Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred from Profit & Loss Account	0		0	(22)		(22)
<b>Balance as at March 31, 2022</b>	<b>11753</b>	<b>5</b>	<b>60474</b>	<b>151</b>	<b>705</b>	<b>73088</b>

The Notes referred to above form an integral part of the Financial Statements.

This is the Standlone Statement of Change in Equity referred to in our report of even date attached.

#### For DRA & Co

Chartered Accountants  
FRN 006476N

#### CA. Priyanka Rai

Partner  
M.No. 429735  
UDIN: 22429735AJWSNQ8377

Place : New Delhi  
Date : May 30, 2022

#### For & on behalf of the board of Directors

#### Rashid Ahmed Mirza

(Chairman and Managing Director)  
DIN: 00049009

#### V. T. Cherian

(Chief Financial Officer)

#### Tauseef Ahmad Mirza

(Whole Time Director)  
DIN: 00049037

#### Priyanka Pahuja

(Company Secretary)

## STANDALONE STATEMENT OF CASH FLOWS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>(A) CASH FROM OPERATING ACTIVITIES</b>		
Net profit before tax	14942	1046
Adjustments for		
Add :		
(Profit)/Loss on sale of Property, Plant & Equipment	(29)	81
Depreciation & amortisation for the year	5998	6627
Finance cost	2698	4100
	<b>8667</b>	<b>10808</b>
Less :		
Interest Income	96	80
Income from Govt. Grant	22	23
Ceaser of Lease Liability	453	
<b>Operating Profit before Working Capital Changes</b>	<b>23038</b>	<b>11751</b>
Adjustments For		
Trade & other Receivables	(10672)	6084
Inventory	(9965)	(1304)
Trade Payables	19564	1856
Others	350	5109
<b>Cash Generated from Operations</b>	<b>22315</b>	<b>23496</b>
Direct Taxes Paid	(3560)	(47)
Cash flow before extra ordinary items	18755	23449
Net Cash generated from Operating Activity	18755	23449
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(8489)	(4754)
Sales of Property, Plant & Equipment	327	740
Government Grant Received	96	23
Interest Received	22	80
Purchase of Investment	(5)	0
<b>Net Cash used in Investing Activities</b>	<b>(8049)</b>	<b>(3911)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(7)	3
Dividend Tax Paid		
Short Term Borrowing		
Proceeds from Long Term Borrowings		
Repayment of Long Term Borrowings	1081	(1306)
Repayment of Short Term Borrowings	(7258)	(13525)
Payment of lease liabilities	(2507)	(2111)
Finance cost	(1535)	(3126)
<b>Net cash used in financing activities</b>	<b>(10226)</b>	<b>(20065)</b>
Net Increase/(Decrease) in Cash & Equivalents	480	(527)
Cash & Equivalents at the beginning of the year	1005	1532
Cash & Equivalents at the end of the year	1485	1005



# STANDALONE STATEMENT OF CASH FLOWS

Particulars	(₹ in Lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	327	202
Balances with banks:	-	-
- On current accounts	1158	803
Bank overdraft		
- On deposit accounts with original maturity of less than 3 months	-	-
- On deposit account for more than 3 months and less than 12 months	-	-
- On deposit accounts with original maturity of between 3 months and 12 months	-	-
	<b>1485</b>	<b>1005</b>
Less: Fixed deposits with original maturity of between 3 months and 12 months		
<b>Total cash and cash equivalents (note 10 A)</b>	<b>1485</b>	<b>1005</b>

Cash flows are reported using indirect method, thereby profit for the year is adjusted for the effects of the transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. The company considers all highly liquid investments that are readily convertible to known amount of cash to be cash equivalents.

Notes on Financial Statements: Note No. 1-43 ; Significant Accounting Policies Note No. 44

The Notes referred to above form an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date attached.

**For DRA & Co**

Chartered Accountants  
FRN 006476N

**CA. Priyanka Rai**

Partner  
M.No. 429735  
UDIN: 22429735AJWSNQ8377

Place : New Delhi  
Date : May 30, 2022

**For & on behalf of the board of Directors****Rashid Ahmed Mirza**

(Chairman and Managing Director)  
DIN: 00049009

**V. T. Cherian**

(Chief Financial Officer)

**Tauseef Ahmad Mirza**

(Whole Time Director)  
DIN: 00049037

**Priyanka Pahuja**

(Company Secretary)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## NOTE 1 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment	Gross Block			Accumulated Depreciation			Net Block		
	As at 01.04.2021	Additions	Deductions	Balance as at 1 <sup>st</sup> April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31 <sup>st</sup> March 2022	Balance as at 31 <sup>st</sup> March 2021
<b>A Land</b>									
Land Freehold	918	0	-	-	-	-	-	918	918
Land Leasehold	3555	0	-	493	43	0	-	3019	3062
Buildings	21916	2271	0	5735	691	0	0	17761	16181
<b>Plant &amp; Machinery</b>									
Machinery	28591	2036	977	15230	1673	64	807	13490	13361
Effluent Treatment Plant	1194	0	-	507	73	0	-	614	687
Tools & Shoe Lasts	3611	518	233	3437	397	0	247	309	174
Furniture Fixtures, Office Equipments & Electrical Installation	11217	2017	45	4183	1045	0	2	7963	7034
Vehicles	1924	547	493	887	208	0	394	1277	1037
Computers	1229	112	1	1127	58	0	1	156	102
<b>Total</b>	<b>74155</b>	<b>7501</b>	<b>1749</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>34400</b>	<b>42556</b>
1A Capital Work In Progress									
Capital work-in-progress of properties, plant & equipment								1627	780
Capital work-in-progress of intangible assets								483	343
<b>Total</b>	<b>74155</b>	<b>7501</b>	<b>1749</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>34400</b>	<b>43679</b>
Previous Year : Property Plant & Equipment	(73202)	(4771)	(3818)	(30414)	(4157)	(12)	(2985)	(31598)	(42788)
Capital -Work-in Progress								(1123)	(1065)

## NOTE 1.1 CAPITAL -WORK-IN PROGRESS ( CWIP)

Capital Work-in Progress	Amount in CWIP for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Asset details:					
Unit-2	396	8	0	0	404
Unit-5	1223				1223
	<b>1619</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1627</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

Capital Work-in Progress	Amount in CWIP for a Period of			Balance as at 31 <sup>st</sup> March 2021
	Less than 1 Year	1-2 Years	2-3 Years	
Asset details:				Total
Sector -90 Noida	401	347	0	748
Tannery	17			17
Unit-2	16	0	8	24
	<b>434</b>	<b>347</b>	<b>8</b>	<b>789</b>

## NOTE 1.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development	Amount in CWIP for a Period of			Balance as at 31 <sup>st</sup> March 2022
	Less than 1 Year	1-2 Years	2-3 Years	
Asset details:				Total
Projects in progress	148	111	224	483
	<b>148</b>	<b>111</b>	<b>224</b>	<b>483</b>

Intangible assets under development	Amount in CWIP for a Period of			Balance as at 31 <sup>st</sup> March 2021
	Less than 1 Year	1-2 Years	2-3 Years	
Asset details:				Total
Projects in progress	111	223	0	334
	<b>111</b>	<b>223</b>	<b>0</b>	<b>334</b>

## NOTE 1.3 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development	To be Completed in as on 31-03-2022		
	Less than 1 Year	1-2 Years	2-3 Years
Project 1	86	158	0
<b>Total</b>	<b>86</b>	<b>158</b>	<b>0</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

Intangible assets under development	To be Completed in as on 31-03-2021				₹ in Lakh
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project 1	86	0	0	0	0
<b>Total</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTE 1B RIGHT OF USE ASSETS

Right of Use Assets	As at 01.04.2021	Additions	Deductions	Balance as at 31st March 2022	Depreciation charge for the year	Impairment	On disposals	Balance as at 31st March 2022		Balance as at 31st March 2021	₹ in Lakh
								as at 31st March 2022	as at 31st March 2022		
Right of Use ( Building)	18670	5700	4044	20326	1747	0	0	6657	13668	13759	
Previous Year	(18147)	(522)		(18669)	(2470)		0	(2470)	(13758)	(15706)	

## NOTE 2 INVESTMENTS

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Investment in Equity instruments	297	292
<b>Total</b>	<b>297</b>	<b>292</b>

Particulars	₹ in Lakh	
	2022	2021
Aggregate amount of Quoted investments	1	1
Aggregate Market Value of Quoted Investments	1	1
Aggregate amount of unquoted investments	296	291



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### A. DETAILS OF TRADE INVESTMENTS

₹ in Lakhs

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Structured entity	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount			
			2022 (4)	2021 (5)			2022 (8) FV	(9) BV	(10) FVT OCI	2021 (11)
1	Mirza (H.K.) Limited*	Subsidiary	10000	10000	Unquoted	Fully Paid	0.83	0.83	0.00	0.83
2	Mirza Bangla Limited**	Subsidiary	46918	46918	Unquoted	Fully Paid	40.40	40.44	-0.04	40.44
3	Industrial Infrastructure Services (India) Ltd.	Structured	240000	240000	Unquoted	Fully Paid	73.40	24.00	49.40	54.72
4	Kanpur Unnao Leather Cluster Development Co. Ltd.	Structured	250000	250000	Unquoted	Fully Paid	106.75	25.00	81.75	106.75
5	Mirza Charitable Hospital Limited (Sec.25 Co.)	Structured	80000	80000	Unquoted	Fully paid	8.00	8.00	0.00	32.48
6	Senen Mirza Industrial Supply Chain LLP***	Subsidiary	N.A	N.A	Unquoted	Fully paid	66.00	66.00	0.00	56.75
7	J.P.Associates Ltd.	Structured	2000	2000	Quoted	Fully paid	0.14	0.27	-0.14	0.14
8	Sarup Tannery Ltd	Structured	500	500	Quoted	Fully paid	0.00	0.31	-0.31	0.09
9	Super House Ltd.	Structured	150	150	Quoted	Fully paid	0.29	0.09	0.20	0.18
10	Super Tannery Ltd.	Structured	1000	1000	Quoted	Fully paid	0.03	1.00	0.00	0.03
11	Rectape Limited****	Subsidiary	50000		Unquoted	Fully paid	1.00			
	<b>Total</b>						<b>297</b>	<b>166</b>	<b>131</b>	<b>292</b>

\* M/s MIRZA (H.K) LIMITED is wholly owned subsidiary of Mirza International Limited during the year. Investment value has been arrived at based on conversion rate of HKD 10000 to INR as on the date of allotment.

\*\* The Company has purchased 99.9% controlling stake in M/s MIRZA BANGLA LIMITED during the year. Investment value has been arrived at based on conversion rate of TAKA 4712800 to INR as on the date of allotment.

\*\*\*The Company is Partner in M/s Senen Mirza Industrial Supply Chain LLP having profit sharing money of 52%

\*\*\*\*M/s Retape Limited is wholly and subsidiary of Mirza International Limited during the year

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## NOTE 3 OTHER FINANCIAL ASSETS (NON CURRENT)

₹ in Lakh

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
<b>Unsecured, considered good</b>				
<b>Security Deposits</b>				
Security Deposit - Rent	907		896	
Security Deposit - Others	358	1265	376	1272
<b>Total</b>	<b>1265</b>		<b>1272</b>	

## NOTE 3.1 OTHER NON CURRENT ASSETS

₹ in Lakh

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
<b>Unsecured, considered good</b>				
Advance for Capital Goods		1027		28
<b>Total</b>	<b>1027</b>		<b>28</b>	

## NOTE 4 INVENTORIES \*

₹ in Lakh

INVENTORIES *	As at 31 March 2022		As at 31 March 2021	
a. Raw Materials and components	8685		4471	
		8685		4471
b. Work-in-progress	3329		2382	
		3329		2382
c. Finished goods	19730		14935	
d. Stock-in-trade	19620		19968	
Goods-in transit	955		607	
		40305		35510
e. Stores and spares	273		264	
		273		264
<b>Total</b>	<b>52592</b>		<b>42627</b>	

\*There is no change in the accounting policy regarding valuation of Inventory however, post implementation of ERP, determination of cost of hides is done on specific identification method, and chemical is being valued on weighted average method. Due to change in cost determination method the inventory has been valued at ₹ 3,492.28 Lakhs which is lower by ₹ 30.26 Lakhs as against the cost determined as per erstwhile method which stood at ₹ 3,522.54 Lakhs.

## NOTE 5 TRADE RECEIVABLES

₹ in Lakh

Trade Receivables	As at 31 March 2022		As at 31 March 2021	
<b>Trade Receivable -Related Parties*</b>	3810		1213	
Trade receivables considered good- unsecured (Other than related parties)	11739	15549	6754	7967
<b>Total</b>	<b>15549</b>		<b>7967</b>	

## NOTES TO STANDALONE FINANCIAL STATEMENTS

**Note 5.1** Trade Receivables stated above include debt(s) due by:

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		-
A Company in which directors are members	3810	1213
	<b>3810</b>	<b>1213</b>

### NOTE 5.2 TRADE RECEIVABLE OUTSTANDING AGEING SCHEDULE (FY 2021-22)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	13894	0
6 Months - 1 Year	1549	0
1-2 years	102	0
2-3 years	1	0
More than 3 years	2	0
<b>Total</b>	<b>15,548</b>	<b>-</b>

\*Undisputed dues only, there are no disputed dues outstanding.

### TRADE RECEIVABLE OUTSTANDING AGEING SCHEDULE (FY 2020-21)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	6157	0
6 Months - 1 Year	725	0
1-2 years	1041	0
2-3 years	43	0
More than 3 years	0	0
<b>Total</b>	<b>7,966</b>	<b>-</b>

\*There are no disputed trade receivables

### NOTE 6 CASH AND CASH EQUIVALENTS

₹ in Lakh

Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
a. Balances with banks	1159	803
This includes:		
Earmarked Balances (Unpaid dividend accounts)	72	79
Balance with banks held as margin money deposits against guarantees*	408	401
b. Cash in hand	328	202
<b>Total</b>	<b>1486</b>	<b>1005</b>

\*Details of FDs that are pledged with the Bank as margin money for LCs

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE 7 OTHER FINANCIAL CURRENT ASSETS

₹ in Lakh

OTHER FINANCIAL CURRENT ASSETS	As at	
	31 March 2022	31 March 2021
Incentive Receivable (Export)	385	1317
Duty Drawback Receivable	571	412
Focus Product License	501	102
Advances to Employees	83	101
Rodtep Products Licence	321	0
Advance to Other	128	130
Interest Receivable	100	9
Others	2	35
Foreign currency forward contract	705	-81
ECGC Claim Receivable	0	725
<b>Total</b>	<b>2795</b>	<b>2750</b>

### NOTE 8 OTHER CURRENT ASSETS

₹ in Lakh

OTHER CURRENT ASSETS	As at	
	31 March 2022	31 March 2021
<b>(i) Advances other than Capital Advance</b>	<b>885</b>	<b>353</b>
Advance to related party	-	-
Suppliers Advance	885	353
<b>(ii) Others</b>	<b>4,518</b>	<b>2,995</b>
Advance Income Tax (Net of Provision)	(116)	127
Duties & Taxes (Others)	15	18
Duties & Taxes (GST)	4259	2663
Prepaid Expenses	360	187
<b>Total</b>	<b>5403</b>	<b>3348</b>

### NOTE 9 EQUITY SHARE CAPITAL

Share Capital	As at		As at	
	31 March 2022		31 March 2021	
	Number	₹ in Lakh	Number	₹ in Lakh
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
	<b>256250000</b>	<b>5125</b>	<b>256250000</b>	<b>256250000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid up	120306000	2406	120306000	2406
<b>Total</b>	<b>120306000</b>	<b>2406</b>	<b>120306000</b>	<b>2406</b>

### NOTE 9A.1 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	Equity Shares	
	Number	₹ in Lakh
Shares outstanding at the beginning of the year	120306000	2406
Preference Shares converted into Equity Shares	NIL	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	120306000	2406

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE 9A.2 TERMS / RIGHTS ATTACHED TO SHARES

#### a. Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

### NOTE 9A.3 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

EQUITY SHARES				
Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
RASHID AHMED MIRZA	13665520	11.36%	13665520	11.36%
SHAHID AHMAD MIRZA	14981465	12.45%	10152053	8.44%
TAUSEEF AHMAD MIRZA	18058453	15.01%	17558453	14.59%
TASNEEF AHMAD MIRZA	14076104	11.70%	14076104	11.70%
SHUJA MIRZA	10202099	8.48%	10201740	8.48%

### NOTE 9A.4 DETAILS OF SHARES HELD BY PROMOTERS

As at 31st March, 2022

Name of the promoter	Number of shares as at 01 April 2021	Change during the year	Number of shares as at 31 March 2022	% Holding as at year end	% Change during the year
RASHID AHMED MIRZA	13665520	-	13,665,520	11.36	N.A
SHAHID AHMAD MIRZA	10152053	4,829,412	14,981,465	12.45	47.57
TAUSEEF AHMAD MIRZA	17558453	500,000	18,058,453	15.01	2.85
TASNEEF AHMAD MIRZA	14076104	-	14,076,104	11.70	N.A
SHUJA MIRZA	10202099	-	10,202,099	8.48	N.A
FARAZ MIRZA	4798940	(4,798,940)	-	-	100
YASMIN MIRZA	5500850	0	5,500,850	4.57	N.A
FAUZIA MIRZA	3008450	0	3,008,450	2.50	N.A
HAYA MIRZA	30472	(30,472)	-	-	100
MUSTAFA MIRZA	500000	(500,000)	-	-	100
FARZAN MIRZA	500000	0	500,000	0.42	N.A
AMAAN MIRZA	447000	0	447,000	0.37	N.A
IRAM MIRZA	960500	0	960,500	0.80	N.A
RAMSHA REHMAN	0	250,000	250,000	0.21	100
FIRDAUS AMIN	0	50,000	50,000	0.04	100

## NOTES TO STANDALONE FINANCIAL STATEMENTS

As at 31st March, 2021

Name of the promoter	Number of shares as at 01 April 2020	Change during the year	Number of shares as at 31 March 2021	% Holding	% Change during the year
RASHID AHMED MIRZA	13665520	-	13,665,520	11.36	N.A
SHAHID AHMAD MIRZA	10152053	-	10,152,053	8.44	N.A
TAUSEEF AHMAD MIRZA	17558453	-	17,558,453	14.59	N.A
TASNEEF AHMAD MIRZA	14076104	-	14,076,104	11.70	N.A
SHUJA MIRZA	10201740	-	10,201,740	8.48	N.A
FARAZ MIRZA	4798940	-	4,798,940	3.99	N.A
YASMIN MIRZA	5500850	-	5,500,850	4.57	N.A
FAUZIA MIRZA	3008450	-	3,008,450	2.50	N.A
HAYA MIRZA	63	30,409	30,472	0.03	48268.25
HUMA MIRZA	3359800	(3,359,800)	-	-	100
MUSTAFA MIRZA	500000	(500,000)	-	-	100
FARZAN MIRZA	500000	-	500,000	0.42	N.A
AMAAN MIRZA	447000	-	447,000	0.37	N.A
IRAM MIRZA	955500	5,000	960,500	0.80	0.52

### NOTE 9A.5 INFORMATION REGARDING ISSUE OF SHARES IN THE LAST FIVE YEARS

- The Company has not issued any bonus shares during the for last five years.
- The Company has not undertaken any buy back of shares.

### NOTE 9A.6 DISCLOSURE PURSUANT TO NOTE NO. 6(U) OF PART I OF SCHEDULE III TO THE COMPANIES ACT, 2013

Particulars	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	NIL	NIL	NIL	NIL

### (9B) OTHER EQUITY

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve (Note 1)	Hedging Reserves (Note 2)	
Balance as at March 31, 2020	11753	5	48443	196	(17)	60380
Add : Profit for the year 2020-21			738			738
Add : Other Comprehensive Income (net of tax)			168			168
Less : Change in Fair Value of Hedging instruments net of taxes					(38)	(38)
Less : Income Tax Adjustment (Net)			88			88
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred from Profit & Loss Account	0		0	(23)		(23)



## NOTES TO STANDALONE FINANCIAL STATEMENTS

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve	Hedging Reserves	
				(Note 1)	(Note 2)	
<b>Balance as at March 31, 2021</b>	<b>11753</b>	<b>5</b>	<b>49437</b>	<b>173</b>	<b>(55)</b>	<b>61312</b>
Add : Profit for the year 2021-22			11044			11044
Add : Other Comprehensive Income (net of tax)			(7)			(7)
Add : Change in Fair Value of Hedging instruments net of taxes			0		760	760
Add : Income Tax Adjustment (Net)			(0)			(0)
Less : Transferred from Profit & Loss Account	0		0	(22)		(22)
<b>Balance as at March 31, 2022</b>	<b>11753</b>	<b>5</b>	<b>60474</b>	<b>151</b>	<b>705</b>	<b>73088</b>

Note-1 IDLS reserve is diminished every year by the amount in proportion of the depreciation of the assets considering the life of 15 years which is equivalent to Depreciation chargeable during the year to the machinery value purchased from IDLS subsidy.

Note-2 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

### NOTE 10 BORROWINGS (NON CURRENT)

BORROWINGS (NON CURRENT)	₹ in Lakh			
	As at 31 March 2022		As at 31 March 2021	
	Non-Current	Current	Non-Current	Current
Term loans				
Secured				
From banks *	1000	856	367	1674
From banks (Auto Loan)#	515	218	53	115
From others (Auto Loan)#	0	18	18	40
<b>Total</b>	<b>1,515</b>	<b>1,092</b>	<b>438</b>	<b>1,829</b>

\*(1) PNB Term loan ₹ 1856 lakh (967 lakh) secured by first Charge on Block Assets of the company by way of hypothecation of Machinery & equipment & other fixed assets of the company and extension of charge on all current assets of the company. Equitable mortgage of Land and Building and Plant & Machinery at Company's Unit No.1 & 2, Kanpur, Unnao Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., along with Equitable mortgage of Lease Deed and Land & Building of Marketing cum Display office at Plot No. 8 at Sector 90, Noida, Gautam Budh Nagar (U.P).

(2) HDFC Loan ₹ NIL (1073 Lakh) secured by Equitable mortgage of land at Company's Unit-5 at Unnao by pass, Unnao, UP and Pari-Passu charge (with PNB and CITI Bank) on Fixed Assets and all current assets. Further exclusive charge on asstes funded from HDFC Bank Term loan.

All the above secured Loans are guaranteed by some of the Directors.

#Secured against the assets purchased under the arrangements.

### Maturity Profile :

	Payment Type	No. Of Pending Instalment	Instalment Amount	Current	Non Current	2 -3 Yrs	More than 3 Years
				0- 1 Yrs	1 -2 Yrs		
<b>Term Loans from Banks</b>							
<b>Secured</b>							
<b>Term Loans</b>				856	500	500	0
P.N.B. TERM LOAN (19)	Quarterly	2	150	356	0	0	0
P.N.B. TERM LOAN (18)	Quarterly	12	125	500	500	500	0
<b>Auto Loans</b>				<b>218</b>	<b>198</b>	<b>206</b>	<b>111</b>
HDFC BANK AUTO LOAN (1)	Monthly	5	1	3	0	0	0
HDFC BANK AUTO LOAN (2)	Monthly	47	0	2	2	2	2
HDFC BANK AUTO LOAN (3)	Monthly	11	1	10	0	0	0

## NOTES TO STANDALONE FINANCIAL STATEMENTS

	Payment Type	No. Of Pending Instalment	Instalment Amount	Current	Non Current	2 -3 Yrs	More than 3 Years
				0- 1 Yrs	1 -2 Yrs		
HDFC BANK AUTO LOAN (4)	Monthly	9	0	3	0	0	0
HDFC BANK AUTO LOAN (5)	Monthly	9	0	3	0	0	0
HDFC BANK AUTO LOAN (6)	Monthly	15	1	10	3	0	0
HDFC BANK AUTO LOAN (7)	Monthly	38	1	11	12	13	2
HDFC BANK AUTO LOAN (8)	Monthly	39	7	74	79	85	22
HDFC BANK AUTO LOAN (9)	Monthly	21	1	11	12	13	3
HDFC BANK AUTO LOAN (10)	Monthly	39	5	42	49	53	18
HDFC BANK AUTO LOAN (11)	Monthly	60	0	2	2	2	4
HDFC BANK AUTO LOAN (12)	Monthly	60	1	12	12	13	30
HDFC BANK AUTO LOAN (13)	Monthly	60	0	2	2	2	5
AXIS BANK AUTO LOAN (14)	Monthly	48	2	20	22	23	25
YES BANK LTD AUTO LOAN (15)	Monthly	16	1	9	3	0	0
YES BANK LTD AUTO (16)	Monthly	1	4	4	0	0	0
<b>Auto Loans (From other)</b>				<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>
BMW India Financial Services Pvt Ltd. (17)	Monthly	5	4	18	0	0	0
<b>Total</b>				<b>1092</b>	<b>698</b>	<b>706</b>	<b>111</b>

### NOTE 11 PROVISIONS

PROVISIONS	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (unfunded)	1371	1333
<b>Total</b>	<b>1371</b>	<b>1333</b>

### NOTE 12 DEFERRED TAX LIABILITIES(NET)

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax relates to the following:</b>		
<b>Deferred tax related to items recognised in statement of profit and loss:</b>		
<b>Deferred tax liabilities (gross)</b>		
Property ,Plant, Equipment & Intangible Assets :Difference in Depreciations as per books of account and tax laws	452	(589)
Impact of expenditure charges to the financial statement in the books of account & tax	(338)	-
(a)	<b>113</b>	<b>(589)</b>
<b>Deferred tax assets (gross)</b>		
Impact of expenditure charges to the financial statement in the current /earlier year but allowable for tax pupose on payment	22	286
(b) Deferred Tax Asset created during the year	22	286
(c) = (a) - (b)	<b>91</b>	<b>(302)</b>
<b>Deferred tax liabilities (net)</b>	<b>91</b>	<b>(302)</b>
<b>Deferred tax relates to the following:</b>		
<b>Deferred tax related to items recognised in OCI:</b>		

## NOTES TO STANDALONE FINANCIAL STATEMENTS

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets (gross)</b>		
Re-measurement losses on defined benefit plans	1	23
Re-valuation of Equity Investments	(4)	36
(d)	(3)	59
<b>Deferred tax liabilities (gross)</b>		
Deferred tax related to items recognised in equity	177	(20)
(e)	177	(20)
(f)=(d) + (e)	<b>174</b>	<b>39</b>
<b>Deferred tax liabilities (net)</b>	<b>174</b>	<b>39</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 1 April 2021

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Accounting profit/(loss) before income tax	14942	1046
At India's applicable statutory income tax rate i.e. Income Tax (25%) plus Cess (4%) (PY Income Tax (25%) plus Cess (4%))	25.168%	25.168%
Current tax expense reported in the statement of profit and loss	3807	610
Deferred tax expense reported in the statement of profit and loss	91	302
<b>Non-deductible expenses for tax purposes:</b>		
Impact of Lease rent Liabilities	1163	974
Depreciation and amortization expense (net)	5998	6627
Other non deductible expenses	(285)	82
<b>Deductible expenses for tax purposes:</b>		
Depreciation as per IT Act, 1961	4204	4222
Others	2507	2111
At the effective income tax rate	<b>3802</b>	<b>603</b>
Current tax expense reported in the statement of profit and loss	3807	610
Deferred tax expense/(credit) reported in the statement of profit and loss	91	(302)

Reconciliation of deferred tax liabilities (net):

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Opening balance of DTA/DTL (net)	1,463	1,765
Deferred tax income/(expense) during the period recognised in profit or loss	91	(302)
Impact of Others	-	-
<b>Closing balance of DTA/DTL (net)</b>	<b>1,554</b>	<b>1,463</b>

### NOTE 13 OTHER NON CURRENT LIABILITIES

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Others		
Security deposits - from Franchise	9955	6003
Lease Rent Liabilities	13089	13370
<b>Total</b>	<b>23044</b>	<b>19373</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## NOTE 14 BORROWINGS

(₹ in Lakh)

BORROWINGS	As at 31 March 2022	As at 31 March 2021
<b>Secured*</b>		
<b>Working capital loans repayable on demand</b>		
From Other banks	4268	8021
From Foreign Bank	900	3668
<b>Current maturities of long-term debt (Refer Note No. 10)</b>		
Term Loan From banks **	856	1674
Term Loan From bank ( Auto Loan)	218	115
Term Loan From Other ( Auto Loan)	18	40
<b>Total</b>	<b>6260</b>	<b>13518</b>

- \*(1) PNB ₹ 4021 Lakhs (1279 lakh) Secured By First Charge by way of Hypothecation on entire current assets, present & future including entire stocks of raw materials, stock in process, finished goods, stock-in-transit to be held on pari-passu basis with other Banks, domestic Book Debts, Loans and advances or any other security required for the purpose of execution of export orders received, lying in the company's godowns, warehouses or shipping agents' custody waiting dispatch / shipment / and / or in transit etc. The facilities are collaterally secured by the Equitable Mortgage of Company's Properties mentioned in Note no 10 above.
- (2) HDFC Loan ₹ 247 lakh (6742 lakh) secured by way of exclusive charge on industrial property located at Unit-5 at Unnao site-2 U.P and pari-passu charge stock and book debt of their company with other banks.
- (3) Citi Bank ₹ 900 lakh (3668 lakh) Secured by way of exclusive charge on Corporate office at Mohan Cooperative Industrial Estate, Mathura Road, New Delhi. Exclusive charge on entire land and building and Plant and Machinery at Plot No.18-19, Nand Nagar, Industrial Estate, Phase 1, Mahuakheraganj Kashipur, Uttrakhand and pari-passu charge on present and future stocks and books debts of the company with other banks.
- (4) PNB Term loan ₹ 856 lakh (600 lakh ) secured by first Charge on Block Assets of the company by way of hypothecation of Machinery & equipment & other fixed assets of the company and extension of charge on all current assets of the company. Equitable mortgage of Land and Building and Plant & Machinery at Company's Unit No.1 & 2, Kanpur Unnao Link Road, Unnao, Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., along with Equitable mortgage of Land & Building of Marketing cum Display office at Plot No. 8 at Sector 90, Noida, Gautam Budh Nagar (U.P).
- \*\* (5) HDFC Loan ₹ NIL (1074 Lakh) secured by Equitable mortgage of land at Company's Unit-5 at Unnao by pass, Unnao, UP and Pari-Passu charge (with PNB and CITI Bank) on Fixed Assets and all current assets. Further exclusive charge on assets funded from HDFC Bank Term loan.

## NOTE 15 TRADE PAYABLE

₹ in Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Micro, Small and Medium Enterprises *	408	283
Others	24796	10608
<b>Total</b>	<b>25204</b>	<b>10891</b>

\* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March 2022, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

## NOTE 15 .1 TRADE PAYABLES DUE FOR PAYMENT AGEING SCHEDULE (CURRENT YEAR)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	408	24,700
1-2 years	-	38
2-3 years	-	58
More than 3 years	-	-
<b>Total</b>	<b>408</b>	<b>24796</b>

\*Undisputed dues only, there are no disputed dues outstanding.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### Trade Payables due for payment ageing schedule (previous year)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	283	10,100
1-2 years	-	422
2-3 years	-	41
More than 3 years	-	46
<b>Total</b>	<b>283</b>	<b>10609</b>

\*Undisputed dues only, there are no disputed dues outstanding.

Note: As per the information available with the company, there are no transaction with micro, small or medium enterprises as defined under the Micro, Small, Medium Enterprises Development Act, 2006 to whom company owns any dues.

### NOTE 16 OTHER FINANCIAL CURRENT LIABILITIES

OTHER FINANCIAL CURRENT LIABILITIES	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2	54
Unpaid dividends *	72	79
Commission Payable on Inland Sales	1550	1347
Outstanding Liabilities #	720	429
Salary Payable	409	384
Bonus Payable	584	534
Audit Fees Payable	17	15
Unpaid Commission on Export Sales	601	253
Duties & Taxes (TDS payable)	211	184
Lease Rent Liabilities	2778	2534
<b>Total</b>	<b>6944</b>	<b>5813</b>

\*These Figures do not include any amounts due and outstanding, to be credited to Investor Education & Protection Fund

#Outstanding Liabilities include Employee Benefits payable of ₹ lakh 68.67 Lakh (₹ 75.06 Lakh), Export Expenses payable ₹ 145.10 Lakh (₹ 35.40 lakh) & Power & Electricity charges of ₹ 79.46 Lakhs (₹ 103.73 lakh).

### NOTE 16.1 NON FINANCIAL CURRENT LIABILITIES

NON FINANCIAL CURRENT LIABILITIES	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
Advance Received From Customers	225	133
<b>Total</b>	<b>225</b>	<b>133</b>

### NOTE 17 PROVISIONS

PROVISIONS	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(a) Provision for employee benefits</b>		
Gratuity (Unfunded)	88	47
<b>Total</b>	<b>88</b>	<b>47</b>

### NOTE 18 REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	164132	102651
Other operating revenues	3023	2031
<b>Total</b>	<b>167155</b>	<b>104682</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE 19 OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Income	55	80
<b>Other non-operating income</b>		
Dividend Income	0	0
Other Income	494	21
Income from Govt. Grant	22	23
<b>Total</b>	<b>571</b>	<b>124</b>

### NOTE 19 (I) OTHER COMPREHENSIVE INCOME- ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement gain/(loss) of Defined Benefit Plan	(13)	90
Equity investments Through OCI	3	137
<b>Total</b>	<b>(10)</b>	<b>227</b>

### NOTE 19 (II) OTHER COMPREHENSIVE INCOME- ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Hedge Reserve	527	(75)
<b>Total</b>	<b>527</b>	<b>(75)</b>

### NOTE 20 COST OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Hides & Finished Leather	9264	4586
Chemicals	5460	3397
Others	14152	9904
Stores & Spares	582	193
<b>Total</b>	<b>29458</b>	<b>18080</b>

### NOTE 21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
<b>Inventories (at close)</b>				
Finished Goods	40305		35510	
Stock-in-Process	3329	43634	2382	37892
<b>Inventories (at commencement)</b>				
Finished Goods	35510		30897	
Stock-in-Process	2382	37892	3730	34627
<b>Change in Inventories Decrease/(Increase)</b>		<b>(5742)</b>		<b>(3265)</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## NOTE 22 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and Wages	9193	7827
Contribution to Provident and Other Funds	604	483
Gratuity to Employees	232	235
Staff Welfare Expenses	413	331
<b>Total</b>	<b>10442</b>	<b>8876</b>

### NOTE 22.1 EMPLOYEE BENEFITS :

The Company is providing the following benefits to their employees :

- a) Gratuity
- b) Provident Fund
- c) Leave encasement

The amounts recognised in Balance Sheet are as follows:

Present value of defined benefit obligation	As at 31 March 2022	As at 31 March 2021
A) – Wholly funded	-	-
– Wholly unfunded	1459	1380
	<b>1459</b>	<b>1380</b>
Less: Fair value of plan assets	0	0
Add: Amount not recognised as an asset [limit in para 64(b)]	0	0
Amount to be recognised as liability or (asset)	1459	1380
B) Amounts reflected in the Balance Sheet		
Liabilities	1459	1380
Assets	0	0
Net liability/(asset)	1459	1380
Net liability/(asset) - current #	88	47
Net liability/(asset) - Non-current	<b>1371</b>	<b>1333</b>

(ii) The amounts recognised in Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	2021-22	2020-21
Current service cost	137	137
Interest cost	95	98
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	(47)	(90)
Past service cost	-	-
Actuarial gain/(loss) not recognised in books	-	-
Adjustment for earlier years	-	-
Remeasurement - Effect of the limit in para 64(b)	-	-
Translation adjustments	-	-
Amount capitalised out of the above		
<b>Total</b>	<b>185</b>	<b>145</b>
Amount included in “employee benefits expense”	232	235
Amount included as part of “finance cost”	-	-
Amount included as part of “other comprehensive income”	(47)	(90)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

Particulars	2021-22	2020-21
Opening balance of the present value of defined benefit obligation	1380	1484
Add: Current service cost	137	137
Add: Interest cost	95	98
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
iii) Transfer-in/(out)	-	-
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	-	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	(65)	(54)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	83	(36)
Less: Benefits paid	(171)	(249)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Add: Business combination/acquisition	-	-
Add: Adjustment for earlier years	-	-
Add/(less): Translation adjustments	-	-
<b>Closing balance of the present value of defined benefit obligation</b>	<b>1459</b>	<b>1380</b>

(₹ in Lakh)

Change in Fair Value of Assets	2021-22	2020-21
Plan assets at beginning of period	-	-
Investment Income	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Actual Company contributions	171	249
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	(171)	(249)
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows :

### 1. Financial Assumptions

	2021-22	2020-21
Discount Rate	7.30% p.a.	6.90% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.

### 2. Demographic Assumptions

	2021-22	2020-21
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Normal Retirement Age	60 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

3. The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

4. The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

5. Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As on	
	31 March 2022	31 March 2021
Defined Benefit Obligation (Base)	1459	1380

Particulars	As on 31 March 2022		As on 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1631	1313	1574	1219
% change compared to base due to sensitivity	11.79%	-9.98%	14.07%	-11.69%
Salary Growth Rate (- / + 1%)	1307	1635	1213	1577
% change compared to base due to sensitivity	-10.38%	12.08%	-12.09%	14.32%
Attrition Rate (- / + 50%)	1440	1476	1364	1394
% change compared to base due to sensitivity	-1.31%	1.14%	-1.14%	0.99%
Mortality Rate (- / + 10%)	1456	1462	1377	1382
% change compared to base due to sensitivity	-0.22%	0.22%	-0.18%	0.18%

### NOTE 23 FINANCE COST

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest & Bank Charges	2698	4100
<b>Total</b>	<b>2698</b>	<b>4100</b>

### NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation Expenses	5955	6584
Leasehold Land Amortisation	43	43
<b>Total</b>	<b>5998</b>	<b>6627</b>

### NOTE 25 OTHER EXPENSES

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Processing Charges	4556	2932
Commission	18110	10503
Freight and Transport	6493	3851
Power and Fuel	2668	2294
Selling & Advertisement Expenses	3371	2535
Rent *	95	66
Vehicle Running & Maintenance	243	189

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Repair and Maintenance (other than building & machinery)	710	632
Traveling & Conveyance Expenses	411	308
Insurance	391	400
Security Expenses	381	305
Postage & Courier	315	191
Telephone & Telex	88	100
Legal & Professional Chrgs	388	239
Rates and Taxes, excluding taxes on income	119	98
Repairs to machinery	158	87
Repairs to buildings	69	41
Printing & Stationery	68	91
Donation and Subscription	8	8
(Profit)/Loss on Sale of Property, plant and equipment	(29)	81
Miscellaneous Expenses	473	124
Audit Fees	18	18
Corporate Social Responsibilities	110	177
<b>Total</b>	<b>39214</b>	<b>25270</b>

\* The Company's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions

(₹ in Lakh)

Payments to the auditor as	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(i) To Statutory Auditors</b>		
a. For Audit Services	18	17
<b>(ii) To Branch Auditors for Audit Services</b>	0	1
	-	-
<b>Total</b>	<b>18</b>	<b>18</b>

### NOTE 25.2 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(₹ in Lakh)

Payments to the auditor as	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>a) Total amount required to be spent for the financial year</b>	101	173
b) Amount spent during the financial year	110	177
<b>Total</b>	<b>110</b>	<b>177</b>

### NOTE 26 EARNINGS PER SHARE (EPS)

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	11044	738
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	120306000	120306000
(iii) Basic and Diluted Earnings per share (₹)	9.18	0.61
(iv) Face Value per equity share (₹)	2	2



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE-27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

PARTICULARS	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>A</b> BILLS DISCOUNTED	7475	5562
<b>B</b> IMPORT DUTY PAYABLE	-	163
In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)		
<b>C</b> BANK GUARANTEES / LETTER OF CREDITS	6021	1719
<b>D</b> Two case of employee is pending at Labour Court, Lucknow	Indeterminate	Indeterminate
Two case of employee is pending at High Court, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at C.A office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at C.A office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at High Court, Allahabad	Indeterminate	Indeterminate
Four case of employee is pending at A.L.C. office, Kanpur	Indeterminate	Indeterminate
One case of employee is pending at A.L.C. office, Kanpur	Indeterminate	Indeterminate
<b>E</b> One case of stamp duty in respect of land in Hapur is pending with Asst. Commissioner (stamp), Hapur for deficiency in stamp duty.	8	8
<b>F</b> TAXES		
(I) ENTRY TAX - for 1999-2000 liability is pending	4	4
(II) VAT & CST		
(a) UTTAR PRADESH : Pending against UP VAT and CST for the F.Y. 2008-2009 ₹ 71.58 lacs, F.Y. 2010-11 ₹ 61.33 lacs, F.Y. 2015-16 ₹ 49.68 lacs, due to non submission of Form C and against UP (RITC) ₹ 13.53 lacs F.Y 2016-17 CST ₹ 2.64 Lacs UP RITC ₹ 6.48 Lacs, F.Y 2017-18 CST ₹ 55.51 Lacs, Entry Tax 0.33 Lacs ,UP RITC ₹ 1.68 Lacs	263	196
(b) GUJARAT : F.Y. 2009-10 ₹ 2.25 lacs, F.Y. 2010-11 ₹ 32.68 lacs & F.Y. 2011-12 ₹ 2.34 lacs. Company has preferred appeal against the said Demand. Out of which ₹ 2.00 lacs has been deposited against demand. 2016-17 Demand of ₹ 12.86 lacs	50	50
(c) KERALA : VAT Demand of ₹ 4.91 lacs against which 30% amount of ₹ 1.47 lacs has been paid and for balance Bank Guarantee has been provided.	5	5
(d) Haryana: Pending against Haryana CST for the F.Y. 2016-17 ₹ 53.50 lacs, due to non submission of Form C	54	54
(III) Income Tax		
Order Passed u/s 143(3) r.w.s 144C(13) & 144B for FY 2016-17 ₹ 128.33 Lacs. Appeal pending before ITAT	128	0
(IV) GOODS & SERVICE TAX	17	0
(a) Jharkhand :F.Y 2019-20 ₹4.32 Lacs,Mismatch of Turnover under GSTR-1 & 3B, Company has filed appeals against DRC-07 om Dt.17.01.2022		
(b) Bihar : F.Y 2020-21 ₹ 12.95 Lacs Excess ITC claim in GSTR-3B, Company has filed Appeal against DRC-07 on Dt. 19.05.2022		
(IV) Service Tax - One Case of Service Tax on a matter during the year 2009-10 amounting to ₹ 17.05 Lacs confirmed and reduces to ₹ 15.46 lacs by Commissioner (Appeals) Central Excise and Service Tax, Lucknow. The Matter has been closed under Sabka Vishwas legacy dispute resolution scheme	-	15
(V) Trade Mark Case against the company in High Court, Delhi	100	100
<b>G</b> COMMITMENT		
<b>A</b> CAPITAL EXPENDITURE (Net of fund already deployed)	5445	754
<b>B</b> UNCLAIMED DIVIDEND	72	79

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## NOTE 28 SEGMENT REPORTING

Segment Information for the year ended 31<sup>st</sup> March, 2022

Information about Primary Business Segments

(₹ in Lakh)

	SHOE DIVISION (FOOTWEAR)	TANNERY DIVISION (LEATHER)	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	100211	19105	55368	118	174802
	(61763)	(12719)	(34258)	(124)	(108864)
Inter - Segment		7075			7075
		(4058)			(4058)
<b>Total Revenue</b>	<b>100211</b>	<b>12030</b>	<b>55368</b>	<b>118</b>	<b>167726</b>
	<b>(61763)</b>	<b>(8661)</b>	<b>(34258)</b>	<b>(124)</b>	<b>(104806)</b>
<b>Result</b>					
Segment Result (Profit before Interest & Tax)	11468	301	6511	118	18398
	(5179)	2036	(2843)	(124)	(6109)
Less: Interest Expenses				(2698)	(2698)
				4100	4100
Unallocated Expenditure net of unallocated income				(759)	(759)
				963	963
Profit before Taxation	<b>11468</b>	<b>301</b>	<b>6511</b>	<b>(3338)</b>	<b>14942</b>
	<b>(5179)</b>	<b>2036</b>	<b>(2843)</b>	<b>4939</b>	<b>(1046)</b>
Provision for Taxation				(3898)	(3898)
				308	308
Net Profit	11468	301	6511	(7236)	11044
	(5179)	2036	(2843)	5247	(738)
<b>Other Information</b>					
Segment Assets	80445	16214	43266	1775	141700
	(70959)	(17515)	(25692)	(2642)	116808
Segment Liabilities	30694	5874	28781	857	66206
	(27381)	(6954)	(16943)	(1812)	(53090)
Capital Expenditure	6427	365	708	1	7501
	(3829)	(134)	(802)	(4)	(4769)
Depreciation	3565	886	1472	75	5998
	(2558)	(899)	(493)	(163)	(4113)

Information about Secondary Business Segments

(₹ in Lakh)

Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	116137	51589	167726
	(71396)	(33286)	(104682)
Inter Segment	-	-	-
	-	-	-
Total	116137	51589	167726
	(71396)	(33286)	(104682)
Carrying amount of segment assets	141700	-	141700
	(116808)	-	(116808)
Additions to Fixed Assets	7501	-	7501
	(4769)	-	(4769)

\*Includes Export incentive received on Export



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### Notes :

- (i) The Company is organized into three main business segments, namely:  
Tannery Division - Manufacturing Finished Leather from Raw Hides, Wet Blue & Crust.  
Shoe Division - Manufacturing Finished Leather Shoes.  
Garments/ Accessories Division - Trading of Garments/Accessories.  
Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organization structure, and the internal financial reporting systems.
- (ii) Segmental Revenue in each of the above business segments primarily include domestic and export sales, export incentives and other miscellaneous income and also includes inter Segment transfers, priced at cost plus a predetermined rate of profit.
- (iii) The Segmental Revenue in the geographical segments considered for disclosure are as follows:  
(a) Revenue within India includes sales to customers located within India and earnings in India.  
(b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- (iv) Segmental Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

### NOTE 29 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
No. of Non Resident Shareholders	NIL	NIL
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	-	-
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

### NOTE 30 RELATED PARTY TRANSACTIONS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Transactions 2022	Outstanding as on March 2022	Volume of Transactions 2021	Outstanding as on March 2021
1	<b>Purchase</b>					
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	10778	0 Cr.	7274	37 Cr.
	Gempack Enterprises	Enterprise over which Key Management Personnel are able to exercise significant Influence	390	35 Cr.	248	14 Cr.
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	75	4 Cr.	75	16 Cr.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
	Mirza (HK) Limited	Foreign Wholly Owned Subsidiary company	0	1 Cr.	0	1 Cr.
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	58	1 Cr.	90	13 Cr.
<b>2</b>	<b>Jobwork expenses</b>					
	Mars International, Knp	Whole Time Directors are the relatives of firm's proprietor	0	0	291	3 Cr.
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0	0	0
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	0
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	78	0	88	0
<b>3</b>	<b>Rent &amp; Maintenance charges Paid</b>					
	Mr. Irshad Mirza	Key Management Personnel	0	0	0	0 Cr.
	Mrs Sabiha Hussain	Key Management Personnel	0	0	2	0 Cr.
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	2	0	5	0
<b>4</b>	<b>Sales</b>					
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	3342	406 Dr.	2141	0
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	11638	3369 Dr.	7725	578 Dr.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
<b>For the year ended 31<sup>st</sup> March 2022</b>						
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0 Dr.	0	0
	Gempack Enterprises	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	0
	Mars International	Whole Time Directors are the relatives of firm's proprietor	0	0	0	0
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	140	0	0	0 Dr.
	RTS Fashion FZE	Enterprise over which Key Management Personnel are able to exercise significant Influence	438	422 Dr.	677	635 Dr.
<b>5</b>	<b>Jobwork income</b>					
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0 Dr.	0	0
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	155	0	35	0
<b>6</b>	<b>Guarantee Commission</b>					
	Mr. Rashid Ahmed Mirza	Key Management Personnel	0	0	0	0
	Mr. Shahid Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
	Mr. Tauseef Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
	Mr. Tasneef Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
<b>7</b>	<b>Salaries &amp; Perquisites</b>					
	To Relatives of Key Management Personel					
	Mr. Faraz Mirza		73	6 Cr.	66	6 Cr.
	Mr. Mustafa Mirza		4	1 Cr.	1	0
	Ms. Hiba Mirza		6	1 Cr.	1	0

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
<b>For the year ended 31<sup>st</sup> March 2022</b>						
<b>8</b>	<b>Managerial Remuneration</b>					
	Directors Remuneration		859	72 Cr	787	72 Cr.
	Directors Perquisites		19	0	9	0
<b>9</b>	<b>Directors Sitting Fee</b>		<b>4</b>	<b>0</b>	<b>3</b>	<b>0 Cr</b>
<b>11</b>	<b>Corporate Social Responsibilities</b>					
	Mirza Foundation	Enterprise over which Key Management Personnel are able to exercise significant Influence	108	0	170	-
	Mirza Charitable Hospital Limited	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	1	-
	MAHARANI BAGH RESIDENTS WELFARE ASSOCIATIONS	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	
	Kilkari Charitable Trust	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0	0	-
<b>12</b>	<b>Export Commission</b>					
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	515	0		
	RTS Fashion FZE, Dubai	Enterprise over which Key Management Personnel are able to exercise significant Influence	55	0	411	0 Cr.
	<b>Investment</b>					
	REDTAPE LIMITED	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0		



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### RELATED PARTY DISCLOSURE

Related Party Disclosures, as required by IND-AS24, are given below:

<b>Relationships :</b>	
i) Subsidiaries :	Mirza (HK) Limited, Mirza Bangla Limited, Sen En Mirza Industrial Supply Chain LLP, REDTAPE Limited
ii) Key Management Personnel & Relatives:	Mr. Rashid Ahmed Mirza (Chairman and Managing Director), Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza, Mr. Narendra Prasad Upadhyay, Mr. Shuja Mirza (Whole-time Directors), Ms. Priyanka Pahuja (Company Secretary), Mr. V.T. Cherian (C.F.O.)
iii) Directors & Relatives:	Mr. Sudhindra Kumar Jain, Mr. Sanjay Bhalla, Mr. Sanjiv Gupta, Dr. Yashvir Singh, Mr. Qazi Noor Salam, Ms. Saumya Srivastava (Independent Directors)
iii) Related Companies:	Shoemax Engineering Pvt. Ltd., Shoemac Leather Tech Engineers Ltd., Mirza Charitable Hospital Ltd., Tilbrook Enterprises Ltd., Mirza (UK) Ltd., Euro Footwear Pvt. Ltd., EmGee Projects Pvt. Ltd., Genesisriverview Resorts Pvt. Ltd., Genesis Infra Projects Pvt. Ltd., Granule Infra India Pvt. Ltd., RTS Fashions Pvt. Ltd., Aarem Heights Pvt. Ltd., Mirza Investment Pvt. Ltd., Silver Spark Pvt. Ltd., Kasi 1981 Alumni Foundation, RTS Fashion FZE-UAE, Bertelsman Corporate Services India Pvt Ltd., Penguin Random House India Pvt. Ltd., Nuvanta Infradevelopers Pvt. Ltd., Merchant Chamber of Uttar Pradesh, RTS Fashion LLC, Empire Holdings Ltd., Marigold Holdings Ltd., Industrial Infrastructure Services (India), Olive Shoes Private Limited
iv) Related Parties/ Firms:	Achee Shoes LLP, Red Tape International LLP, Mirza Holdings LLP, Mughal Express LLP, F&R Farms LLP, Sen En Mirza Industrial Supply Chain LLP, Mirza Projects, Gempack Enterprises, Mars International, Waves International, Mirza Foundation, Kilkari Charitable Trust, Rishabh Kumar Lohia Memorial Trust, Chowdhary Ajab Singh & Co., Srivastava S & Co. (CA Firm), Hiba Mirza, Mustafa Mirza, Mr. Faraz Mirza (President Production)

### NOTE 31 FOLLOWING PAYMENTS TO DIRECTORS ARE INCLUDED IN VARIOUS HEADS OF EXPENDITURE :

Particulars	₹ in Lakh)	
	2022	2021
Salary	936	787
Perquisites	19	9
Sitting Fees	5	3
Guarantee Commission	450	225
<b>Total</b>	<b>1410</b>	<b>1024</b>

### NOTE 32 FORWARD CONTRACTS

Forward Exchange Contracts entered into by the Company and outstanding as at Balance Sheet date

Forward contracts EURO INR 19.36 lakhs (20.00 lakhs) Sell Hedging

Forward contracts GBP INR 138.48 lakhs (145.00 lakhs) Sell Hedging

Forward contracts USD INR 178.54 lakhs (168.60 lakhs) Sell Hedging

Forward contracts USD INR 466.74 lakhs (75.29 lakhs) Purchase Hedging

### NOTE 33 THERE ARE NO IMMOVABLE PROPERTIES WHOSE TITLE DEED ARE NOT HELD IN THE NAME OF COMPANY

#### NOTE 33.1 BRIEF NOTE ON COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company in its meeting held on 10<sup>th</sup> December, 2021, has considered and approved a Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, and other applicable provisions, if any. The Composite Scheme of Arrangement, inter alia, provides for:

- Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
- De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis; and
- Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

The Share Exchange Ratio for the aforesaid Scheme is as follows:

- On Amalgamation the Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferor Company-RTS Fashions Pvt Ltd.
- On Demerger the Resulting Company-Redtape Ltd will issue 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the Shareholders of the Transferee Company for every 1 (one) Equity Share of ₹2 each held in the Transferee Company-Mirza International Ltd.

Appointed Date for the Scheme will be 1<sup>st</sup> January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

BSE and NSE have already approved the aforesaid Scheme of Arrangement. The Scheme is subject to requisite approvals of the Hon'ble National Company Law Tribunal and other competent authorities, if any.

### NOTE 34 RELATIONSHIP WITH STRUCK OFF COMPANY

Name of Struck off Company	Name of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Nil	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other Outstanding balance ( to be specified)	Nil	Nil

### NOTE 35 FOLLOWING RATIOS TO BE DISCLOSED:-

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2021-22	2020-21	Variation (In %)	Explanation for Changes of 25% or More General Remark :- Higher Turnover and Net Profitability Improved During the Current year by 59.75%
1	Current Ratio	Current Assets	Current Liabilities	Times	2.01	1.90	5.91%	
2	Debt-equity ratio	Total Debt <sup>^</sup>	"Equity	Times	0.10	0.22	52.98%	Debt repayment resulted in improvement of the ratio
3	Debt service coverage ratio	Earnings available for debt service*	Debt Service**	Times	3.04	0.84	260.41%	Increase in Profitability lead to repayment of debt, which resulted in improvion of the ratio
4	Return on equity ratio	Net Profit after taxes	Equity Shareholder funds	%	14.63	1.16	1163.05%	Higher Profitability as compared to last year has increased the return to Equity shareholders as compared to the previous year.
5	Inventory turnover ratio	Sales	Average Inventory	Times	3.51	2.49	40.78%	Higher level of Turnover has improvised the ratio
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	14.22	9.51	49.51%	Higher level of Turnover has improvised the ratio
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	3.92	4.31	-9.17%	
8	Net capital turnover ratio	Sales	Working Capital	Times	4.27	3.84	11.46%	
9	Net profit ratio	Net Profit after taxes	Sales	%	6.61	0.70	837.18%	Net profit margin of current year is better than previous year due to higher sales
10	Return on capital employed	Earning before interest and taxes	Capital Employed***	%	17.13	5.96	187.36%	Due to Increase in Turnover, EBIT has improvised which has inturn improved the return to shareholders
11	Return on investment	Return/ Profit/ Earnings	Investment	%	NA	NA	NA	



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE 36 CORPORATE SOCIAL RESPONSIBILITY

Where the company covered under section 135 of the Company Act, the following shall be disclosed with regard to CSR activities:-

S.I	Particulars	Amount in Lakh	Remarks
(i)	amount required to be spend by the company during the year,	100.89	
(ii)	amount of expenditure incurred,	109.84	
(iii)	shortfall at the end of years,	NA	
(iv)	total of previous year shortfall,	NA	
(v)	reason for shortfall,	NA	
(vi)	nature of CSR activities,		1) Eradicating Hunger, Poverty , Promotiong healthcare including preventive health care 2) Promoting Education 3) Ensuring Environmental sustainability, Agriculture, Animal Welfare
(vii)	Details of related party transaction, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	108	Mirza Foundation 1 Mirza Charitable Hospital Limited 1 Maharani Bagh Residents Welfare Associations
(viii)	where a provision is made with respect to a liability incurred by entering into a contracual obligation, the movement in the provision during the year shall be shown separately.	NA	

**NOTE-37 FIGURES OF PREVIOUS YEAR HAVE BEEN REGROUPED/REARRANGED WHEREVER NECESSARY TO MAKE THEM COMPARABLE WITH THE FIGURES OF CURRENT YEAR.**

### NOTE-38 LEASES

#### Right-of-use assets and Lease Liability:

Information about leases for which the company is a lessee is presented below:

#### Right-of-use assets (ROU Assets)

	Amount in Lakhs
<b>Balance as on 1 April 2021</b>	<b>13758</b>
Addition for the new leases*	5700
Depreciation charge for the year	(1747)
Deletions for terminated leases	(4044)
<b>Balance as on 31 March 2022</b>	<b>13668</b>

\*included initial direct cost.

The aggregate depreciation expense on ROU assets amounting to INR 1747 Lakhs is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in the lease liabilities during the year ended 31 March 2022:

Lease Liability	31/03/2022
<b>Balance as on 1 April 2021</b>	<b>15904</b>
Addition for New leases	1298
Accreditation of Interest	1163
Payment of Lease Liability	(2498)
Deletions for Terminated Leases	-
<b>Balance as on 31 March 2022</b>	<b>15867</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

As at Balance Sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees, and leases not commenced to which lessee is committed.

The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2022 on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows	31/03/2022
Less than one year	2736
After one year but not longer than five years	12614
More than five years	4625
<b>Total</b>	<b>19975</b>

Lease liabilities included in the statement of financial position at 31 March 2022

	31/03/2022
Current	2778
Non-Current	13089
<b>Total</b>	<b>15867</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### NOTE-39 IND AS 107, FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Investment, Cash and Cash equivalents	Aging analysis	Bank deposits, diversification of asset base
Liquidity Risk	Borrowing and other Liabilities	Cash flow forecast	Availability of borrowing facilities

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

#### (i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk Company uses forward exchange contracts to hedge its foreign exchange risk of anticipated sales or purchase transactions in the normal course of business, which occur within the next twelve months, for which it has a firm commitment from a customer or to a supplier.

The terms of these contracts are consistent with the timing of the transactions being hedged. The hedges related to forecasted transactions are designated and documented at the inception of the hedge as cash flow hedges.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022:

	('lakh)			
	USD	EUR	GBP	Others
Net financial assets	179	19	138	-
Net financial liabilities	467	-	-	-

#### (ii) Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Further Company's has no major investments in any interest-bearing instrument. Hence, the Company is not significantly exposed to interest rate risk.

#### (iii) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents and financial assets measured at amortized cost. The Company continuously monitors default of other counter parties and incorporates this information into its credit risk controls.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### a) Credit risk management

The Company assesses and manages credit risk of financial assets based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A. Low Credit Risk

B. Moderate Credit Risk

C. High Credit Risk

Asset Group	Basis of Categorization	Provision for expected credit loss
Low Credit Risk	Cash and cash equivalents, investments and other financial assets	12 month expected credit loss
Moderate Credit Risk	NA	Lifetime expected credit loss
High Credit Risk	NA	Lifetime expected credit loss or fully provided for

Cash and cash equivalents and bank deposits:

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country:

Assets under Low credit risk

Credit rating	Particulars	In Lacs	
		31-03-2022	31-03-2021
Low Credit Risk	Cash and cash equivalents investments and other financial assets	22437	13350

### b) Credit exposure

Provisions for expected credit losses:

The Company provides for 12 month expected credit losses for following financial assets:

As at 31st March, 2022

Particulars	In Lacs			Carrying amount net of impairment provision
	Estimated gross carrying amount	Expected credit loss	Expected credit losses	
Trade Receivable	15549			15549
Cash and cash equivalents	1485			1485
Other financial assets	5403			5403

As at 31st March, 2021

Particulars	In Lacs			Carrying amount net of impairment provision
	Estimated gross carrying amount	Expected credit loss	Expected credit losses	
Trade Receivable	7967			7967
Cash and cash equivalents	1005			1005
Other financial assets	4378			4378

### (iv) Other financial assets

Loans and receivable from related parties are periodically reviewed by the management in conjunction with the re-measured fair values of the Company's investments in those parties. Where the carrying amount of any receivable exceeds the re-measured fair value of investment, an impairment loss, to that extent, is provided for in the financial statements.

Cash and bank balances are managed by the Company's treasury department. Concentration risk is constantly monitored to mitigate financial loss.

The Company's maximum exposure to credit risk for the components of the financial assets as at, March 31, 2022 and April 01, 2021 is to the extent of their respective carrying amounts as disclosed in respective notes.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### (v) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Company's treasury department, in consultation with the project teams and management. The Company takes support from its secured lenders to finance and support the Company's operations.

### NOTE: 40 MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006. Beyond the statutory period of 45 days

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Particulars	As at 31 March 2022	As at 31 March 2021
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

### NOTE: 41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders.

Particulars	31st March,2022	31st March,2021
Net Debt*	6290	12950
Total Equity	75494	63718

\*Net debt = Long Term Borrowings + Short Term borrowings  
- Cash & cash equivalents

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE: 42 FINANCIAL INSTRUMENTS -FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

Set out below, are the fair values of the financial instruments of the Company, including their accounting classifications:

In Lacs

Particulars	Note No.	31st March 2022			31st March 2021		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial assets</b>							
Investments	2		297		292		
Security deposits	3	1264			1,272		
Trade receivables	5	15449			7,967		
Cash and cash equivalent	6	1485			1,005		
Incentive Receivable (Export)	7	704			1,317		
Duty Drawback Receivable	7	571			412		
Focus Product License	7	501			102		
Advances to Employees	7	82			101		
Advance to Other	7	127			129		
Interest Receivable	7	100			9		
Others	7	2			19		
ECGC Claim Receivable	7	0			725		
<b>Total</b>		<b>20285</b>	<b>297</b>	<b>-</b>	<b>13,058</b>	<b>292</b>	<b>-</b>
<b>Financial liabilities</b>							
Term loan from bank	10,16	2607			2,266		
Provision- Gratuity	11,17	1459			1,380		
Security deposits - for franchise	13	9955			6,003		
Lease Rent Liabilities (net)	13,16	15867			15,904		
Working Capital Loan from banks	14	5168			11,689		
Trade Payable	15	25204			10,891		
Unpaid Dividends	16	72			79		
Commission Payable on Inland Sales	16	1405			1,347		
Outstanding Liabilities	16	584			428		
Salary Payable	16	409			385		
Bonus Payable	16	584			534		
Audit Fees Payable	16	17			15		
Unpaid Commission on Export Sales	16	601			254		
Duties & Taxes (TDS payable)	16	211			184		
<b>Total</b>		<b>64143</b>	<b>-</b>	<b>-</b>	<b>51,440</b>	<b>-</b>	<b>-</b>

#### Financial instruments- Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

The following table provides the fair value measurement hierarchy of the financial assets and financial liabilities of the Company:

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at period end:

	31st March 2022				31st March 2021			
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		
		Level I	Level II	Level III		Level I	Level II	Level III
<b>A Financial Assets</b>								
<b>a) Measured at amortised cost</b>								
Security deposits	1,264	1,264			1,272	1,272		
Trade receivables	15,449	15,449			7,967	7,967		
Cash and cash equivalent	1,485	1,485			1,005	1,005		
Incentive Receivable (Export)	704	704			1,317	1,317		
Duty Drawback Receivable	571	571			412	412		
Focus Product License	501	501			102	102		
Advances to Employees	82	82			101	101		
Advance to Other	127	127			129	129		
Interest Receivable	100	100			9	9		
Others	2	2			19	19		
ECGC Claim Receivable	0	0			725	725		
<b>Sub Total</b>	<b>20,285</b>	<b>20,285</b>	<b>-</b>	<b>-</b>	<b>13,058</b>	<b>13,058</b>	<b>-</b>	<b>-</b>
<b>b) Measured at Fair value through OCI</b>								
Investment	297		297		292		292	
<b>Sub Total</b>	<b>297</b>	<b>-</b>	<b>297</b>	<b>-</b>	<b>292</b>	<b>-</b>	<b>292</b>	<b>-</b>
<b>c) Measured at Fair value through profit or loss</b>								
<b>Total</b>	<b>20,582</b>	<b>20,285</b>	<b>297</b>	<b>-</b>	<b>13,350</b>	<b>13,058</b>	<b>292</b>	<b>-</b>
<b>B Financial Liabilities</b>								
<b>a) Measured at amortised cost</b>								
Term loan from bank	2,607	2,607			2,266	2,266		
Provision- Gratuity	1,459	1,459			1,380	1,380		
Security deposits - for franchise	9,955	9,955			6,003	6,003		
Lease Rent Liabilities (net)	15,867	15,867			15,904	15,904		
Working Capital Loan from banks	5,168	5,168			11,689	11,689		
Trade Payable	25,204	25,204			10,891	10,891		
Unpaid Dividends	72	72			79	79		
Commission Payable on Inland Sales	1,405	1,405			1,347	1,347		
Outstanding Liabilities	584	584			428	428		
Salary Payable	409	409			385	385		
Bonus Payable	584	584			534	534		
Audit Fees Payable	17	17			15	15		
Unpaid Commission on Export Sales	601	601			254	254		
Duties & Taxes (TDS payable)	211	211			184	184		
Forward Contract due to bank	2,607	2,607			81	81		
<b>Total</b>	<b>64,143</b>	<b>64,143</b>	<b>-</b>	<b>-</b>	<b>51,440</b>	<b>51,440</b>	<b>-</b>	<b>-</b>

Notes:

- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair value of non-current financial assets has not been disclosed as these are bank deposits with maturity more than 12 months, and there are no significant differences between their carrying value and fair value.
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### NOTE: 43 FRAUD

During the financial year 3 cases of fraud /embezzlement in the nature of misappropriation were reported. The amount involved was ₹ 36.77 lacs out of which ₹ 0.72 lacs were recovered and management is of the opinion that ₹ 10.57 lacs is recoverable whereas ₹ 25.49 lacs has been written off considering same as non recoverable.

The company has also written off ₹ 21.62 lacs pertaining to the fraud/embezzlement occurred during previous financial year which was considered as then recoverable. Thus the total amount written off ₹ 47.11 lacs

### NOTE 44 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

#### 1) COMPANY OVERVIEW:

Mirza International Limited ('The Company') is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange and having its registered office located at 14/6, Civil Lines, Kanpur-208001, Uttar Pradesh, India. The Company is a leading manufacturer & exporter of finished leather, Footwear and trader of footwear and apparels and allied products.

#### 2) STATEMENT OF COMPLIANCE:

These standalone financial statements have been prepared & comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended & other relevant provisions of the Act.

#### 3) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

Fair value measurement under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

#### 4) USE OF ESTIMATES AND JUDGEMENT:

The preparation of the financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### 5) PROPERTY PLANT AND EQUIPMENT:

1. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Company are valued at cost of acquisition or construction net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes purchase price, borrowing cost of Capitalization allocated / apportioned direct and indirect expenses incurred in relation to bringing the fixed assets to its working condition for its intended life. The said cost is not reduced by specific Grants/ subsidy received against the assets.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

2. Capital Work in Progress – All costs attributable to the assets or incurred in relation to the assets under completion are aggregated under Capital work in progress to be allocated to individual assets on completion.
3. Lease hold land is capitalized with the lease premium paid; direct expenses/interest allocable to it till it is put to use.

## 6) DEPRECIATION & AMORTIZATION

- 1) Depreciation on Building, Plant and machinery, Furniture & fixtures, Vehicles and Computers is provided as per the Straight-Line Method (SLM), over the estimated useful lives of assets.
- 2) Lease hold land are amortized over the useful life remaining from the date, it put to use. The useful life of leasehold land is lease term remaining unexpired.
- 3) The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act.

- 4) The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- 5) Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.
- 6) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

## 7) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include bank overdrafts are form an integral part of Company's cash management."

## 8) BORROWING AND BORROWING COST

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets, all other Borrowing cost are charged to the Statement of Profit & Loss. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 9) LEASES:

The Company's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores. At inception of a contract, the Company assesses whether a contract 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, then the contract is considered as lease. Following factors are considered to determine whether a contract conveys the right to control the use of an identified asset:

- (i) The contract encompasses the use of an identified asset.
- (ii) The Company has extensively all of the economic benefits from use of the asset during the period of the lease; and
- (iii) The Company is in position to direct the use of the asset.

On the beginning of the lease, except for leases with a term of twelve months or less and low value leases, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease provisions in which it is a lessee.

For leases with a term of twelve months or less and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Where the lease provisions include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities adjusted only when it is reasonably certain that they will be exercised.

The ROU assets are initially accounted for at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Subsequently they are measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying ROU asset. Whenever events or changes in circumstances designate that their carrying amounts may not be recoverable ROU assets are evaluated for recoverability.

The lease liabilities at the commencement are measured at amortized cost at the present value of

the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a consistent change to the related ROU asset if the Company changes its appraisal about exercise of option for extension or termination.

Lease liabilities and ROU assets have been presented separately in the Balance Sheet and lease payments have been classified as financing cash flows.

### 10) 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.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### A) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss are added to the fair value on initial recognition. After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

### B) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### C) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### 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 recognized by an acquirer in a business combination to which Ind AS103 (Business Combinations) applies are classified as at FVTPL. 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 P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement And

### Either the Company:

- (a) has transferred substantially all the risks and rewards of the asset, or
- (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the continuing involvement of Company. In



## NOTES TO STANDALONE FINANCIAL STATEMENTS

that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

### Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Income recognition Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

### Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

### Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

## 11) INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## 12) INVENTORIES:

Inventories are valued at the lower of Historic Cost or the Net Realizable Value. Costs are determined as under:

Bought Out Items: On FIFO method except raw hides (which is valued at Specific Identification Method) and Chemicals (Which is valued at weighted average).

In the previous financial year cost of raw hides was determined at six months average purchase price in

case of indigenous hides and full period weighted average price in case of imported hides as cost under Specific Method was not determinable and cost of chemicals in the previous financial was calculated using FIFO method.

In respect of bought out items where Input Tax Credit is permitted all recoverable taxes are excluded from purchase price for determining the cost.

1. **Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.
2. **Finished Goods:** At direct cost-plus allocation of overheads (including interest on working capital) other than Marketing, Selling & Distribution Expenses and Interest on Term Loan.

## 13) FOREIGN CURRENCY TRANSACTIONS

### (i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### (ii) Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise

### (iii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

## 14) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 15) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

### Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

## 16) REVENUE RECOGNITION:

Revenue from Sale of Goods and Export Incentives- Revenue is recognized upon transfer of control of promised products or services to customers only when it can be reliably measured, and it is reasonable to expect ultimate collection. Revenue in respect of contracts for services is recognized when the services are rendered, and related costs are incurred. Export Incentives under various schemes are accounted in the year of export.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price

Concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from related party is recognized based on transaction price which is at arm's length.

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income"

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

## 17) RECEIVABLES

Receivables are disclosed in Indian currency equivalent of actually invoiced values. Receivables covered by bills of exchange purchased by the Company's bankers are neither shown as assets nor liabilities. Contingent liability in the event of nonpayment of the same is reflected in the Notes to the Accounts.

## 18) EMPLOYEE BENEFITS

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### (ii) Leave Encashment

The liabilities for earned leave and sick leave are settled as when accrued within the financial year.

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and pension; and
- (b) Defined contribution plans such as provident fund etc.

### Pension and gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

The present value of the defined benefit obligation 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 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.

Re measurement 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.

### Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred and deposited with the Government Provident Fund Scheme.

### Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## 19) TAXES ON INCOME

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized 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.

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 off set where the Company 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.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

## 20) INTANGIBLE ASSETS

Intangible assets acquired separately are measured in initial recognition at cost. Following initial recognition, intangibles, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting period.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period of 5 years from the date of its acquisition.

The cost of usage rights is being amortized over the concession period in the proportion in which the actual revenue received during the accounting year bears to the projected revenue from such intangible assets till the end of concession period.

## 21) EARNINGS PER SHARE

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 22) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Provision:

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

### Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) The amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

## Contingent Asset:

Contingent asset is neither recognized nor disclosed in the financial statements

## 23) EVENTS AFTER THE REPORTING PERIOD

It is the Company's Policy to take into the account the impact of any significant event that occurs after the reporting date but before the finalization of accounts

## 24) GOVERNMENT GRANTS:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorate portion of the depreciation of the assets, to amortize the grant over due life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

## 25) IMPAIRMENT OF TANGIBLE & INTANGIBLE ASSETS

### (i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

### (ii) Non-financial assets

The company assess at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

### 26) OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

Operating cycle for the business activities of the company covers the duration of the specific product

line/ service including the defect liability period wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

### 27) ECGC Policy

As per the accounting policy of ECGC, only 90% of the claim amount is claimable from ECGC and for balance 10% of claim amount company has to made necessary provision.

### 28) Composite Scheme of Arrangement

The Board of Directors of the Company in its meeting held on 10<sup>th</sup> December, 2021, has considered and approved a Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, and other applicable provisions, if any. The Composite Scheme of Arrangement, inter alia, provides for:

- i. Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis; and
- iii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.

The Share Exchange Ratio for the aforesaid Scheme is as follows:

- On Amalgamation the Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferor Company-RTS Fashions Pvt Ltd.
- On Demerger the Resulting Company-Redtape Ltd will issue 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the Shareholders of the Transferee Company for every 1 (one) Equity Share of ₹2 each held in the Transferee Company-Mirza International Ltd.

Appointed Date for the Scheme will be 1<sup>st</sup> January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

BSE and NSE have already approved the aforesaid Scheme of Arrangement. The Scheme is subject to requisite approvals of the Hon'ble National Company Law Tribunal and other competent authorities, if any.

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of Mirza International Limited  
**Report on the Audit of the Consolidated Financial Statements**

## OPINION

We have audited the accompanying consolidated financial statements of Mirza International Limited ( hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, 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 ended on that date, and notes to the consolidated financial statements, including summary of the significant accounting policies 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 the consideration of reports of other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, the consolidated profit and other comprehensive

income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India 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 obtained by us along with the consideration of audit reports of the other auditor referred in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## 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 of the current period. 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 Matter	How the key audit matter was addressed in the audit
<p>1. Net Realisable Value of Inventories of Finished Goods</p> <p>Refer Note No.- 45(12) and Note No.-5 of Consolidated financial statements</p> <p>Inventory is carried in the Financial Statements at the lower of cost and net realisable value. The major portion of the Company's inventory consist of finished goods which are lying at multiple locations such as retail stores, depots and factories. Finished goods are counted on a recurring basis and determination of NRV is made based on various estimates as at end of the reporting period.</p> <p>Since the company is dealing in footwear, apparel and accessories, sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trend.</p> <p>As a result, the carrying value of inventory may exceed in net realisable value.</p>	<p>We have designed the procedure to challenge the adequacy and effectiveness of the Company's determination of Net Realisable Value of finished goods, our procedures included:</p> <ul style="list-style-type: none"> <li>• Testing classification: Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season;</li> <li>• Historical trends of the company &amp; market: evaluated the current year provision by assessing historical trends. We examined the Company's historical trading patterns of inventory sold at full price and inventory sold below full price due to discount and season offers through alternative clearance routes, together with the related margins achieved for each channel. We used the information on trading patterns to assess whether the provisions held have historically been set at an appropriate level; and</li> <li>• Our understanding on the Company Business: based on our knowledge of the Company and the market, the appropriateness of the provision percentages applied by challenging the assumptions made by the Company on the extent to which older season's inventory can be sold through various channels.</li> </ul>



## **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including disclosure relating to Composite Scheme of Arrangement and Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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 communicate the matter to those charged with governance.

## **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 Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and 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 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 and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## **AUDITOR'S 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 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.

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 financial controls 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 system in place and the operating effectiveness of such controls based on our audit.
- 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'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 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 Company 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 consolidated financial statements of the current period 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.

## OTHER MATTERS

We did not audit the financial statements / financial information of 4 subsidiaries Mirza (HK) Limited, Mirza Bangla Limited, Sen En Mirza Industrial Supply Chain LLP and Redtape Limited included in the consolidated financial results, whose financial statements / financial information for the year ended on that date reflect the following:

Description	Mirza Bangla Ltd. (In ₹)	Mirza (HK) Ltd (In ₹)	Sen En Mirza Industrial Supply Chain LLP (In ₹)	Redtape Limited (In ₹)
Total Assets	6,80,23,322	3,01,701	1,88,96,183	63,200
Total Revenue	7,14,01,165	NIL	4,01,75,522	NIL
Net Profit / (Loss) after Tax	3,57,12,317	(2,37,318)	17,42,970	(41,800)
Comprehensive Income / (Loss)	4,59,930	7,144	NIL	NIL

These financial statements / financial information have been audited by other auditors whose reports 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates

to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

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 matters with



respect to our reliance on the work done and the reports of the other auditors and the financial statements / 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 reports of the other auditor on separate financial statements of such subsidiaries which were audited by other auditor, as noted in the 'Other Matters' paragraph, 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 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.
- (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 Cash Flow Statement 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 Indian 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to other matter to be included in the auditor's report in accordance with the requirements of the section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to director by the Holding company and its Subsidiary companies is not in excess of the limit prescribed under section 197 of the Act.

2. 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. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note No-28.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) 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 Holding company or its Subsidiary companies incorporated in India to or in any other persons or entities 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 ("ultimate beneficiaries") by or on behalf of the Holding company or its Subsidiary Companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- b) The management has represented that to the best of its knowledge and belief, no funds have been received by the Holding company or its Subsidiary company incorporated in India from any persons or entities, including

foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Holding company or its Subsidiary Company incorporated in India shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate beneficiaries") by or on behalf of the company or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries and
- c) Based on such audit procedures as considered reasonable and appropriate in

the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv)(b) contain any material misstatement.

- v. No dividend has been declared or paid, during the year, by the Holding company and its subsidiary companies incorporated in India.

For **D R A & Co.**  
Chartered Accountants  
FRN: 006476N

**Priyanka Rai**  
Partner  
M.No.429735  
UDIN: 22429735AJWSW01868

Date: May 30, 2022  
Place: New Delhi



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Mirza International Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31<sup>st</sup> March, 2022, we have audited the internal financial controls over financial reporting of MIRZA INTERNATIONAL LIMITED (hereinafter referred to as “the Company”) and its subsidiary companies as of that date.

### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over

financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **D R A & Co.**  
Chartered Accountants  
FRN: 006476N

**Priyanka Rai**  
Partner

Date: May 30, 2022  
Place: New Delhi

M.No.429735  
UDIN: 22429735AJWSW01868



# CONSOLIDATED BALANCE SHEET

Particulars	Note No.	(₹ in Lakh)	
		As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2		
(i) Property, plant and equipment		45643	42696
(ii) Capital work-in-progress of properties, plant & equipment		1627	780
(iii) Intangible assets			
(iv) Capital work-in-progress of intangible assets		483	343
Right of Use Assets	2B	13667	13758
Financial Assets			
Investments	3	189	194
Other Financial Assets	4	1266	1274
Other Non Current assets	4.1	1027	28
<b>Total Non-Current assets</b>		<b>63902</b>	<b>59073</b>
<b>Current assets</b>			
Inventories	5	52592	42627
Financial Assets			
Trade receivables	6	15549	7967
Cash and cash equivalents	7	2180	1208
Other financial current assets	8	2824	2751
Other current assets	9	5232	3336
<b>Total Current assets</b>		<b>78377</b>	<b>57889</b>
<b>Total Assets</b>		<b>142279</b>	<b>116962</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10A	2406	2406
Other Equity	10B	73547	61414
Non- Controlling Interest		18	10
<b>Total Equity</b>		<b>75971</b>	<b>63830</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	11	1515	439
Provisions	12	1371	1333
Deferred tax liabilities (Net)	13	1554	1463
Other non-current Liabilities	14	23044	19374
<b>Total Non-current liabilities</b>		<b>27484</b>	<b>22608</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	6260	13518
Trade payables	16		
(i) MSME		408	283
(ii) Trade Payables other than MSME		24893	10694
Other financial current liabilities	17	6951	5849
Non financial current liabilities	17.1	225	133
Provisions	18	88	47
<b>Total current liabilities</b>		<b>38825</b>	<b>30524</b>
<b>Total Liabilities</b>		<b>66308</b>	<b>53132</b>
<b>Total Equity and Liabilities</b>		<b>142279</b>	<b>116962</b>
See accompanying Notes to the Financial Statements	1-44		
Significant Accounting Policies	45		

The Notes referred to above form an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date attached.

**For DRA & Co**

Chartered Accountants  
FRN 006476N

**CA. Priyanka Rai**

Partner  
M.No. 429735  
UDIN: 22429735AJWSW01868

Place : Noida

Date : May 30, 2022

**For & on behalf of the board of Directors****Rashid Ahmed Mirza**

(Chairman and Managing Director)  
DIN: 00049009

**V. T. Cherian**

(Chief Financial Officer)

**Tauseef Ahmad Mirza**

(Whole Time Director)  
DIN: 00049037

**Priyanka Pahuja**

(Company Secretary)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	19	167867	104893
Other income	20	572	120
<b>Total Income</b>		<b>168439</b>	<b>105013</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	29458	18080
Purchases of Stock-in-Trade		70716	44053
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(5742)	(3265)
Employee benefits expense	23	10520	8940
Finance costs	24	2698	4101
Depreciation and Amortization expense	25	6026	6654
Other expenses	26	39408	25257
<b>Total Expenses</b>		<b>153084</b>	<b>103820</b>
<b>Profit before tax Including Non- Controlling Interest</b>		<b>15355</b>	<b>1193</b>
<b>Net Income Allocable to Non-Controlling Interest</b>		<b>8</b>	<b>4</b>
<b>Profit Before tax after Non-Controlling Interest</b>		<b>15347</b>	<b>1189</b>
<b>Tax Expense</b>			
Current tax		3966	657
Deferred tax		91	-302
<b>Profit for the Year</b>		<b>11290</b>	<b>834</b>
<b>Other comprehensive Income:</b>			
<b>i. Items that will not be reclassified to Statement of Profit and Loss</b>	20 (i)	(6)	226
Income tax relating to items that will not be reclassified to Profit and Loss		3	(59)
<b>ii. Items that will be reclassified to Statement of Profit and Loss</b>	20(ii)	527	(75)
Income Tax on above		(177)	20
Other Comprehensive Income for the year		<b>347</b>	<b>112</b>
<b>Total comprehensive income for the year</b>		<b>11637</b>	<b>946</b>
<b>Earning per equity share of face value of ₹ 2 each</b>			
<b>Basic (in ₹)</b>		<b>9.38</b>	<b>0.69</b>
<b>Diluted (in ₹)</b>		<b>9.38</b>	<b>0.69</b>
See accompanying Notes to the Financial Statements	1-44		
Significant Accounting Policies	45		

The Notes referred to above form an integral part of the Financial Statements.

This is the statement of Profit and Loss referred to in our report of even date attached.

**For DRA & Co**  
Chartered Accountants  
FRN 006476N

**For & on behalf of the board of Directors**

**CA. Priyanka Rai**  
Partner  
M.No. 429735  
UDIN: 22429735AJWSW01868

**Rashid Ahmed Mirza**  
(Chairman and Managing Director)  
DIN: 00049009

**Tauseef Ahmad Mirza**  
(Whole Time Director)  
DIN: 00049037

Place : Noida  
Date : May 30, 2022

**V. T. Cherian**  
(Chief Financial Officer)

**Priyanka Pahuja**  
(Company Secretary)



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## (A) EQUITY SHARE CAPITAL

		(₹ in Lakh)
<b>As at March 31, 2020</b>		<b>2406</b>
Changes in equity share capital	9A	-
<b>As at March 31, 2021</b>		<b>2406</b>
Changes in equity share capital	9A	-
<b>As at March 31, 2022</b>		<b>2406</b>

## (B) OTHER EQUITY

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve	Hedging Reserves	
<b>Balance as at March 31, 2020</b>	<b>11753</b>	<b>5</b>	<b>48449</b>	<b>196</b>	<b>(17)</b>	<b>60386</b>
Add : Profit for the year 2020-21			835			835
	(6)		168			162
Less : Change in Fair Value of Hedging instruments net of taxes					(38)	(38)
Less : Income Tax Adjustment (Net)			88			88
Less : Distribution of Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred from Profit & Loss Account	6		0	(23)		(17)
<b>Balance as at March 31, 2021</b>	<b>11753</b>	<b>5</b>	<b>49540</b>	<b>173</b>	<b>(55)</b>	<b>61416</b>
Add : Profit as at 31.03.2022			11290			11290
Add : Other Comprehensive Income (net of tax)	0		(3)			(3)
Add:- Capital Revaluation Reserve			10			10
Add : Change in Fair Value of Hedging instruments net of taxes					760	760
Add : Income Tax Adjustment (Net)			0			0
Less : Transferred from Profit & Loss Account	96				(22)	74
<b>Balance as at March 31, 2022</b>	<b>11849</b>	<b>5</b>	<b>60837</b>	<b>151</b>	<b>705</b>	<b>73547</b>

The Notes referred to above form an integral part of the Financial Statements.

This is the Consolidate Statement of Change in Equity referred to in our report of even date attached.

### For DRA & Co

Chartered Accountants  
FRN 006476N

### CA. Priyanka Rai

Partner  
M.No. 429735  
UDIN: 22429735AJWSW01868

Place : Noida  
Date : May 30, 2022

### For & on behalf of the board of Directors

### Rashid Ahmed Mirza

(Chairman and Managing Director)  
DIN: 00049009

### V. T. Cherian

(Chief Financial Officer)

### Tauseef Ahmad Mirza

(Whole Time Director)  
DIN: 00049037

### Priyanka Pahuja

(Company Secretary)

# CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>(A) CASH FROM OPERATING ACTIVITIES</b>		
Net profit before tax	15351	1193
Adjustments for		
Add :		
(Profit)/Loss on sale of Property, Plant & Equipment	(29)	81
Depreciation & amortisation for the year	6026	6654
Finance cost	2698	4101
	<b>8695</b>	<b>10836</b>
Less :		
Interest Income	96	80
Ceaser of Lease Liability	453	
Income from Govt. Grant	22	23
<b>Operating Profit before Working Capital Changes</b>	<b>23475</b>	<b>11926</b>
Adjustments For		
Trade & other Receivables	(10672)	6084
Inventory	(9965)	(1304)
Trade Payables	19564	1756
Others	569	5372
<b>Cash Generated from Operations</b>	<b>22971</b>	<b>23834</b>
Direct Taxes Paid	(3701)	(50)
Cash flow before extra ordinary items	19270	23784
Net Cash generated from Operating Activity	19270	23784
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(8517)	(4910)
Sales of Property, Plant & Equipment	327	740
Government Grant Received	22	80
Interest Received	96	23
<b>Net Cash used in Investing Activities</b>	<b>(8072)</b>	<b>(4067)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(7)	3
Repayment of Long Term Borrowings	1081	(1306)
Repayment of Short Term Borrowings	(7258)	(13525)
Payment of lease liabilities	(2507)	(2111)
Finance cost	(1535)	(3127)
Net cash used in financing activities	(10226)	(20066)
Net Increase/(Decrease) in Cash & Equivalents	972	(349)
Cash & Equivalents at the beginning of the year	1208	1557
<b>Cash &amp; Equivalents at the end of the year</b>	<b>2180</b>	<b>1208</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	(₹ in Lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	327	202
Balances with banks:		
- On current accounts	1853	1006
Bank overdraft	-	-
- On deposit accounts with original maturity of less than 3 months	-	-
- On deposit account for more than 3 months and less than 12 months	-	-
- On deposit accounts with original maturity of between 3 months and 12 months	-	-
	<b>2180</b>	<b>1208</b>
Less: Fixed deposits with original maturity of between 3 months and 12 months		
<b>Total cash and cash equivalents (note 10 A)</b>	<b>2180</b>	<b>1208</b>

Cash flows are reported using indirect method, thereby profit for the year is adjusted for the effects of the transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. The company considers all highly liquid investments that are readily convertible to known amount of cash to be cash equivalents.

Notes on Financial Statements: Note No. 1-44 ; Significant Accounting Policies Note No. 45

The Notes referred to above form an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date attached.

**For DRA & Co**

Chartered Accountants  
FRN 006476N

**CA. Priyanka Rai**

Partner  
M.No. 429735  
UDIN: 22429735AJWSW01868

Place : Noida  
Date : May 30, 2022

**For & on behalf of the board of Directors****Rashid Ahmed Mirza**

(Chairman and Managing Director)  
DIN: 00049009

**V. T. Cherian**

(Chief Financial Officer)

**Tauseef Ahmad Mirza**

(Whole Time Director)  
DIN: 00049037

**Priyanka Pahuja**

(Company Secretary)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the financial statements of the Group as at 31 March 2022. 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 Company, i.e., year ended on 31<sup>st</sup> March 2022. 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.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent on line by line basis with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
  - Derecognises the assets (including goodwill) and liabilities of the subsidiary
  - Derecognises the carrying amount of any non-controlling interests
  - Derecognises the cumulative translation differences recorded in equity
  - Recognises the fair value of the consideration received
  - Recognises the fair value of any investment retained
  - Recognises any surplus or deficit in profit or loss
  - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Investments accounted for using the equity method.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as Share of profit of an associate and a joint venture in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2021	Additions	Deductions	Balance as at 1 April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31 March 2022	Balance as at 31 March 2021
	1 April 2021			2021	2021			March 2022	March 2021
<b>A Land</b>									
Land Freehold	918	0	-	-	-	-	-	918	918
Land Leasehold	3555	0	-	493	43	0	-	3019	3062
Buildings	21916	2271	0	5734	691	0	0	17762	16182
<b>Plant &amp; Machinery</b>									
Machinery	28656	2037	983	15174	1690	64	807	13589	13482
Effluent Treatment Plant	1194	0	0	507	73	0	0	614	687
Tools & Shoe Lasts	3611	518	233	3437	397	0	247	309	174
Furniture Fixtures, Office Equipments & Electrical Installation	11242	2018	45	4192	1050	0	2	7975	7050
Vehicles	1923	575	493	887	213	0	394	1299	1036
Computers	1234	112	1	1129	59	0	1	158	105
<b>Total</b>	<b>74249</b>	<b>7531</b>	<b>1755</b>	<b>31553</b>	<b>4216</b>	<b>64</b>	<b>1451</b>	<b>34382</b>	<b>42696</b>
2A Capital Work In Progress									
Capital work-in-progress of properties, plant & equipment								1627	780
Capital work-in-progress of intangible assets								483	343
<b>Total</b>	<b>74249</b>	<b>7531</b>	<b>1755</b>	<b>31553</b>	<b>4216</b>	<b>64</b>	<b>1451</b>	<b>34382</b>	<b>43819</b>
Previous Year : Property Plant & Equipment	(73232)	(4927)	(3819)	(30422)	(4195)	(12)	(2984)	(31644)	(43875)
Capital -Work-in Progress								(1123)	(1065)

## NOTE 2.1 CAPITAL -WORK-IN PROGRESS ( CWIP)

Capital Work-in Progress	Amount in CWIP for a Period of				Balance as at 31 March 2022
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Asset details:</b>					<b>Total</b>
Unit-2	396	8	0	0	404
Unit-5	1223				1223
	<b>1619</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1627</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Capital Work-in Progress	Amount in CWIP for a Period of			Balance as at 31 March 2021
	Less than 1 Year	1-2 Years	2-3 Years More than 3 Years	
Asset details:				Total
Sector -90 Noida	401	347	0	748
Tannery	17			17
Unit-2	16	0	8	32
	<b>434</b>	<b>347</b>	<b>8</b>	<b>797</b>

**NOTE 2.2 INTANGIBLE ASSETS UNDER DEVELOPMENT**

Intangible assets under development	Amount in CWIP for a Period of			Balance as at 31 March 2022
	Less than 1 Year	1-2 Years	2-3 Years More than 3 Years	
Asset details:				Total
Projects in progress	148	111	224	483
	<b>148</b>	<b>111</b>	<b>224</b>	<b>483</b>

Intangible assets under development	Amount in CWIP for a Period of			Balance as at 31 March 2021
	Less than 1 Year	1-2 Years	2-3 Years More than 3 Years	
Asset details:				Total
Projects in progress	111	223	0	334
	<b>111</b>	<b>223</b>	<b>0</b>	<b>334</b>

**NOTE 2.3 INTANGIBLE ASSETS UNDER DEVELOPMENT**

Intangible assets under development	To be Completed in as on 31 March 2022		
	Less than 1 Year	1-2 Years	2-3 Years More than 3 Years
Project 1	86	158	0
<b>Total</b>	<b>86</b>	<b>158</b>	<b>0</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets under development	To be Completed in as on 31 March 2021				₹ in Lakh
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Project 1	86	0	0	0	0
<b>Total</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTE 2B RIGHT OF USE ASSETS

Right of Use Assets	As at 01.04.2021	Additions	Deductions	Balance as at 31 March 2022	Depreciation charge for the year	Impairment disposals	Balance as at		₹ in Lakh
							31 March 2022	31 March 2021	
Right of Use ( Building)	18670	5700	4044	20326	1747	0	6658	13667	13758
Previous Year	(18147)	(522)		(18669)	(2470)		(4910)	(13758)	(15707)

## NOTE 3 INVESTMENTS

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Investment in Equity instruments	189	194
<b>Total</b>	<b>189</b>	<b>194</b>

Particulars	₹ in Lakh	
	2022	2021
Aggregate amount of Quoted investments	1	1
Aggregate Market Value of Quoted Investments	1	1
Aggregate amount of unquoted investments	188	193



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### A. DETAILS OF TRADE INVESTMENTS

₹ in Lakhs

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Structured entity	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount			
			2022 (4)	2021 (5)			2022 (8) FV	(9) BV	(10) FVT OCI	2021 (11)
1	Industrial Infrastructure Services (India) Ltd.	Structured	240000	240000	Unquoted	Fully Paid	73.4	24.0	49.4	54.7
2	Kanpur Unnao Leather Cluster Development Co. Ltd.	Structured	250000	250000	Unquoted	Fully Paid	106.8	25.0	81.8	106.8
3	J.P.Associates Ltd.	Structured	2000	2000	Quoted	Fully paid	0.1	0.3	-0.1	0.1
4	Sarup Tannery Ltd.	Structured	500	500	Quoted	Fully paid	0.1	0.3	0.0	0.1
5	Super House Ltd.	Structured	150	150	Quoted	Fully paid	0.1	0.1	0.2	0.2
6	Super Tannery Ltd.	Structured	1000	1000	Quoted	Fully paid	0.3	1.0	-0.7	0.0
7	Mirza Charitable Hospital Limited (Sec.25 Co.)	Structured	80000	80000	Unquoted	Fully paid	8.0	8.0	0.0	32.5
<b>Total</b>							<b>189</b>	<b>59</b>	<b>131</b>	<b>194</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4 OTHER FINANCIAL ASSETS (NON CURRENT)

₹ in Lakh

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
<b>Unsecured, considered good</b>				
<b>Security Deposits</b>				
Security Deposit - Rent	906		919	
Security Deposit - Others	360	1266	355	1274
<b>Total</b>	<b>1266</b>		<b>1274</b>	

## NOTE 4.1 OTHER NON CURRENT ASSETS

₹ in Lakh

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
<b>Unsecured, considered good</b>				
Advance for Capital Goods		1027		28
<b>Total</b>	<b>1027</b>		<b>28</b>	

## NOTE 5 INVENTORIES \*

₹ in Lakh

INVENTORIES *	As at 31 March 2022		As at 31 March 2021	
a. Raw Materials and components	8685		4471	
		8685		4471
b. Work-in-progress	3329		2382	
		3329		2382
c. Finished goods	19730		14935	
d. Stock-in-trade	19620		19968	
Goods-in transit	955		607	
		40305		35510
e. Stores and spares	273		264	
		273		264
<b>Total</b>	<b>52592</b>		<b>42627</b>	

\*There is no change in the accounting policy regarding valuation of Inventory however, post implementation of ERP, determination of cost of hides is done on specific identification method, and chemical is being valued on weighted average method. Due to change in cost determination method the inventory has been valued at ₹ 3,492.28 Lakhs which is lower by ₹ 30.26 Lakhs as against the cost determined as per erstwhile method which stood at ₹ 3,522.54 Lakhs.

## NOTE 6 TRADE RECEIVABLES

₹ in Lakh

Trade Receivables	As at 31 March 2022		As at 31 March 2021	
<b>Trade Receivable -Related Parties*</b>	3810		1213	
Trade receivables considered good- unsecured ( Other then related parties)	11739	15549	6754	7967
<b>Total</b>	<b>15549</b>		<b>7967</b>	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 6.1 TRADE RECEIVABLE OUTSTANDING AGEING SCHEDULE (FY 2021-22)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	13894	0
6 Months - 1 Year	1549	0
1-2 years	102	0
2-3 years	1	0
More than 3 years	2	0
<b>Total</b>	<b>15,548</b>	<b>-</b>

\*Undisputed dues only, there are no disputed dues outstanding.

## TRADE RECEIVABLE OUTSTANDING AGEING SCHEDULE (FY 2020-21)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	6157	0
6 Months - 1 Year	725	0
1-2 years	1041	0
2-3 years	43	0
More than 3 years	0	0
<b>Total</b>	<b>7,966</b>	<b>-</b>

\*There are no disputed trade receivables

## NOTE 7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
a. Balances with banks	1853	1006
Earmarked Balances (Unpaid dividend accounts)	72	79
Balance with banks held as margin money deposits against guarantees*	407	401
b. Cash in hand	327	202
<b>Total</b>	<b>2180</b>	<b>1208</b>

\*Details of FDs that are pledged with the Bank as margin money for LCs

## NOTE 8 OTHER FINANCIAL CURRENT ASSETS

OTHER FINANCIAL CURRENT ASSETS	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Incentive Receivable (Export)	384	1317
Duty Drawback Receivable	572	412
Focus Product License	501	102
Advances to Employees	105	102
RODTEP Product Licence	320	
Advance to Other	134	129
Interest Receivable	100	9
Others	3	36
Foreign currency forward contract	705	-81
ECGC Claim Receivable	0	725
<b>Total</b>	<b>2824</b>	<b>2751</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 9 OTHER CURRENT ASSETS

₹ in Lakh

OTHER CURRENT ASSETS	As at	
	31 March 2022	31 March 2021
<b>(i) Advance other than Capital Advance</b>	<b>885</b>	<b>353</b>
Advance to related party	-	-
Supplier Advance	885	353
<b>(ii) Others</b>	<b>4,347</b>	<b>2,983</b>
Advance Income Tax (Net of Provision)	-300	83
Duties & Taxes (Others)	15	50
Duties & Taxes (GST)	4272	2663
Prepaid Expenses	360	187
<b>Total</b>	<b>5232</b>	<b>3336</b>

## NOTE 10 EQUITY SHARE CAPITAL

Share Capital	As at		As at	
	31 March 2022		31 March 2021	
	Number	₹ in Lakh	Number	₹ in Lakh
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
	<b>256250000</b>	<b>5125</b>	<b>256250000</b>	<b>5125</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each fully paid up	120306000	2406	120306000	2406
<b>Total</b>	<b>120306000</b>	<b>2406</b>	<b>120306000</b>	<b>2406</b>

## NOTE 10A.1 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	Equity Shares	
	Number	₹ in Lakh
Shares outstanding at the beginning of the year	120306000	2406
Preference Shares converted into Equity Shares	NIL	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	120306000	2406

## NOTE 10A.2 TERMS / RIGHTS ATTACHED TO SHARES

### a. Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

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.

The distribution will be in proportion to the number of equity shares held by the shareholders.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 10A.3 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

EQUITY SHARES				
Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
RASHID AHMED MIRZA	13,665,520	11.36%	13,665,520	11.36%
SHAHID AHMAD MIRZA	14,981,465	12.45%	10,152,053	8.44%
TAUSEEF AHMAD MIRZA	18,058,453	15.01%	17,558,453	14.59%
TASNEEF AHMAD MIRZA	14,076,104	11.70%	14,076,104	11.70%
SHUJA MIRZA	10,202,099	8.48%	10,202,099	8.48%

## NOTE 10A.3A DETAILS OF SHARES HELD BY PROMOTERS

As at 31st March, 2022

Name of the promoter	Number of shares as at 01.04.2021	Change during the year	Number of shares as at 31.3.2022	% Holding as at year end	% Change during the year
RASHID AHMED MIRZA	13,665,520	-	13,665,520	11.36	N.A
SHAHID AHMAD MIRZA	10,152,053	4,829,412	14,981,465	12.45	0.48
TAUSEEF AHMAD MIRZA	17,558,453	500,000	18,058,453	15.01	0.03
TASNEEF AHMAD MIRZA	14,076,104	-	14,076,104	11.70	N.A
SHUJA MIRZA	10,202,099	-	10,202,099	8.48	N.A
FARAZ MIRZA	4,798,940	-4,798,940	-	-	100
YASMIN MIRZA	5,500,850	-	5,500,850	4.57	N.A
FAUZIA MIRZA	3,008,450	-	3,008,450	3	N.A
HAYA MIRZA	30,472	-30,472	-	-	100
MUSTAFA MIRZA	500,000	-500,000	-	-	100
FARZAN MIRZA	500,000	-	500,000	0.42	N.A
AMAAN MIRZA	447,000	-	447,000	0.37	N.A
IRAM MIRZA	960,500	-	960,500	0.80	N.A
RAMSHA REHMAN		250,000	250,000	0.21	100
FIRDAUS AMIN		50,000	50,000	0.04	100

As at 31st March, 2021

Name of the promoter	Number of shares as at 01.04.2020	Change during the year	Number of shares as at 31.3.2021	% Holding	% Change during the year
RASHID AHMED MIRZA	13,665,520	-	13,665,520	11.36	N.A
SHAHID AHMAD MIRZA	10,152,053	-	10,152,053	8.44	N.A
TAUSEEF AHMAD MIRZA	17,558,453	-	17,558,453	14.59	N.A
TASNEEF AHMAD MIRZA	14,076,104	-	14,076,104	11.70	N.A
SHUJA MIRZA	10,201,740	-	10,201,740	8.48	N.A
FARAZ MIRZA	4,798,940	-	4,798,940	3.99	N.A
YASMIN MIRZA	5,500,850	-	5,500,850	4.57	N.A
FAUZIA MIRZA	3,008,450	-	3,008,450	2.50	N.A
HAYA MIRZA	63	30,409	30,472	0.03	48268.25
HUMA MIRZA	3,359,800	-3,359,800	-	-	100
MUSTAFA MIRZA	500,000	-500,000	-	-	100
FARZAN MIRZA	500,000	-	500,000	0.42	N.A
AMAAN MIRZA	447,000	-	447,000	0.37	N.A
IRAM MIRZA	955,500	5,000	960,500	0.80	0.52

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 10A.4 INFORMATION REGARDING ISSUE OF SHARES IN THE LAST FIVE YEARS

- a. The Company has not issued any bonus shares during the for last five years.
- b. The Company has not undertaken any buy back of shares.

## NOTE 10A.5 DISCLOSURE PURSUANT TO NOTE NO. 6(U) OF PART I OF SCHEDULE III TO THE COMPANIES ACT, 2013

Particulars	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	NIL	NIL	NIL	NIL

## (10B) OTHER EQUITY

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity (₹ in Lakh)
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve (Note 1)	Hedging Reserves (Note 2)	
<b>Balance as at March 31, 2020</b>	<b>11753</b>	<b>5</b>	<b>48449</b>	<b>196</b>	<b>(17)</b>	<b>60386</b>
Add : Profit for the year 2020-21			835			835
Add : Other Comprehensive Income (net of tax)	(6)		168			162
Less : Change in Fair Value of Hedging instruments net of taxes					(38)	(38)
Less : Income Tax Adjustment (Net)			88			88
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred from Profit & Loss Account	6		0	(23)		(17)
<b>Balance as at March 31, 2021</b>	<b>11753</b>	<b>5</b>	<b>49540</b>	<b>173</b>	<b>(55)</b>	<b>61416</b>
Add : Profit for the year 2021-22			11290			11290
Add : Other Comprehensive Income (net of tax)	0		(3)			(3)
Add:- Capital Revaluation Reserve	-		10			10
Add : Change in Fair Value of Hedging instruments net of taxes					760	760
Add : Income Tax Adjustment (Net)			0			0
Less : Transferred from Profit & Loss Account	96		0	(22)		74
<b>Balance as at March 31, 2022</b>	<b>11849</b>	<b>5</b>	<b>60837</b>	<b>151</b>	<b>705</b>	<b>73547</b>

Note-1 IDLS reserve is diminished every year by the amount in proportion of the depreciation of the assets considering the life of 15 years which is equivalent to Depreciation chargeable during the year to the machinery value purchased from IDLS subsidy.

Note-2 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 11 BORROWINGS (NON CURRENT)

BORROWINGS (NON CURRENT)	₹ in Lakh			
	As at		As at	
	31 March 2022		31 March 2021	
	Non-Current	Current	Non-Current	Current
Term loans				
Secured				
From banks *	1000	856	367	1674
From banks (Auto Loan)#	515	218	54	115
From others (Auto Loan)#	0	18	18	40
<b>Total</b>	<b>1,515</b>	<b>1,092</b>	<b>439</b>	<b>1,829</b>

\*(1) PNB Term loan ₹ 967 lakh (1623 lakh) secured by first Charge on Fixed Assets, created out of various Term Loans and block of assets charged to the bank from time to time for Term Loans and extension of charge on all current assets. Equitable mortgage of Land, Building, Plant & Machinery at Co's Unit No.1 & 2, Kanpur Unnao Link Road, Unnao, Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., Plot No. 8 at Sector 90, Noida, Gautam Budh Nagar (U.P).

(2) HDFC Loan ₹ 1073 lakh (1530 Lakh) secured by Equitable mortgage of land at Company's Unit-5 at Unnao by pass, Unnao, UP and perfection of Pari-Passu charge (with PNB and CITI Bank) on Fixed Assets and all current assets. Exclusive charge on asstes funded from HDFC Bank TL.

All the above secured Loans are guaranteed by some of the Directors.

#Secured against the assets purchased under the arrangements.

### Maturity Profile :

	Payment Type	No. Of Pending Instalment	Instalment Amount	₹ in Lakh			
				Current	Non Current	2 -3 Yrs	More than 3 Years
				0- 1 Yrs	1 -2 Yrs		
<b>Term Loans</b>				856	500	500	0
<b>P.N.B. TERM LOAN (19)</b>	Quarterly	2	150	356	0	0	0
<b>P.N.B. TERM LOAN (18)</b>	Quarterly	12	125	500	500	500	0
<b>Auto Loans</b>				218	198	206	111
HDFC BANK AUTO LOAN ( 1 )	Monthly	5	1	3	0	0	0
HDFC BANK AUTO LOAN ( 2 )	Monthly	47	0	2	2	2	2
HDFC BANK AUTO LOAN ( 3 )	Monthly	11	1	10	0	0	0
HDFC BANK AUTO LOAN ( 4 )	Monthly	9	0	3	0	0	0
HDFC BANK AUTO LOAN ( 5 )	Monthly	9	0	3	0	0	0
HDFC BANK AUTO LOAN ( 6 )	Monthly	15	1	10	3	0	0
HDFC BANK AUTO LOAN ( 7 )	Monthly	38	1	11	12	13	2
HDFC BANK AUTO LOAN ( 8 )	Monthly	39	7	74	79	85	22
HDFC BANK AUTO LOAN ( 9 )	Monthly	21	1	11	12	13	3
HDFC BANK AUTO LOAN ( 10 )	Monthly	39	5	42	49	53	18
HDFC BANK AUTO LOAN ( 11 )	Monthly	60	0	2	2	2	4
HDFC BANK AUTO LOAN ( 12 )	Monthly	60	1	12	12	13	30
HDFC BANK AUTO LOAN ( 13 )	Monthly	60	0	2	2	2	5
AXIS BANK AUTO LOAN ( 14 )	Monthly	48	2	20	22	23	25
YES BANK LTD AUTO LOAN (15)	Monthly	16	1	9	3	0	0
YES BANK LTD AUTO (16)	Monthly	1	4	4	0	0	0
Auto Loans (From other)				18	0	0	0
BMW India Financial Services Pvt Ltd. (17)	Monthly	5	4	18	0	0	0
<b>Total</b>				<b>1092</b>	<b>698</b>	<b>706</b>	<b>111</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 12 PROVISIONS

PROVISIONS	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (unfunded)	1371	1333
<b>Total</b>	<b>1371</b>	<b>1333</b>

## NOTE 13 DEFERRED TAX LIABILITIES(NET)

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax relates to the following:</b>		
<b>Deferred tax related to items recognised in statement of profit and loss:</b>		
<b>Deferred tax liabilities (gross)</b>		
Property ,Plant, Equipment & Intangible Assets :Difference in Depreciations as per books of account and tax laws	452	(589)
Impact of expenditure charges to the financial statement in the books of account & tax	(338)	
(a)	<b>113</b>	<b>(589)</b>
<b>Deferred tax assets (gross)</b>		
Impact of expenditure charges to the financial statement in the current /earlier year but allowable for tax pupose on payment	22	286
(b)	22	286
(c ) = (a) - (b)	<b>91</b>	<b>(302)</b>
<b>Deferred tax liabilities (net)</b>	<b>91</b>	<b>(302)</b>
<b>Deferred tax relates to the following:</b>		
<b>Deferred tax related to items recognised in OCI:</b>		
<b>Deferred tax assets (gross)</b>		
Re-measurement losses on defined benefit plans	1	23
Re-valuation of Equity Investments	(4)	36
(d)	(3)	59
<b>Deferred tax liabilities (gross)</b>		
Deferred tax related to items recognised in equity	177	-20
(e)	177	-20
(f)=(d) + (e)	<b>174</b>	<b>39</b>
<b>Deferred tax liabilities (net)</b>	<b>174</b>	<b>39</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 1 April 2021:

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Accounting profit/(loss) before income tax (Holding Company)	14942	1046
At India's applicable statutory income tax rate i.e. Income Tax (25%) plus Cess (4%) (PY Income Tax (25%) plus Cess (4%) (Holding Company)	25.168%	25.168%
Current tax expense reported in the statement of profit and loss	3966	657
Deferred tax expense reported in the statement of profit and loss	91	(302)
<b>Non-deductible expenses for tax purposes:</b>		
Impact of Lease rent Liabilities	1163	974
Depreciation and amortization expense (net)	5998	6627
Other non deductible expenses	(285)	82
<b>Deductible expenses for tax purposes:</b>		
Depreciation as per IT Act, 1961	4204	4222
Others	2507	2111
At the effective income tax rate	<b>3802</b>	<b>603</b>
Current tax expense reported in the statement of profit and loss	3966	657
Deferred tax expense/(credit) reported in the statement of profit and loss	91	(302)

Reconciliation of deferred tax liabilities (net):

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Opening balance of DTA/DTL (net)	1,463	1,765
Deferred tax income/(expense) during the period recognised in profit or loss	91	(302)
Impact of Others	-	-
<b>Closing balance of DTA/DTL (net)</b>	<b>1,554</b>	<b>1,463</b>

### NOTE 14 OTHER NON CURRENT LIABILITIES

Particulars	₹ in Lakh	
	As at 31 March 2022	As at 31 March 2021
Others		
Security deposits - for franchise	9955	6003
Lease Rent Liabilities (net)	13089	13371
<b>Total</b>	<b>23044</b>	<b>19374</b>

### NOTE 15 BORROWINGS

BORROWINGS	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>Secured*</b>		
<b>Working capital loans repayable on demand</b>		
From Other banks	4268	8021
From Foreign Bank	900	3668
<b>Current maturities of long-term debt (Refer Note No. 10)</b>		
Term Loan From banks **	856	1674
Term Loan From bank ( Auto Loan)	218	115
Term Loan From Other ( Auto Loan)	18	40
<b>Total</b>	<b>6260</b>	<b>13518</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- \*(1) PNB ₹ 4021 Lakhs (1279 lakh) Secured By First Charge by way of Hypothecation on entire current assets, present & future including entire stocks of raw materials, stock in process, finished goods, stock-in-transit to be held on pari-passu basis with other Banks, domestic Book Debts, Loans and advances or any other security required for the purpose of execution of export orders received, lying in the company's godowns, warehouses or shipping agents' custody waiting dispatch / shipment / and / or in transit etc. The facilities are collaterally secured by the Equitable Mortgage of Company's Properties mentioned in Note no 10 above.
- (2) HDFC Loan ₹ 247 lakh (6742 lakh) secured by way of exclusive charge on industrial property located at Unit-5 at Unnao site-2 U.P and pari-passu charge stock and book debt of their company with other banks.
- (3) Citi Bank ₹ 900 lakh (3668 lakh) Secured by way of exclusive charge on Corporate office at Mohan Cooperative Industrial Estate, Mathura Road, New Delhi. Exclusive charge on entire land and building and Plant and Machinery at Plot No. 18-19, Nand Nagar, Industrial Estate, Phase 1, Mahuakheraganj Kashipur, Uttarakhand and pari-passu charge on present and future stocks and books debts of the company with other banks.
- (4) PNB Term loan ₹ 856 lakh (600 lakh ) secured by first Charge on Block Assets of the company by way of hypothecation of Machinery & equipment & other fixed assets of the company and extension of charge on all current assets of the company. Equitable mortgage of Land and Building and Plant & Machinery at Company's Unit No.1 & 2, Kanpur Unnao Link Road, Unnao, Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., along with Equitable mortgage of Land & Building of Marketing cum Display office at Plot No. 8 at Sector 90, Noida, Gautam Budh Nagar (U.P).
- \*\* (5) HDFC Loan ₹ NIL (1074 Lakh) secured by Equitable mortgage of land at Company's Unit-5 at Unnao by pass, Unnao, UP and Pari-Passu charge (with PNB and CITI Bank) on Fixed Assets and all current assets. Further exclusive charge on assets funded from HDFC Bank Term loan.

### NOTE 16 TRADE PAYABLE

₹ in Lakh

Particulars	As at 31 March 2022	As at 31 March 2021
Micro, Small and Medium Enterprises *	408	283
Others	24893	10694
<b>Total</b>	<b>25301</b>	<b>10977</b>

\* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March 2022, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

### NOTE 16 .1 TRADE PAYABLES DUE FOR PAYMENT AGEING SCHEDULE (CURRENT YEAR)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	408	24,700
1-2 years	-	38
2-3 years	-	58
More than 3 years	-	-
<b>Total</b>	<b>408</b>	<b>24796</b>

\*Undisputed dues only, there are no disputed dues outstanding.

### Trade Payables due for payment ageing schedule (previous year)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	283	10,185
1-2 years	-	422
2-3 years	-	41
More than 3 years	-	46
<b>Total</b>	<b>283</b>	<b>10694</b>

\*Undisputed dues only, there are no disputed dues outstanding.

Note: As per the information available with the company, there are no transaction with micro, small or medium enterprises as defined under the Micro, Small, Medium Enterprises Development Act, 2006 to whom company owns any dues.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 17 OTHER FINANCIAL CURRENT LIABILITIES

OTHER FINANCIAL CURRENT LIABILITIES	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2	54
Unpaid dividends *	72	79
Commission Payable on Inland Sales	1550	1347
Outstanding Liabilities #	720	434
Salary Payable	416	389
Bonus Payable	583	534
Audit Fees Payable	18	15
Unpaid Commission on Export Sales	601	254
Duties & Taxes (TDS payable)	212	212
Lease Rent Liabilities	2778	2534
<b>Total</b>	<b>6951</b>	<b>5849</b>

\*These Figures do not include any amounts due and outstanding, to be credited to Investor Education & Protection Fund

#Outstanding Liabilities include Employee Benefits payable of ₹ lakh 68.67 Lakh (₹ 75.06 Lakh), Export Expenses payable ₹ 145.10 Lakh (₹ 35.40 lakh) & Power & Electricity charges of ₹ 79.46 Lakhs (₹ 103.73 lakh).

## NOTE 17.1 NON FINANCIAL CURRENT LIABILITIES

NON FINANCIAL CURRENT LIABILITIES	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
Advance Received From Customers	225	133
<b>Total</b>	<b>225</b>	<b>133</b>

## NOTE 18 PROVISIONS

PROVISIONS	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(a) Provision for employee benefits</b>		
Gratuity (Unfunded)	88	47
<b>Total</b>	<b>88</b>	<b>47</b>

## NOTE 19 REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	164902	102647
Other operating revenues	2965	2246
<b>Total</b>	<b>167867</b>	<b>104893</b>

## NOTE 20 OTHER INCOME

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Income	56	80
<b>Other non-operating income</b>		
Other Income	494	17
Income from Govt. Grant	22	23
<b>Total</b>	<b>572</b>	<b>120</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 20 (I) OTHER COMPREHENSIVE INCOME- ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement gain/(loss) of Defined Benefit Plan	(10)	90
Equity investments Through OCI	4	136
<b>Total</b>	<b>(6)</b>	<b>226</b>

### NOTE 20 (II) OTHER COMPREHENSIVE INCOME- ITEMS THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Hedge Reserve	527	(75)
<b>Total</b>	<b>527</b>	<b>(75)</b>

### NOTE 21 COST OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Hides & Finished Leather	9264	4586
Chemicals	5460	3397
Others	14152	9904
Stores & Spares	582	193
<b>Total</b>	<b>29458</b>	<b>18080</b>

### NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Inventories (at close)</b>		
Finished Goods	40305	35510
Stock-in-Process	3329	2382
<b>Inventories (at commencement)</b>		
Finished Goods	35510	30897
Stock-in-Process	2382	37892
<b>Change in Inventories Decrease/(Increase)</b>	<b>(5742)</b>	<b>(3265)</b>

### NOTE 23 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and Wages	9268	7891
Contribution to Provident and Other Funds	604	483
Gratuity to Employees	232	235
Staff Welfare Expenses	416	331
<b>Total</b>	<b>10520</b>	<b>8940</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 23.1 EMPLOYEE BENEFITS :

The Company is providing the following benefits to their employees :

- a) Gratuity
- b) Provident Fund
- c) Leave encasement

The amounts recognised in Balance Sheet are as follows:

Present value of defined benefit obligation	As at 31 March 2022	As at 31 March 2021
A) – Wholly funded	-	-
– Wholly unfunded	1459	1380
	<b>1459</b>	<b>1380</b>
Less: Fair value of plan assets	0	0
Add: Amount not recognised as an asset [limit in para 64(b)]	0	0
Amount to be recognised as liability or (asset)	1459	1380
B) Amounts reflected in the Balance Sheet		
Liabilities	1459	1380
Assets	0	0
Net liability/(asset)	1459	1380
Net liability/(asset) - current #	88	47
Net liability/(asset) - Non-current	<b>1371</b>	<b>1333</b>

(ii) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	2021-22	2020-21
		(₹ in Lakh)
Current service cost	137	137
Interest cost	95	98
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	(47)	(90)
Past service cost	-	-
Actuarial gain/(loss) not recognised in books	-	-
Adjustment for earlier years	-	-
Remeasurement - Effect of the limit in para 64(b)	-	-
Translation adjustments	-	-
Amount capitalised out of the above		
<b>Total</b>	<b>185</b>	<b>145</b>
Amount included in “employee benefits expense”	232	235
Amount included as part of “finance cost”	-	-
Amount included as part of “other comprehensive income”	(47)	(90)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

Particulars	2021-22	2020-21
Opening balance of the present value of defined benefit obligation	1,380	1,484
Add: Current service cost	137	137
Add: Interest cost	95	98
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
iii) Transfer-in/(out)	-	-
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	-	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	(65)	(54)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	83	(36)
Less: Benefits paid	(171)	(249)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Add: Business combination/acquisition	-	-
Add: Adjustment for earlier years	-	-
Add/(less): Translation adjustments	-	-
<b>Closing balance of the present value of defined benefit obligation</b>	<b>1459</b>	<b>1380</b>

(₹ in Lakh)

Change in Fair Value of Assets	2021-22	2020-21
Plan assets at beginning of period	-	-
Investment Income	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Actual Company contributions	171	249
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	(171)	(249)
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows :

## 1. Financial Assumptions

	2021-22	2020-21
Discount Rate	7.30% p.a.	6.90% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.

## 2. Demographic Assumptions

	2021-22	2020-21
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Normal Retirement Age	60 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

- The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As on	As on
	31 March 2022	31 March 2021
Defined Benefit Obligation (Base)	1459	1380

Particulars	As on 31 March 2022		As on 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1631	1313	1574	1219
% change compared to base due to sensitivity	11.79%	-9.98%	14.07%	-11.69%
Salary Growth Rate (- / + 1%)	1307	1635	1213	1577
% change compared to base due to sensitivity	-10.38%	12.08%	-12.09%	14.32%
Attrition Rate (- / + 50%)	1440	1476	1364	1394
% change compared to base due to sensitivity	-1.31%	1.14%	-1.14%	0.99%
Mortality Rate (- / + 10%)	1456	1462	1377	1382
% change compared to base due to sensitivity	-0.22%	0.22%	-0.18%	0.18%

### NOTE 24 FINANCE COST

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest & Bank Charges	2698	4101
<b>Total</b>	<b>2698</b>	<b>4101</b>

### NOTE 25 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation Expenses	5983	6611
Leasehold Land Amortisation	43	43
<b>Total</b>	<b>6026</b>	<b>6654</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 26 OTHER EXPENSES

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Processing Charges	4593	2876
Commission	18110	10503
Freight and Transport	6528	3851
Power and Fuel	2668	2294
Selling & Advertisement Expenses	3382	2535
Rent *	95	66
Vehicle Running & Maintenance	244	195
Repair and Maintenance (other than building & machinery)	712	634
Traveling & Conveyance Expenses	414	310
Insurance	391	400
Security Expenses	381	305
Postage & Courier	316	192
Telephone & Telex	90	102
Legal & Professional Chrgs	399	247
Rates and Taxes, excluding taxes on income	206	114
Repairs to machinery	158	87
Repairs to buildings	69	41
Printing & Stationery	68	91
Donation and Subscription	9	8
(Profit)/Loss on Sale of Property, plant and equipment	(29)	81
Miscellaneous Expenses	475	129
Audit Fees	19	19
Corporate Social Responsibilities	110	177
<b>Total</b>	<b>39408</b>	<b>25257</b>

\* The Company's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions

Payments to the auditor as	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(I) To Statutory Auditors</b>		
a. For Audit Services	18	18
<b>(ii) To Branch Auditors for Audit Services</b>	1	1
	-	-
<b>Total</b>	<b>19</b>	<b>19</b>

## NOTE 26.2 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Payments to the auditor as	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Total amount required to be spent for the financial year	101	201
b) Amount spent during the financial year	110	177
<b>Total</b>	<b>110</b>	<b>177</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 27 EARNINGS PER SHARE (EPS)

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	11290	834
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	120306000	120306000
(iii) Basic and Diluted Earnings per share (₹)	9.38	0.69
(iv) Face Value per equity share (₹)	2	2

## NOTE 27 (I) INCOME ALLOCABLE TO NON-CONTROLLING INTEREST

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>b. (i) Net Income Allocable to Non-Controlling Interest</b>		
Accrued During the Year	8	4
<b>Total</b>	<b>8</b>	<b>4</b>

## NOTE-28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

PARTICULARS	(₹ in Lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>A BILLS DISCOUNTED</b>	7475	5562
<b>B IMPORT DUTY PAYABLE</b>	-	163
In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)		
<b>C BANK GUARANTEES / LETTER OF CREDITS</b>	6021	1719
<b>D Two case of employee is pending at Labour Court, Lucknow</b>	Indeterminate	Indeterminate
Two case of employee is pending at High Court, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at C.A office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at C.A office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at High Court, Allahabad	Indeterminate	Indeterminate
Four case of employee is pending at A.L.C. office, Kanpur	Indeterminate	Indeterminate
One case of employee is pending at A.L.C. office, Kanpur	Indeterminate	Indeterminate
<b>E One case of stamp duty in respect of land in Hapur is pending with Asst. Commissioner (stamp), Hapur for deficiency in stamp duty.</b>	8	8
<b>F TAXES</b>		
(I) ENTRY TAX - for 1999-2000 liability is pending	4	4
(II) VAT & CST		
(a) UTTAR PRADESH : Pending against UP VAT and CST for the F.Y. 2008-2009 ₹ 71.58 lacs, F.Y. 2010-11 ₹ 61.33 lacs, F.Y. 2015-16 ₹ 49.68 lacs, due to non submission of Form C and against UP (RITC) ₹ 13.53 lacs F.Y 2016-17 CST ₹ 2.64 Lacs UP RITC ₹ 6.48 Lacs, F.Y 2017-18 CST ₹ 55.51 Lacs, Entry Tax 0.33 Lacs ,UP RITC ₹ 1.68 Lacs	263	196
(b) GUJARAT : F.Y. 2009-10 ₹ 2.25 lacs, F.Y. 2010-11 ₹ 32.68 lacs & F.Y. 2011-12 ₹ 2.34 lacs. Company has preferred appeal against the said Demand. Out of which ₹ 2.00 lacs has been deposited against demand. 2016-17 Demand of ₹ 12.86 lacs	50	50

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
(c) KERALA : VAT Demand of ₹ 4.91 lacs against which 30% amount of ₹ 1.47 lacs has been paid and for balance Bank Guarantee has been provided.	5	5
(d) Haryana: Pending against Haryana CST for the F.Y. 2016-17 53.50 lacs, due to non submission of Form C	54	54
(III) INCOME TAX Order Passed u/s 143(3) r.w.s 144C(13) & 144B for FY 2016-17 ₹ 128.33 Lacs. Appeal pending before ITAT	128	0
(IV) GOODS & SERVICE TAX	17	0
(a) Jharkhand :F.Y 2019-20 ₹4.32 Lacs,Mismatch of Turnover under GSTR-1 & 3B, Company has filed appeals against DRC-07 on Dt.17.01.2022		
(b) Bihar : F.Y 2020-21 ₹ 12.95 Lacs Excess ITC claim in GSTR-3B, Company has filed Appeal against DRC-07 on Dt. 19.05.2022	0	15
(IV) SERVICE TAX - One Case of Service Tax on a matter during the year 2009-10 amounting to ₹ 17.05 Lacs confirmed and reduces to ₹ 15.46 lacs by Commissioner (Appeals) Central Excise and Service Tax, Lucknow. The Matter has been closed under Sabka Vishwas legacy dispute resolution scheme		
(V) Trade Mark Case against the company in High Court, Delhi	100	100
<b>G COMMITMENT</b>		
A CAPITAL EXPENDITURE (Net of fund already deployed)	5445	754
B UNCLAIMED DIVIDEND	72	79

## NOTE 29 SEGMENT REPORTING

Segment Information for the year ended 31<sup>st</sup> March, 2022

Information about Primary Business Segments

(₹ in Lakh)

	SHOE DIVISION (FOOTWEAR)	TANNERY DIVISION (LEATHER)	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	100923	19105	55368	118	175514
	(61974)	(12719)	(34258)	(120)	(109071)
Inter - Segment		7075			7075
		(4058)			(12171)
Total Revenue	100923	12030	55368	118	168439
	(61974)	(8661)	(34258)	(120)	(105013)
<b>Result</b>					
Segment Result (Profit before Interest & Tax)	11882	301	6511	118	18812
	(5327)	2036	(2843)	(124)	(6257)
Less: Interest Expenses				(2698)	(2698)
				(4101)	4101
Unallocated Expenditure net of unallocated income				(759)	(759)
				963	963
Profit before Taxation	11882	301	6511	(3339)	15355
	(5327)	2036	(2843)	4940	(1193)
Net Income Allocable to Non - Controlling Interest	8				8

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

	SHOE DIVISION (FOOTWEAR)	TANNERY DIVISION (LEATHER)	GAR & ACC DIVISION	UNALLOCATED	TOTAL
	(4)				(4)
Profit before tax after Net Non - Controlling Interest	11874	301	6511	(3339)	15347
Provision for Taxation	-	-	-	(4057)	(4057)
Net Profit	11874	301	6511	(7396)	11290
Other Information	(5323)	2036	(2843)	5295	(834)
Segment Assets	81024	16214	43266	1775	142279
Segment Liabilities	(71195)	(17515)	(25692)	(2642)	(117044)
Capital Expenditure	30796	5874	28781	857	66308
Depreciation	(27505)	(6954)	(16943)	(1812)	(53214)
	6457	365	708	1	7531
	(3987)	(134)	(802)	(4)	(4927)
	3593	886	1472	75	6026
	(2585)	(899)	(493)	(163)	(4140)

### Information about Secondary Business Segments

(₹ in Lakh)

Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	116136	52303	168439
Inter Segment	(71396)	(33497)	(104893)
	-	-	-
	-	-	-
Total	116136	52303	168439
	(71396)	(33497)	(104893)
Carrying amount of segment assets	142279	-	142279
Additions to Fixed Assets	(117044)	-	(117044)
	7531	-	7531
	(4927)	-	(4927)

\*Includes Export incentive received on Export

### Notes :

- (i) The Company is organized into three main business segments, namely:
  - Tannery Division - Manufacturing Finished Leather from Raw Hides, Wet Blue & Crust.
  - Shoe Division - Manufacturing Finished Leather Shoes.
  - Garments/ Accessories Division - Trading of Garments/Accessories.

Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organization structure, and the internal financial reporting systems.
- (ii) Segmental Revenue in each of the above business segments primarily include domestic and export sales, export incentives and other miscellaneous income and also includes inter Segment transfers, priced at cost plus a predetermined rate of profit.
- (iii) The Segmental Revenue in the geographical segments considered for disclosure are as follows:
  - (a) Revenue within India includes sales to customers located within India and earnings in India.
  - (b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- (iv) Segmental Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 30 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
No. of Non Resident Shareholders	NIL	NIL
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	-	-
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

## NOTE 31 RELATED PARTY TRANSACTIONS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
<b>1</b>	<b>Purchase</b>					
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	10778	0 Cr.	7274	37 Cr.
	Gempack Enterprises	Enterprise over which Key Management Personnel are able to exercise significant Influence	390	35 Cr.	248	14 Cr.
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	75	4 Cr.	75	16 Cr.
	Mirza (HK) Limited	Foreign Wholly Owned Subsidiary company	0	1 Cr.	0	1 Cr.
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	58	1 Cr.	90	13 Cr.
<b>2</b>	<b>Jobwork expenses</b>					
	Mars International, Knp	Whole Time Directors are the relatives of firm's proprietor	0	0	291	3 Cr.
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0	0	0
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	0



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	78	0	88	0
<b>3</b>	<b>Rent &amp; Maintenance charges Paid</b>					
	Mr. Irshad Mirza	Key Management Personnel	0	0	0	0 Cr.
	Mrs Sabiha Hussain	Key Management Personnel	0	0	2	0 Cr.
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	2	0	5	0
<b>4</b>	<b>Sales</b>					
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	3342	406 Dr.	2141	0
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	11638	3369 Dr.	7725	578 Dr.
	Shoemac Leather Tech Eng. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0 Dr.	0	0
	Gempack Enterprises	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	0
	Mars International	Whole Time Directors are the relatives of firm's proprietor	0	0	0	0
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	140	0	0	0 Dr.
	RTS Fashion FZE	Enterprise over which Key Management Personnel are able to exercise significant Influence	438	422 Dr.	677	635 Dr.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
<b>5 Jobwork income</b>						
	Euro Footwear Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0 Dr	0	0
	Sen en Mirza Industrial Supply Chain LLP	Subsidiary	155	0	35	0
<b>6 Guarantee Commission</b>						
	Mr. Rashid Ahmed Mirza	Key Management Personnel	0	0	0	0
	Mr. Shahid Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
	Mr. Tauseef Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
	Mr. Tasneef Ahmed Mirza	Key Management Personnel	150	48 Cr.	75	0
<b>7 Salaries &amp; Perquisites</b>						
	To Relatives of Key Management Personnel					
	Mr. Faraz Mirza		73	6 Cr	66	6 Cr.
	Mr. Mustafa Mirza		4	1 Cr	1	0
	Ms. Hiba Mirza		6	1 Cr	1	0
<b>8 Managerial Remuneration</b>						
	Directors Remuneration		875	73 Cr	787	72 Cr.
	Directors Perquisites		19	0	9	0
<b>9 Directors Sitting Fee</b>						
			4	0	3	0 Cr
<b>11 Corporate Social Responsibilities</b>						
	Mirza Foundation	Enterprise over which Key Management Personnel are able to exercise significant Influence	108	0	170	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakh)

S. No.	Particulars	Nature of Relationship	Volume of Outstanding Transactions		Volume of Outstanding Transactions	
			2022	as on March 2022	2021	as on March 2021
	<b>For the year ended 31 March 2022</b>					
	Mirza Charitable Hospital Limited	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	1	-
	MAHARANI BAGH RESIDENTS WELFARE ASSOCIATIONS	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0	0	
	Kilkari Charitable Trust	Enterprise over which Key Management Personnel are able to exercise significant Influence	0	0	0	-
<b>12</b>	<b>Export Commission</b>					
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	515	0		
	RTS Fashion FZE, Dubai	Enterprise over which Key Management Personnel are able to exercise significant Influence	55	0	411	0 Cr.
	<b>Investment</b>					
	REDTAPE LIMITED	Enterprise over which Key Management Personnel are able to exercise significant Influence	1	0		

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## RELATED PARTY DISCLOSURE

Related Party Disclosures, as required by IND-AS24, are given below:

Relationships :	
i) Subsidiaries :	Mirza (HK) Limited, Mirza Bangla Limited, Sen En Mirza Industrial Supply Chain LLP, REDTAPE Limited
ii) Key Management Personnel & Relatives:	Mr. Rashid Ahmed Mirza (Chairman and Managing Director), Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza, Mr. Narendra Prasad Upadhyay, Mr. Shuja Mirza (Whole-time Directors), Ms. Priyanka Pahuja (Company Secretary), Mr. V.T. Cherian (C.F.O.)
iii) Directors & Relatives:	Mr. Sudhindra Kumar Jain, Mr. Sanjay Bhalla, Mr. Sanjiv Gupta, Dr. Yashvir Singh, Mr. Qazi Noorus Salam, Ms. Saumya Srivastava (Independent Directors)
iii) Related Companies:	Shoemax Engineering Pvt. Ltd., Shoemac Leather Tech Engineers Ltd., Mirza Charitable Hospital Ltd., Tilbrook Enterprises Ltd., Mirza (UK) Ltd., Euro Footwear Pvt. Ltd., EmGee Projects Pvt. Ltd., Genesisriverview Resorts Pvt. Ltd., Genesis Infra Projects Pvt. Ltd., Granule Infra India Pvt. Ltd., RTS Fashions Pvt. Ltd., Aarem Heights Pvt. Ltd., Mirza Investment Pvt. Ltd., Silver Spark Pvt. Ltd., Kasi 1981 Alumni Foundation, RTS Fashion FZE-UAE, Bertelsman Corporate Services India Pvt Ltd., Penguin Random House India Pvt. Ltd, Nuvanta Infradevelopers Pvt. Ltd., Merchant Chamber of Uttar Pradesh, RTS Fashion LLC, Empire Holdings Ltd., Marigold Holdings Ltd., Industrial Infrastructure Services (India), Olive Shoes Private Limited
iv) Related Parties/ Firms:	Achee Shoes LLP, Red Tape International LLP, Mirza Holdings LLP, Mughal Express LLP, F&R Farms LLP, Sen En Mirza Industrial Supply Chain LLP, Mirza Projects, Gempack Enterprises, Mars International, Waves International, Mirza Foundation, Kilkari Charitable Trust, Rishabh Kumar Lohia Memorial Trust, Chowdhary Ajab Singh & Co., Srivastava S & Co. (CA Firm), Hiba Mirza, Mustafa Mirza, Mr. Faraz Mirza (President Production)

## NOTE 31 FOLLOWING PAYMENTS TO DIRECTORS ARE INCLUDED IN VARIOUS HEADS OF EXPENDITURE :

Particulars	₹ in Lakh	
	2022	2021
Salary	952	805
Perquisites	19	9
Sitting Fees	5	3
Guarantee Commission	450	225
<b>Total</b>	<b>1426</b>	<b>1042</b>

## NOTE 33 FORWARD CONTRACTS

Forward Exchange Contracts entered into by the Company and outstanding as at Balance Sheet date

Forward contracts EURO INR 19.36 lakhs (20.00 lakhs) Sell Hedging

Forward contracts GBP INR 138.48 lakhs (145.00 lakhs) Sell Hedging

Forward contracts USD INR 178.54 lakhs (168.60 lakhs) Sell Hedging

Forward contracts USD INR 466.74 lakhs (75.29 lakhs) Purchase Hedging

## NOTE 34 THERE ARE NO IMMOVABLE PROPERTIES WHOSE TITLE DEED ARE NOT HELD IN THE NAME OF COMPANY

### NOTE 34.1 BRIEF NOTE ON COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors of the Company in its meeting held on 10<sup>th</sup> December, 2021, has considered and approved a Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, and other applicable provisions, if any. The Composite Scheme of Arrangement, inter alia, provides for:

- Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
- De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis; and
- Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Share Exchange Ratio for the aforesaid Scheme is as follows:

- On Amalgamation the Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferor Company-RTS Fashions Pvt Ltd.
- On Demerger the Resulting Company-Redtape Ltd will issue 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the Shareholders of the Transferee Company for every 1 (one) Equity Share of ₹2 each held in the Transferee Company-Mirza International Ltd.

Appointed Date for the Scheme will be 1<sup>st</sup> January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

BSE and NSE have already approved the aforesaid Scheme of Arrangement. The Scheme is subject to requisite approvals of the Hon'ble National Company Law Tribunal and other competent authorities, if any.

### NOTE 35 RELATIONSHIP WITH STRUCK OFF COMPANY

Name of Struck off Company	Name of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Nil	Investments in securities		
	Receivables		
	Payables		
	Shares held by stuck off company		
	Other Outstanding balance ( to be specified)	Nil	Nil

### NOTE 36 FOLLOWING RATIOS TO BE DISCLOSED:-

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2021-22	2020-21	Variation (In %)	Explanation for Changes of 25% or More General Remark :- Higher Turnover and Net Profitability Improved During the Current year by 59.75%
1	Current Ratio	Current Assets	Current Liabilities	Times	2.02	1.90	6.44%	
2	Debt-equity ratio	Total Debt <sup>^</sup>	*Equity	Times	0.10	0.22	53.20%	Debt repayment resulted in improvement of the ratio
3	Debt service coverage ratio	Earnings available for debt service*	Debt Service**	Times	3.10	0.86	261.78%	Increase in Profitability lead to repayment of debt, which resulted in improvion of the ratio
4	Return on equity ratio	Net Profit after taxes	Equity Shareholder funds	%	14.87	1.31	1032.75%	Higher Profitabilty as compared to last year has increased the return to Equity shareholders as compared to the previous year.
5	Inventory turnover ratio	Sales	Average Inventory	Times	3.52	2.50	41.00%	Higher level of Turnover has improvised the ratio
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	14.28	9.53	49.84%	Higher level of Turnover has improvised the ratio
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	3.90	4.29	-9.20%	
8	Net capital turnover ratio	Sales	Working Capital	Times	4.24	3.83	10.73%	
9	Net profit ratio	Net Profit after taxes	Sales	%	6.73	0.80	742.44%	Net profit margin of current year is better than previous year due to higher sales
10	Return on capital employed	Earning before interest and taxes	Capital Employed***	%	17.45	6.13	184.92%	Due to Increase in Turnover, EBIT has improvised which has inturn improved the return to shareholders
11	Return on investment	Return/ Profit/ Earnings	Investment	%	NA	NA	NA	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 37 CORPORATE SOCIAL RESPONSIBILITY

Where the company covered under section 135 of the Company Act, the following shall be disclosed with regard to CSR activities:-

S.I	Particulars	Amount in Lakh	Remarks
(i)	amount required to be spend by the company during the year,	100.89	
(ii)	amount of expenditure incurred,	109.84	
(iii)	shortfall at the end of years,	NA	
(iv)	total of previous year shortfall,	NA	
(v)	reason for shortfall,	NA	
(vi)	nature of CSR activities,		1) Eradicating Hunger, Poverty , Promotiong healthcare including preventive health care 2) Promoting Education 3) Ensuring Environmental sustainability, Agriculture, Animal Welfare
(vii)	Details of related party transaction, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	108	Mirza Foundation 1 Mirza Charitable Hospital Limited 1 Maharani Bagh Resident Welfare Associations
(viii)	where a provision is made with respect to a liability incurred by entering into a contracual obligation, the movement in the provision during the year shall be shown separately.	NA	

## NOTE-38 FIGURES OF PREVIOUS YEAR HAVE BEEN REGROUPED/REARRANGED WHEREVER NECESSARY TO MAKE THEM COMPARABLE WITH THE FIGURES OF CURRENT YEAR.

## NOTE-39 LEASES

### Right-of-use assets and Lease Liability:

Information about leases for which the company is a lessee is presented below:

### Right-of-use assets (ROU Assets)

	Amount in Lakhs
<b>Balance as on 1 April 2021</b>	<b>13758</b>
Addition for the new leases*	5700
Depreciation charge for the year	(1747)
Deletions for terminated leases	(4044)
<b>Balance as on 31 March 2022</b>	<b>13668</b>

\*included initial direct cost.

The aggregate depreciation expense on ROU assets amounting to INR 1747 Lakhs is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in the lease liabilities during the year ended 31 March 2022:

Lease Liability	31/03/2022
<b>Balance as on 1 April 2021</b>	<b>15904</b>
Addition for New leases	1298
Accreditation of Interest	1163
Payment of Lease Liability	(2498)
Deletions for Terminated Leases	-
<b>Balance as on 31 March 2022</b>	<b>15867</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at Balance Sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees, and leases not commenced to which lessee is committed.

The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2022 on an undiscounted basis:

<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>31/03/2022</b>
Less than one year	2736
After one year but not longer than five years	12614
More than five years	4625
<b>Total</b>	<b>19975</b>

Lease liabilities included in the statement of financial position at 31 March 2022

	<b>31/03/2022</b>
Current	2778
Non-Current	13089
<b>Total</b>	<b>15867</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### NOTE-40 IND AS 107, FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Investment, Cash and Cash equivalents	Aging analysis	Bank deposits, diversification of asset base
Liquidity Risk	Borrowing and other Liabilities	Cash flow forecast	Availability of borrowing facilities

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

#### (i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk Company uses forward exchange contracts to hedge its foreign exchange risk of anticipated sales or purchase transactions in the normal course of business, which occur within the next twelve months, for which it has a firm commitment from a customer or to a supplier.

The terms of these contracts are consistent with the timing of the transactions being hedged. The hedges related to forecasted transactions are designated and documented at the inception of the hedge as cash flow hedges.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022:

	<b>(lakh)</b>			
	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Others</b>
Net financial assets	179	19	138	-
Net financial liabilities	467	-	-	-

#### (ii) Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Further Company's has no major investments in any interest-bearing instrument. Hence, the Company is not significantly exposed to interest rate risk.

#### (iii) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents and financial assets measured at amortized cost. The Company continuously monitors default of other counter parties and incorporates this information into its credit risk controls.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## a) Credit risk management

The Company assesses and manages credit risk of financial assets based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A. Low Credit Risk

B. Moderate Credit Risk

C. High Credit Risk

Asset Group	Basis of Categorization	Provision for expected credit loss
Low Credit Risk	Cash and cash equivalents, investments and other financial assets	12 month expected credit loss
Moderate Credit Risk	NA	Lifetime expected credit loss
High Credit Risk	NA	Lifetime expected credit loss or fully provided for

Cash and cash equivalents and bank deposits:

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country:

Assets under Low credit risk

Credit rating	Particulars	In Lacs	
		31-03-2022	31-03-2021
Low Credit Risk	Cash and cash equivalents investments and other financial assets	22437	13350

## b) Credit exposure

Provisions for expected credit losses:

The Company provides for 12 month expected credit losses for following financial assets:

As at 31st March, 2022

Particulars	In Lacs			Carrying amount net of impairment provision
	Estimated gross carrying amount	Expected credit loss	Expected credit losses	
Trade Receivable	15549			15549
Cash and cash equivalents	1485			1485
Other financial assets	5403			5403

As at 31st March, 2021

Particulars	In Lacs			Carrying amount net of impairment provision
	Estimated gross carrying amount	Expected credit loss	Expected credit losses	
Trade Receivable	7967			7967
Cash and cash equivalents	1005			1005
Other financial assets	4378			4378

## (iv) Other financial assets

Loans and receivable from related parties are periodically reviewed by the management in conjunction with the re-measured fair values of the Company's investments in those parties. Where the carrying amount of any receivable exceeds the re-measured fair value of investment, an impairment loss, to that extent, is provided for in the financial statements.

Cash and bank balances are managed by the Company's treasury department. Concentration risk is constantly monitored to mitigate financial loss.

The Company's maximum exposure to credit risk for the components of the financial assets as at, March 31, 2022 and April 01, 2021 is to the extent of their respective carrying amounts as disclosed in respective notes.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (v) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements, both immediate and long-term. The finance needs are monitored and managed by the Company's treasury department, in consultation with the project teams and management. The Company takes support from its secured lenders to finance and support the Company's operations.

### NOTE: 41 MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006. Beyond the statutory period of 45 days

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Particulars	As at 31 March 2022	As at 31 March 2021
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

### NOTE: 42 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders.

Particulars	31 March 2022	31 March 2021
Net Debt*	6290	12950
Total Equity	75494	63718

\*Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

### NOTE: 43 FINANCIAL INSTRUMENTS -FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

Set out below, are the fair values of the financial instruments of the Company, including their accounting classifications:

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In Lacs

Particulars	Note No.	31 March 2022			31 March 2021		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial assets</b>							
Investments	2		297		292		
Security deposits	3	1264			1,272		
Trade receivables	5	15449			7,967		
Cash and cash equivalent	6	1485			1,005		
Incentive Receivable (Export)	7	704			1,317		
Duty Drawback Receivable	7	571			412		
Focus Product License	7	501			102		
Advances to Employees	7	82			101		
Advance to Other	7	127			129		
Interest Receivable	7	100			9		
Others	7	2			19		
ECGC Claim Receivable	7	0			725		
<b>Total</b>		<b>20285</b>	<b>297</b>	<b>-</b>	<b>13,058</b>	<b>292</b>	<b>-</b>
<b>Financial liabilities</b>							
Term loan from bank	10,16	2607			2,266		
Provision- Gratuity	11,17	1459			1,380		
Security deposits - for franchise	13	9955			6,003		
Lease Rent Liabilities (net)	13,16	15867			15,904		
Working Capital Loan from banks	14	5168			11,689		
Trade Payable	15	25204			10,891		
Unpaid Dividends	16	72			79		
Commission Payable on Inland Sales	16	1405			1,347		
Outstanding Liabilities	16	584			428		
Salary Payable	16	409			385		
Bonus Payable	16	584			534		
Audit Fees Payable	16	17			15		
Unpaid Commission on Export Sales	16	601			254		
Duties & Taxes (TDS payable)	16	211			184		
<b>Total</b>		<b>64143</b>	<b>-</b>	<b>-</b>	<b>51,440</b>	<b>-</b>	<b>-</b>

## Financial instruments- Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides the fair value measurement hierarchy of the financial assets and financial liabilities of the Company:

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at period end:

	31 March 2022				31 March 2021			
	Level of Input used in				Level of Input used in			
	Carrying Amount	Level I	Level II	Level III	Carrying Amount	Level I	Level II	Level III
<b>A Financial Assets</b>								
<b>a) Measured at amortised cost</b>								
Security deposits	1,264	1,264			1,272	1,272		
Trade receivables	15,449	15,449			7,967	7,967		
Cash and cash equivalent	1,485	1,485			1,005	1,005		
Incentive Receivable (Export)	704	704			1,317	1,317		
Duty Drawback Receivable	571	571			412	412		
Focus Product License	501	501			102	102		
Advances to Employees	82	82			101	101		
Advance to Other	127	127			129	129		
Interest Receivable	100	100			9	9		
Others	2	2			19	19		
ECGC Claim Receivable	0	0			725	725		
<b>Sub Total</b>	<b>20,285</b>	<b>20,285</b>	<b>-</b>	<b>-</b>	<b>13,058</b>	<b>13,058</b>	<b>-</b>	<b>-</b>
<b>b) Measured at Fair value through OCI</b>								
Investment	297		297		292		292	
<b>Sub Total</b>	<b>297</b>	<b>-</b>	<b>297</b>	<b>-</b>	<b>292</b>	<b>-</b>	<b>292</b>	<b>-</b>
<b>c) Measured at Fair value through profit or loss</b>								
<b>Total</b>	<b>20,582</b>	<b>20,285</b>	<b>297</b>	<b>-</b>	<b>13,350</b>	<b>13,058</b>	<b>292</b>	<b>-</b>
<b>B Financial Liabilities</b>								
<b>a) Measured at amortised cost</b>								
Term loan from bank	2,607	2,607			2,266	2,266		
Provision- Gratuity	1,459	1,459			1,380	1,380		
Security deposits - for franchise	9,955	9,955			6,003	6,003		
Lease Rent Liabilities (net)	15,867	15,867			15,904	15,904		
Working Capital Loan from banks	5,168	5,168			11,689	11,689		
Trade Payable	25,204	25,204			10,891	10,891		
Unpaid Dividends	72	72			79	79		
Commission Payable on Inland Sales	1,405	1,405			1,347	1,347		
Outstanding Liabilities	584	584			428	428		
Salary Payable	409	409			385	385		
Bonus Payable	584	584			534	534		
Audit Fees Payable	17	17			15	15		
Unpaid Commission on Export Sales	601	601			254	254		
Duties & Taxes (TDS payable)	211	211			184	184		
Forward Contract due to bank	2,607	2,607			81	81		
<b>Total</b>	<b>64,143</b>	<b>64,143</b>	<b>-</b>	<b>-</b>	<b>51,440</b>	<b>51,440</b>	<b>-</b>	<b>-</b>

Notes:

- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair value of non-current financial assets has not been disclosed as these are bank deposits with maturity more than 12 months, and there are no significant differences between their carrying value and fair value.
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE: 44 FRAUD

During the financial year 3 cases of fraud /embezzlement in the nature of misappropriation were reported. The amount involved was ₹ 36.77 lacs out of which ₹ 0.72 lacs were recovered and management is of the opinion that ₹ 10.57 lacs is recoverable whereas ₹ 25.49 lacs has been written off considering same as non recoverable.

The company has also written off ₹ 21.62 lacs pertaining to the fraud/embezzlement occurred during previous financial year which was considered as then recoverable. Thus the total amount written off ₹ 47.11 lacs

## NOTE 45 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1) COMPANY OVERVIEW:

Mirza International Limited ('The Company') is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange and having its registered office located at 14/6, Civil Lines, Kanpur-208001, Uttar Pradesh, India. The Company is a leading manufacturer & exporter of finished leather, Footwear and trader of footwear and apparels and allied products.

### 2) STATEMENT OF COMPLIANCE:

These standalone financial statements have been prepared & comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended & other relevant provisions of the Act.

### 3) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

Fair value measurement under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

### 4) USE OF ESTIMATES AND JUDGEMENT:

The preparation of the financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### 5) PROPERTY PLANT AND EQUIPMENT:

1. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Company are valued at cost of acquisition or construction net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes purchase price, borrowing cost of Capitalization allocated / apportioned direct and indirect expenses incurred in relation to bringing the fixed assets to its working condition for its intended life. The said cost is not reduced by specific Grants/ subsidy received against the assets.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

2. Capital Work in Progress – All costs attributable to the assets or incurred in relation to the assets under completion are aggregated under Capital work in progress to be allocated to individual assets on completion.
3. Lease hold land is capitalized with the lease premium paid; direct expenses/interest allocable to it till it is put to use.

### 6) DEPRECIATION & AMORTIZATION

- 1) Depreciation on Building, Plant and machinery, Furniture & fixtures, Vehicles and Computers is provided as per the Straight-Line Method (SLM), over the estimated useful lives of assets.
- 2) Lease hold land are amortized over the useful life remaining from the date, it put to use. The useful life of leasehold land is lease term remaining unexpired.
- 3) The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act.
- 4) The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

- 5) Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.
- 6) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### 7) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include bank overdrafts are form an integral part of Company's cash management."

### 8) BORROWING AND BORROWING COST

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets, all other Borrowing cost are charged to the Statement of Profit & Loss. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

### 9) LEASES:

The Company's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores. At inception of a contract, the Company assesses whether a contract 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, then the contract is considered as lease. Following factors are considered to determine whether a contract conveys the right to control the use of an identified asset:

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (i) The contract encompasses the use of an identified asset.
- (ii) The Company has extensively all of the economic benefits from use of the asset during the period of the lease; and
- (iii) The Company is in position to direct the use of the asset.

On the beginning of the lease, except for leases with a term of twelve months or less and low value leases, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease provisions in which it is a lessee.

For leases with a term of twelve months or less and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Where the lease provisions include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities adjusted only when it is reasonably certain that they will be exercised.

The ROU assets are initially accounted for at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Subsequently they are measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying ROU asset. Whenever events or changes in circumstances designate that their carrying amounts may not be recoverable ROU assets are evaluated for recoverability.

The lease liabilities at the commencement are measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a consistent change to the related ROU asset if the Company changes its appraisal about exercise of option for extension or termination.

Lease liabilities and ROU assets have been presented separately in the Balance Sheet and lease payments have been classified as financing cash flows.

## 10) 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.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### A) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss are added to the fair value on initial recognition. After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### B) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### C) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### 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 recognized by an acquirer in a business combination to which Ind AS103 (Business Combinations) applies are classified as at FVTPL. 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 P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And

### Either the Company:

- (a) has transferred substantially all the risks and rewards of the asset, or
- (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## Income recognition Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

## Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

## Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

## 11) INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## 12) INVENTORIES:

Inventories are valued at the lower of Historic Cost or the Net Realizable Value. Costs are determined as under:

Bought Out Items: On FIFO method except raw hides (which is valued at Specific Identification Method) and Chemicals (Which is valued at weighted average).

In the previous financial year cost of raw hides was determined at six months average purchase price in case of indigenous hides and full period weighted average price in case of imported hides as cost under Specific Method was not determinable and cost of chemicals in the previous financial was calculated using FIFO method.

In respect of bought out items where Input Tax Credit is permitted all recoverable taxes are excluded from purchase price for determining the cost.

1. **Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.
2. **Finished Goods:** At direct cost-plus allocation of overheads (including interest on working capital) other than Marketing, Selling & Distribution Expenses and Interest on Term Loan.

## 13) FOREIGN CURRENCY TRANSACTIONS

### (i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### ii) Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise

### (iii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

## 14) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## 15) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

### Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

### 16) REVENUE RECOGNITION:

Revenue from Sale of Goods and Export Incentives- Revenue is recognized upon transfer of control of promised products or services to customers only when it can be reliably measured, and it is reasonable to expect ultimate collection. Revenue in respect of contracts for services is recognized when the services are rendered, and related costs are incurred. Export Incentives under various schemes are accounted in the year of export.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price Concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from related party is recognized based on transaction price which is at arm's length.

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income"

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

### 17) RECEIVABLES

Receivables are disclosed in Indian currency equivalent of actually invoiced values. Receivables covered by bills of exchange purchased by the Company's bankers are neither shown as assets nor liabilities. Contingent liability in the event of nonpayment of the same is reflected in the Notes to the Accounts.

### 18) EMPLOYEE BENEFITS

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Leave Encashment

The liabilities for earned leave and sick leave are settled as when accrued within the financial year.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and pension; and
- (b) Defined contribution plans such as provident fund etc.

#### Pension and gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation 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 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Re measurement 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.

## Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred and deposited with the Government Provident Fund Scheme.

## Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## 19) TAXES ON INCOME

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized 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.

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 off set where the Company 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.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

## 20) INTANGIBLE ASSETS

Intangible assets acquired separately are measured in initial recognition at cost. Following initial recognition, intangibles, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting period.

### Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period of 5 years from the date of its acquisition.

The cost of usage rights is being amortized over the concession period in the proportion in which the actual revenue received during the accounting year bears to the projected revenue from such intangible assets till the end of concession period.

## 21) EARNINGS PER SHARE

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 22) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Provision:

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

#### Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) The amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

#### Contingent Asset:

Contingent asset is neither recognized nor disclosed in the financial statements

### 23) EVENTS AFTER THE REPORTING PERIOD

It is the Company's Policy to take into the account the impact of any significant event that occurs after the reporting date but before the finalization of accounts

### 24) GOVERNMENT GRANTS:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorate portion of the depreciation of the assets, to amortize the grant overdue life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

### 25) IMPAIRMENT OF TANGIBLE & INTANGIBLE ASSETS

#### (i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### (ii) Non-financial assets

The company assess at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

## 26) OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

Operating cycle for the business activities of the company covers the duration of the specific product line/ service including the defect liability period wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

## 27) ECGC Policy

As per the accounting policy of ECGC, only 90% of the claim amount is claimable from ECGC and for balance 10% of claim amount company has to made necessary provision.

## 28) Composite Scheme of Arrangement

The Board of Directors of the Company in its meeting held on 10<sup>th</sup> December, 2021, has considered and approved a Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors under the provisions of Sections 230 & 232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, and other applicable provisions, if any. The Composite Scheme of Arrangement, inter alia, provides for:

- i. Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis; and
- iii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.

The Share Exchange Ratio for the aforesaid Scheme is as follows:

- On Amalgamation the Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferor Company-RTS Fashions Pvt Ltd.
- On Demerger the Resulting Company-Redtape Ltd will issue 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the Shareholders of the Transferee Company for every 1 (one) Equity Share of ₹2 each held in the Transferee Company-Mirza International Ltd.

Appointed Date for the Scheme will be 1<sup>st</sup> January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

BSE and NSE have already approved the aforesaid Scheme of Arrangement. The Scheme is subject to requisite approvals of the Hon'ble National Company Law Tribunal and other competent authorities, if any.

### For DRA & Co

Chartered Accountants  
FRN 006476N

### CA. Priyanka Rai

Partner  
M.No. 429735  
UDIN: 22429735AJWSW01868

Place : Noida  
Date : May 30, 2022

### For & on behalf of the board of Directors

#### Rashid Ahmed Mirza

(Chairman and Managing Director)  
DIN: 00049009

#### V. T. Cherian

(Chief Financial Officer)

#### Tauseef Ahmad Mirza

(Whole Time Director)  
DIN: 00049037

#### Priyanka Pahuja

(Company Secretary)



## MIRZA INTERNATIONAL LIMITED

CIN: L19129UP1979PLC004821

Registered Office: 14/6, Civil Lines, Kanpur-208001

Phone: +91-512-2530775

E-mail: compliance@mirzaindia.com; Website: www.mirza.co.in

## NOTICE TO THE MEMBERS

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting (AGM) of the Members of Mirza International Limited will be held on Wednesday, September 28, 2022 at 11:00 A.M. at the Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur-208 002, Uttar Pradesh to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tauseef Ahmad Mirza (DIN: 00049037), Whole-time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Tasneef Ahmad Mirza (DIN: 00049066), Whole-time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants (Firm Registration No. 001410C) as the Statutory Auditors of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants (Firm Registration No. 001410C), be and is hereby appointed as the Statutory Auditors of the Company to hold the office for the first term of five (5) consecutive years from the conclusion of this Annual General Meeting of the Company till the conclusion of the 48<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration as shall be finalised by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all acts and take all

such steps as may be necessary, proper or expedient to give effect to this resolution.”

### SPECIAL BUSINESS:

5. **Ratification of the remuneration payable to Cost Auditors**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 (“Act”) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Audit Committee and Board of Directors of the Company, Mr. Arun Kumar Srivastava, Cost Accountant (Membership No. 10467), who was appointed as the Cost Auditor of the Company by the Board of Directors to audit the cost records for Financial Year 2022-2023, be and is hereby appointed at a remuneration of ₹ 40,000/- per annum plus applicable tax and out of pocket expenses incurred in carrying out the said audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and are hereby authorized to do all such acts, deeds and things as may be deemed necessary or expedient to give effect to this resolution.”

6. **Approval to increase remuneration of Mr. Faraz Mirza as President (Production)**

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

**“RESOLVED THAT** pursuant to the provisions of Section 2(76), Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s), and approval of Audit Committee and Board of Directors of the Company, approval of Shareholders be and is hereby accorded for revision of remuneration of Mr. Faraz Mirza, President

(Production), a related party as defined under the provisions of the Act and Listing Regulations, by way of Salary, Dearness Allowance, Perquisites, Performance Based Bonus, Commission and other Allowance not exceeding a sum of ₹ 2,52,00,000 (Rupees Two Crore Fifty Two Lakhs only) per annum along with medical reimbursements of self and spouse not exceeding a sum of ₹ 20 Lakhs per annum.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby severally authorised to do all such other acts, deeds, things and matters as they may consider necessary or expedient in connection with the working of the said purpose.”

**7. Approval to enter into agreement with Mirza (U.K.) Limited**

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

“**RESOLVED THAT** pursuant to the provisions of Section 2(76), Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s) and approval of Audit Committee and Board of Directors of the Company, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into material contract(s)/ arrangement(s)/ transaction(s) with Mirza (U.K.) Limited, a related party as defined under the provisions of the Act and Listing Regulations, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 30,000 Lakhs for one year plus applicable Goods and Services Tax during the financial year 2022-23, for the purposes as set out in the explanatory statement annexed hereto, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be in the ordinary course of business of the Company and at arm’s length basis.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**8. Approval to enter into agreement with Euro Footwear Private Limited**

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

“**RESOLVED THAT** pursuant to the provisions of Section 2(76), Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s), and approval of Audit Committee and Board of Directors of the Company, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into material contract(s)/ arrangement(s)/ transaction(s) with Euro Footwear Private Limited, a related party as defined under the provisions of the Act and Listing Regulations, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 25,000 Lakhs for one year, plus applicable Goods and Services Tax during the financial year 2022-23, for the purposes as set out in the explanatory statement annexed hereto, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be in the ordinary course of business of the Company and at arm’s length basis.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By Order of the Board of Directors  
For **Mirza International Limited**

Place: New Delhi  
Date: August 8, 2022

**Harshita Nagar**  
Company Secretary and  
Compliance Officer

CIN: L19129UP1979PLC004821

**Registered Office:**

14/6, Civil Lines, Kanpur-208001  
Uttar Pradesh

Telephone No.: 0512 2530775

Website: <https://www.mirza.co.in/>

Email ID: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com)

**NOTES:**

1. The Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 43<sup>rd</sup> Annual General Meeting, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A proxy shall be sent in the form enclosed and in order to be effective must reach the registered office of the Company at least **FORTY-EIGHT HOURS** before the scheduled time of the meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by appropriate resolution/ authority as applicable.
3. A person can act as proxy on behalf of members not exceeding Fifty in number and holding in aggregate not more than 10% of total share capital of the Company carrying voting rights. However, a member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. A copy of the Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the Auditors' and Directors' Reports thereon are enclosed.
5. Members are requested to write to the Company their query(ies), if any, on the accounts and operations of the Company at least 7 days before the meeting to keep the information ready at the meeting.
6. The Board of Directors has not recommended any Dividend for the Financial Year ended on March 31, 2022.
7. Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) /Real Time Gross Settlement (RTGS)/ Direct Credit, etc.

Members holding shares in electronic mode are therefore requested to furnish their Bank particulars in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form, if any, and desirous of availing

the NECS / ECS facility, are requested to update their Bank particulars by sending it to the Company's Registrar and Share Transfer Agent, M/s. KFin Technologies Limited ("RTA"), directly for instant credit of dividend and other cash entitlements.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further instructions, if any, already given by them in respect of shares held in physical form, if any, will not be automatically applicable to shares held in the electronic mode.

8. SEBI vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the 'Secretarial and Compliance Department' of the Company at the Corporate Office or to RTA of the Company. In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders). Members are also requested to submit original cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month, may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant(s).
9. Shareholders of the Company are informed that pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the amount of dividend which remains unpaid/ unclaimed for a period of 7 consecutive years is required to be transferred to the 'Investor Education & Protection Fund' (IEPF) constituted by the Central Government. Accordingly, unpaid/unclaimed dividend upto the year 2013-2014 has been transferred to IEPF.

Shareholders who have not encashed their dividend warrant(s) for the year from 2014-2015 to 2019-2020 are requested to make claim with the Company immediately. Dividend declared by the Company for the financial year 2014-2015, remaining unpaid/unclaimed is due for transfer on or after October 28, 2022 to IEPF. A statement containing names, last known addresses and unpaid dividend of such shareholders is available on the website of the Company i.e. [www.mirza.co.in](http://www.mirza.co.in).

Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. Further, pursuant to

the provisions of Section 124 of the Companies Act, 2013 and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the members to the Demat Account of the IEPF. Accordingly, the Company has transferred 20,775 equity shares of ₹ 2/- each to IEPF whose dividend was not encashed for consecutive seven years from 2013-2014, data of which is available on website of the Company. The Company sent a communication to all shareholders concerned and had also published a Notice in the leading Newspaper, viz, Business Standard (both in English and Vernacular paper), with respect to the formalities and process of such transfers. Similarly, the Company will transfer such shares to Demat account of IEPF Authority on which dividend for 2014-2015 will remain un-encashed for seven consecutive years, as per the guidelines issued by the concerned authority(ies) from time to time.

10. Members are informed that once the unclaimed / unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend / shares. The eligible Members are entitled to claim such unclaimed / unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Corporate Office of the Company for verification of their claim. Relevant details and the specified procedure to claim refund of dividend amount / shares along with an access link to the refund webpage of IEPF Authority's website for claiming the dividend amount / shares has been provided on the Company's website, i.e., [www.mirza.co.in](http://www.mirza.co.in) under the "Investor Relations" category.
11. All members who have either not received or have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2015 till the financial year ended March 31, 2020 are requested to write to the Company's Registrar and Share Transfer Agent, i.e., M/s. KFin Technologies Limited, at Selenium Tower B, 6<sup>th</sup> Floor, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad- 500 032 for obtaining duplicate dividend warrant without any further delay.
12. During the financial year ended March 31, 2022, the Company has deposited a sum of ₹ 6,54,784/- (Rupees Six Lakhs Fifty Four Thousand Seven Hundred Eighty Four only) into the specified bank account of the IEPF,

Government of India, towards unclaimed / unpaid dividend for the financial year 2013-14. The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Final/Interim Dividend for the financial year ended	Due date for transfer to IEPF
March 31, 2015 (Final)	28.10.2022
March 31, 2016 (Final)	28.10.2023
March 31, 2017 (Final)	27.10.2024
March 31, 2018 (Final)	25.10.2025
March 31, 2019 (Final)	18.10.2026
February 12, 2020 (Interim)	09.03.2027

13. Members holding shares in physical form, if any, and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form No. SH.13 to the Registrar and Transfer Agent of the Company for nomination and Form No. SH.14 for cancellation/ variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
14. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 02/2021, 10/2021, 20/2021 and 03/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021, June 23, 2021, December 8, 2021 and May 5, 2022 respectively issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively issued by Securities and Exchange Board of India ("SEBI Circulars"), Notice for the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Central Depository Services (India) Limited (CDSL) / National Securities Depositories Limited (NSDL) ("Depositories"). Member may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at [www.mirza.co.in](http://www.mirza.co.in), websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of KFin Technologies Limited (KFinTech).
15. The Company draws your attention to the notification issued by SEBI dated January 24, 2022, June 8, 2018 and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations



- and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer/ transmission and transposition of securities by unscrupulous entities. Transfer/ transmission and transposition of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or KFintech for assistance in this regard.
16. Members are requested to support Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar and Transfer Agent or the Company (in case of shares held in physical form) for receiving all communications including annual report, notices from the Company electronically.
17. As required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the relevant information in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
18. Members holding shares in physical mode are requested to immediately notify any change in their address along with self-attested copy of address proof, i.e., Aadhaar Card / Electricity Bill / Telephone Bill / Driving License / Passport / Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified / submitted directly to their respective DPs.
19. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed and forms part of this Notice.
20. The Company has designated an exclusive e-mail ID "compliance@mirzaindia.com" for redressal of shareholders' complaints / grievances.
21. In all correspondence with the Company, Members holding shares in physical mode are requested to quote their Folio numbers and in case their shares are held in the dematerialized mode, Members are requested to quote their DP Id and Client Id.
22. All the documents as required under the Act and referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection by the Members of the Company without payment of fees at the Corporate Office of the Company at A-7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi 110 044 on any working day between 10.00 A.M. to 05.00 P.M. till the date of the AGM and shall also be available at the venue of the AGM.
- 23. Voting through Electronic Means:**
- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('remote e-voting'). The facility for voting through ballot paper will also be made available at the Annual General Meeting (AGM) and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again.
- ii. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
- iv. The Company has engaged the services of KFin Technologies Limited (KFintech) as the Authorised Agency to provide e-voting facilities.

- v. The remote e-voting period commences from Sunday, September 25, 2022 at 09:00 A.M. IST ending on Tuesday, September 27, 2022 at 05:00 P.M. IST.
- vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 23, 2022.
- vii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he / she is already registered with KFintech for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.
- viii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as on the cut-off date may follow steps mentioned below under “Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- ix. The details of the process and manner for remote e-voting and AGM are explained herein below:
  - Step 1 :** Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.
  - Step 2 :** Access to KFintech e-voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-voting”.</li> <li>IV. Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services</b></p> <ul style="list-style-type: none"> <li>I. To register, click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in point 1.</li> </ul> <p><b>3. Alternatively by directly accessing the e-voting website of NSDL</b></p> <ul style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-voting Service Provider name, i.e., KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.</li> </ul>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<b>1. Existing user who have opted for Easi / Easiest</b>
	I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> .
	II. Click on New System Myeasi.
	III. Login with your registered user id and password.
	IV. The user will see the e-voting Menu. The Menu will have links of ESP, i.e., KFintech e-voting portal.
	V. Click on e-voting service provider name to cast your vote.
	<b>2. User not registered for Easi/Easiest</b>
	I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> .
	II. Proceed with completing the required fields.
	III. Follow the steps given in point 1.
<b>3. Alternatively, by directly accessing the e-voting website of CDSL</b>	
I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> .	
II. Provide your Demat Account Number and PAN No.	
III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.	
IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e-voting is in progress.	
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-voting facility.
	II. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.
	III. Click on options available against company name or e-voting service provider – <b>Kfintech</b> and you will be redirected to e-voting website of <b>KFintech</b> for casting your vote during the remote e-voting period without any further authentication.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Securities held with NSDL Please contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: **1800 1020 990** and **1800 22 44 30**

Securities held with CDSL Please contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at **022- 23058738** or **022-23058542-43**

**Details on Step 2 are mentioned below:**

- II) Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
- (A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
  - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat

- account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVEN”, i.e., “MIRZA INTERNATIONAL LIMITED- AGM” and click on “Submit”.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id ankit99000@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name\_Even No.”
- (B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:**
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
  - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.



### General

- i. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through voting system available during the AGM.
- ii. A Member can opt for only single mode of voting, i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Ms. Shobha Anand at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- iv. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 23, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- v. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL:  
MYEPWD <SPACE>  
IN12345612345678
  2. Example for CDSL:  
MYEPWD <SPACE>  
1402345612345678
  3. Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
  - iv. The Board of Directors has appointed Mr. Ankit Misra, Company Secretary in Practice, (ACS No. 30650, CP No. 23471) as the Scrutinizer to scrutinize remote e-voting process and voting by ballot at the meeting in a fair and transparent manner.

The Scrutiniser will submit their report to the Chairman of the Meeting or any person authorised by him after completion of the scrutiny, not later than forty eight hours of conclusion of the meeting and the result of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.mirza.co.in](http://www.mirza.co.in) and also on the website of KFintech at <https://evoting.kfintech.com>.

**STATEMENT / EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER**

**Item No. 4**

**Appointment of Auditors**

M/s. DRA & Co., Chartered Accountants (Firm Registration No. 006476N), were appointed as Statutory Auditors of the Company from conclusion of 38<sup>th</sup> Annual General Meeting (AGM) till conclusion of 43<sup>rd</sup> Annual General Meeting of the Company. At the ensuing AGM, the first term of M/s. DRA & Co., Chartered Accountants shall expire and they are eligible for re-appointment for another term of 5 years under the provisions of the Companies Act, 2013. However, M/s. DRA & Co., has expressed their inability to be re-appointed as Statutory Auditors of the Company for another term of 5 years due to some practical difficulties.

The Board of Directors in their meeting held on August 8, 2022, based on the recommendation of the Audit Committee, have recommended to the members appointment of M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants (Firm Registration No. 001410C), as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, i.e., from the conclusion of this AGM till the conclusion of 48<sup>th</sup> AGM at remuneration of ₹ 18.00 Lakhs p.a.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants have provided their consent and eligibility certificate to the effect that their appointment, if made, would be in compliance with the applicable laws and guidelines. The profile of M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants is as under:

- The firm is serving the industry since 1980 and have Qualified CAs.
- The Firm is empaneled with various authorities like Reserve Bank of India & all the other major Banks of India, Comptroller and Auditor General of India (CAG), various Financial Institutions, LIC and Co-operative Societies.
- The Firm has rich clientele of conducting statutory audits of various Financial Institutions, Banks, NBFCs, Insurance Companies, alongwith other entities from other sectors.

The Board of Directors hereby proposes to appoint M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants as Statutory Auditors of the Company for a period of 5 consecutive years, i.e., from the conclusion of ensuing AGM till the conclusion of 48<sup>th</sup> AGM.

Additional information about Statutory Auditors pursuant to Regulation 36 of the Listing Regulations is provided below:

Particulars	Details
Proposed fees payable to the Statutory Auditor	₹ 18 Lakhs p.a.
Terms of appointment	For a term of 5 consecutive years from the conclusion of 43 <sup>rd</sup> AGM till the conclusion of 48 <sup>th</sup> AGM
In case of new Auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There is no change in the fee.
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed	The firm complies with the provisions of the Companies Act, 2013 and other norms prescribed in this regard.

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

The Board recommends the Resolution set out at item No. 4 of the Notice for approval of the Members by way of Ordinary Resolution.

**Item No. 5**

**Ratification of Remuneration of the Cost Auditors of the Company**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Accountant for auditing the cost records of the Company and the remuneration payable to the said Cost Accountant is required to be ratified by the Shareholders of the Company.

Accordingly, on the recommendation made by the Audit Committee, the Board of Directors of the Company, in their meeting held on May 30, 2022, appointed Mr. Arun Kumar Srivastava, Cost Accountant to audit the cost records of the Company for the Financial Year 2022-2023 at a remuneration of ₹ 40,000/- per annum plus applicable tax and out of pocket expenses incurred in carrying out the said audit.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice to fix the remuneration payable to the Cost Auditors of the Company for the Financial Year 2022-23.



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

The Board recommends the Resolution set out at item No. 5 of the Notice for approval of the Members by way of Ordinary Resolution.

#### Item No. 6

##### Approval to increase remuneration of Mr. Faraz Mirza as President (Production)

Mr. Faraz Mirza was re-appointed as President (Production) of the Company w.e.f. October 1, 2020 for a period of 3 years. Further, considering the role and contributions made by Mr. Faraz Mirza towards the growth of the Company and taking into account similar sized industries in India, the Audit Committee, Nomination and Remuneration Committee of Board of Directors and Board of Directors of the Company, considered the revision in remuneration payable to Mr. Faraz Mirza by way of increase in the remuneration from ₹ 1,20,00,000 (Rupees One Crore Twenty Lakhs only) per annum to ₹ 2,52,00,000 (Rupees Two Crore Fifty Two Lakhs only) per annum w.e.f. April 1, 2022 for his remaining tenure.

Mr. Faraz Mirza is the son of Mr. Shahid Ahmad Mirza, Whole-time Director of the Company and comes within the meaning of Related Party in terms of provisions of the Companies Act, 2013, applicable Rules framed thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, approval of the shareholders is being sought for the said increase in remuneration of Mr. Faraz Mirza. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) required are as follows:

Sr. No.	Particulars	Remarks
1.	Name of the Related Party	Mr. Faraz Mirza
2.	Name of the Director or KMP who is related	Mr. Shahid Ahmad Mirza, Whole-time Director
3.	Nature of Relationship	Mr. Faraz Mirza is son of Mr. Shahid Ahmad Mirza
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	The remuneration of Mr. Faraz Mirza, President (Production) is to be increased from ₹ 1.20 crore to ₹ 2.52 crore.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

Except Mr. Shahid Ahmad Mirza and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives, are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an Ordinary Resolution.

#### Item No. 7

##### Approval to enter into agreement with Mirza (U.K.) Limited

Mirza (U.K.) Limited is a related party of your Company as defined under the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

To ensure stability of supplies in terms of quality, your Company proposes to enter into transaction(s) with Mirza (U.K.) Limited for the period of one (1) year w.e.f. October 1, 2022. Such transaction(s) shall be in the ordinary course of business of the Company and at arm's length basis.

Pursuant to the provisions of Regulation 23 of the Listing Regulations, all material related party transactions shall require approval of shareholders through ordinary resolution, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

During the prescribed period, the total value of the proposed transaction(s) with Mirza (U.K.) Limited is likely to exceed the said threshold. Accordingly, transaction(s) entered into with Mirza (U.K.) Limited comes within the meaning of material related party transaction(s) in terms of provisions of the Listing Regulations and the Act and rules made thereunder. The Audit Committee and Board of Directors in their respective meetings held on May 30, 2022 approved proposed related party transactions with Mirza (U.K.) Limited in accordance with the Company's policy on Related Party Transactions. Hence, approval of the shareholders is being sought for the said related party transaction(s) proposed to be entered into by your Company with Mirza (U.K.) Limited during the prescribed period.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with Mirza (U.K.) Limited are as follows:

Sr. No.	Particulars	Remarks
1.	Name of the Related Party	Mirza (U.K.) Limited
2.	Name of the Director or KMP who is related	Mr. Rashid Ahmed Mirza, Managing Director Mr. Shahid Ahmad Mirza, Whole Time Director Mr. Tauseef Ahmad Mirza, Whole Time Director Mr. Tasneef Ahmad Mirza, Whole Time Director

Sr. No.	Particulars	Remarks
3.	Nature of Relationship	Related Party u/s 2(76) (iv) of the Companies Act, 2013
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	For the purpose of sale and purchase of shoes and payment of commission upto ₹ 30,000 Lakhs.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

Except Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza and Mr. Tasneef Ahmad Mirza and their relatives, none of the other Directors and the Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in the resolution as set out in item no. 7 of the Notice.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

#### Item No. 8

##### Approval to enter into agreement with Euro Footwear Private Limited

Euro Footwear Private Limited is a related party of your Company as defined under the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

To ensure stability of supplies in terms of quality, your Company proposes to enter into transaction(s) with Euro Footwear Private Limited for the period of one (1) year w.e.f. October 1, 2022. Such transaction(s) shall be in the ordinary course of business of the Company and at arm's length basis.

Pursuant to the provisions of Regulation 23 of the Listing Regulations, all material related party transactions shall require approval of shareholders through ordinary resolution, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

During the prescribed period, the total value of the proposed transaction(s) with Euro Footwear Private Limited is likely to exceed the said threshold limit. Accordingly, transaction(s) entered into with Euro Footwear Private Limited comes

within the meaning of material related party transaction(s) in terms of provisions of the Listing Regulations and the Act and rules made thereunder. The Audit Committee and Board of Directors in their respective meetings held on May 30, 2022 approved proposed related party transactions with Euro Footwear Private Limited in accordance with the Company's policy on Related Party Transactions. Hence, approval of the shareholders is being sought for the said related party transaction(s) proposed to be entered into by your Company with Euro Footwear Private Limited during the prescribed period.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with Euro Footwear Private Limited are as follows:

Sr. No.	Particulars	Remarks
1.	Name of the Related Party	Euro Footwear Private Limited
2.	Name of the Director or KMP who is related	Mr. Rashid Ahmed Mirza, Managing Director Mr. Shahid Ahmad Mirza, Whole Time Director Mr. Tauseef Ahmad Mirza, Whole Time Director Mr. Tasneef Ahmad Mirza, Whole Time Director
3.	Nature of Relationship	Related Party u/s 2(76) (iv) of the Companies Act, 2013
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	For the purpose of purchase of Footwear and other Components / Job Work charges / Sale of Leather upto ₹ 25,000 Lakhs
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

Except Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza and Mr. Tasneef Ahmad Mirza and their relatives, none of the other Directors and the Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in the resolution as set out at item no. 8 of the Notice.

The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as an Ordinary Resolution.



Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 of ICSI regarding Directors seeking appointment / re-appointment

Particulars	Mr. Tauseef Ahmad Mirza	Mr. Tasneef Ahmad Mirza
Designation	Whole-time Director	Whole-time Director
Age	52 Years	50 Years
Qualification	Diploma in Shoe Technology from UK	Degree in Leather Technology from the renowned Leicester University of UK
Experience (Including expertise in the specific functional area)/ Brief Resume	Mr. Tauseef Ahmad Mirza has rich experience of more than three decades in the leather industry	Mr. Tasneef Ahmad Mirza has vast experience of more than two decades in the leather industry
Terms and Conditions of appointment/ re- appointment	In accordance with Special Resolution passed by the Shareholders of the Company through Postal Ballot dated October 22, 2020	
Remuneration last drawn in F.Y 21-22 (including sitting fees, if any)	As mentioned in Corporate Governance Report	
Number of Meeting of Board attended during the FY 21-22	As mentioned in Corporate Governance Report	
Name of listed entities in which the Directorship is held	Mirza International Limited	
Chairman/Member of the Committees of Board of Listed Companies	Nil	Member in Stakeholders Relationship Committee
Relationships between directors inter-se	Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza and Mr. Tasneef Ahmad Mirza are brothers	



## MIRZA INTERNATIONAL LIMITED

**CIN:** L19129UP1979PLC004821

**Registered Office:** 14/6, Civil Lines, Kanpur-208001

**Phone:** +91-512-2530775

**E-mail:** compliance@mirzaindia.com; **Website:** www.mirza.co.in

### ATTENDANCE SLIP

The Folio No. and Name(s) of the Member(s) is / are to be furnished below in block letters:

Folio No. .... No. of Shares held .....

Client ID ..... DP ID .....

Full Name(s) of Member / Joint Members:

1..... 2.....

3..... 4.....

Full Name of the Proxy, if attending the meeting .....

I, hereby record my presence at the 43<sup>rd</sup> Annual General Meeting of the Company, held at the Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur- 208002 on Wednesday, September 28, 2022 at 11:00 A.M. (IST).

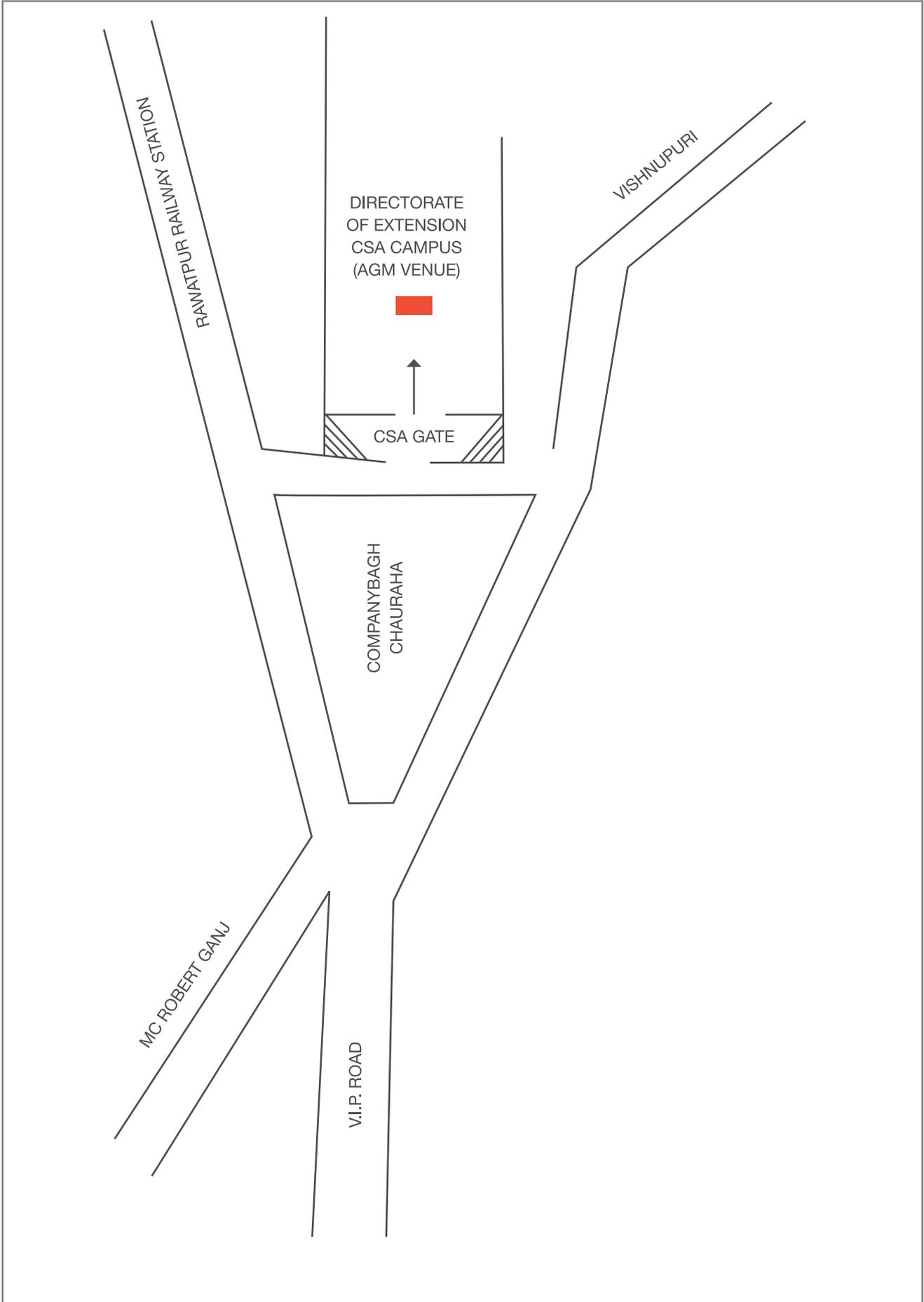
.....

Signature of the Member / Joint Members / Proxy attending the meeting

Please complete this attendance slip and hand it over at the entrance of the meeting hall.



## ROUTE MAP OF THE AGM VENUE



# MIRZA INTERNATIONAL LIMITED

CIN: L19129UP1979PLC004821

Registered Office: 14/6, Civil Lines, Kanpur-208001

Phone: +91-512-2530775

E-mail: compliance@mirzaindia.com; Website: www.mirza.co.in

Form No. MGT-11

PROXY FORM

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

Name of the member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID & DP ID	

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

- Name:..... Address:.....  
E-mail Id:..... Signature:.....,or failing him/her
- Name:..... Address:.....  
E-mail Id:..... Signature:.....,or failing him/her
- Name:..... Address:.....  
E-mail Id:..... Signature:....., as my/our

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43<sup>rd</sup> Annual General Meeting of the Company, to be held at the Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur- 208001 on Wednesday, September 28, 2022 at 11:00 A.M. (IST) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Number of shares	For	Against
1.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Tauseef Ahmad Mirza (DIN: 00049037), Whole-time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint a Director in place of Mr. Tasneef Ahmad Mirza (DIN: 00049066), Whole-time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To appoint M/s. Khamesra Bhatia & Mehrotra, Chartered Accountants (Firm Registration No. 001410C) as the Statutory Auditors of the Company.			
5.	Ratification of the remuneration payable to Cost Auditors.			
6.	Approval to increase remuneration of Mr. Faraz Mirza as President (Production).			
7.	Approval to enter into agreement with Mirza (U.K.) Limited.			
8.	Approval to enter into agreement with Euro Footwear Private Limited.			

Signed this.....day of.....2022

Signature of Shareholder:.....

Signature of Proxy holder(s):.....

Affix  
Revenue  
Stamp  
₹1/-

Note:

- The Proxy to be effective should be deposited at the Registered office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

# RED TAPE



[www.redtape.com](http://www.redtape.com)