

## 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

July 1, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001  <b>Scrip 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 Sirs,

### **Sub.: Meetings of Equity Shareholders and Un-secured Creditors of the Company**

**Ref.: In the matter of Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and REDTAPE Limited and their respective Shareholders and Creditors**

This is to inform that pursuant to the order dated June 14, 2022 (date of pronouncement) passed by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj, (the "NCLT"), the meetings of the Equity Shareholders and Un-secured Creditors of Mirza International Limited is directed to be held under the supervision of the Hon'ble National Company Law Tribunal on August 6, 2022.

In pursuance to the NCLT order and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, further notice is hereby given that the meetings of the Equity Shareholders and Un-secured Creditors of the Company is scheduled to be held and convened through Video Conferencing as under:

<b>Meetings of</b>	<b>Day, Date and Time of Meeting</b>
Equity Shareholders	Saturday, August 6, 2022 at 11:00 A.M. IST
Un-secured Creditors	Saturday, August 6, 2022 at 01:00 P.M. IST

The details such as manner of casting voting through e-voting and attending the meeting through Video Conferencing have been set out in the Notice of the respective meetings.

An equity shareholder, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e., Saturday, July 30, 2022, only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the notice and attend the meeting of the Equity Shareholders. Voting rights of an equity shareholder/ beneficial owner (in case of electronic shareholding) shall be in proportion to his / her / its shareholding in the paid-up equity share capital of the Company as on the cut-off date, i.e., Saturday, July 30, 2022.

An Un-secured Creditor whose name appear in the list of Un-secured Creditors as on cut-off date i.e. March 31, 2022, only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the notice and attend the meeting of unsecured creditors. Voting rights of an unsecured creditor shall

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




be in proportion to the outstanding amount due by the Company as on the cut-off date, i.e. March 31, 2022.

Copy of the Notice and Explanatory Statement under Sections 230 & 232 read with Sections 66 and 102 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, of the aforesaid meetings are attached.

You are requested to disseminate the intimation on your website.

Thanking you.

Yours faithfully,  
For **Mirza International Limited**



**Harshita Nagar**  
**Company Secretary & Compliance Officer**

Encl.: As above.

**Mirza International Ltd**

[CIN: L 19129 UP 1979 PLC 004821]

Registered Office: 14/6, Civil Lines Kanpur 208 001, Uttar Pradesh

E-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com)

Website: [www.mirza.co.in](http://www.mirza.co.in)

**Meeting of Equity Shareholders of Mirza International Ltd scheduled to be held through Video Conferencing with facility of remote e-voting under the supervision of the Hon'ble National Company Law Tribunal**

<b>Day</b>	Saturday
<b>Date</b>	6 <sup>th</sup> August, 2022
<b>Time</b>	11:00 A.M.
<b>Venue</b>	Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable

**Schedule of remote e-voting facility which will be available before the date of meeting**

<b>Commencement of remote e-voting</b>	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
<b>End of remote e-voting</b>	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

**List of Documents**

<b>Sl. No.</b>	<b>Contents</b>
<b>1.</b>	<b>Notice of the Meeting</b> along with Instructions for attending the meeting through Video Conferencing; and for voting through remote e-voting process
<b>2.</b>	<b>Explanatory Statement</b>
<b>3.</b>	<b>Composite Scheme of Arrangement</b> of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors
<b>4.</b>	<b>Pre-Scheme and post-Scheme Equity Shareholding Patterns</b> of the Companies involved in the Scheme of Arrangement
<b>5.</b>	<b>Report on Valuation of Shares &amp; Share Exchange Ratio</b> by Mr Sandeep Kumar Agrawal, Chartered Accountant and the IBBI Registered Valuer
<b>6.</b>	<b>Fairness Opinion</b> by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category I Merchant Banker on the Report on Valuation of Shares & Share Exchange Ratio of the Registered Valuer
<b>7.</b>	<b>Complaints Reports</b> filed by Mirza International Ltd with BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE)
<b>8.</b>	<b>No Objection/Observation Letters of BSE and NSE</b> for the proposed Scheme of Arrangement

<b>9.</b>	<b>Audited Financial Statements</b> of RTS Fashions Pvt Ltd (the Transferor Company), Mirza International Ltd (the Transferee Company) and Redtape Ltd (the Resulting Company) for the year ended 31 <sup>st</sup> March, 2022
<b>10.</b>	<b>Abridged Prospectus</b> of the un-listed Transferor Company and the Resulting Company along with the <b>Due Diligence Report</b> issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category I Merchant Banker
<b>11.</b>	<b>Compliance Report</b> in terms of the SEBI Scheme Master Circular

**In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:**

<b>Name</b>	<b>Contact Detail</b>
Mr Sharwan Mangla General Manager Mas Services Ltd	011-26387281-83 <a href="mailto:sm@masserv.com">sm@masserv.com</a>
Ms Harshita Nagar Company Secretary & Compliance Officer Mirza International Ltd	011-4095 9500 <a href="mailto:compliance@mirzaindia.com">compliance@mirzaindia.com</a>

Sd/-  
**Santosh Kumari, Advocate**  
Chairperson of the meeting

Through

Sd/-  
Kartikeya Goel, Advocate  
**For Rajeev Goel & Associates**  
Counsel for the Applicants  
785, Pocket-E, Mayur Vihar-II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 88005 15597  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)

**Date:** 29<sup>th</sup> June, 2022

**Place:** New Delhi

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, ALLAHABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. CA (CAA) 11/ALD OF 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AND

IN THE MATTER OF

RTS FASHIONS PVT LTD

APPLICANT NO. 1/TRANSFEROR COMPANY

MIRZA INTERNATIONAL LTD

APPLICANT NO. 2/TRANSFeree COMPANY

AND

REDTAPE LTD

APPLICANT NO. 3/RESULTING COMPANY

### **NOTICE CONVENING MEETING**

**To**  
**The Equity Shareholders of**  
**Mirza International Ltd**

**Take Notice** that the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad vide its Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), inter alia, directed for convening of a meeting of Equity Shareholders of Mirza International Ltd (the Transferee Company) through Video Conferencing for the purpose of considering and, if thought fit, approving, the proposed Composite Scheme of Arrangement of RTS

Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors, and other connected matters, if any. The following Special Business will be transacted in the said meeting:

To consider and, if thought fit, to pass the following resolution with specific majority as provided under Sections 230 & 232 of the Companies Act, 2013, and other applicable provisions, if any:

***"Resolved that*** pursuant to 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, and subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, consent of the meeting be and is hereby accorded for the proposed (a) Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with Mirza International Ltd (the Transferee Company); (b) De-merger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company/the Demerged Company) into Redtape Ltd (the Resulting Company); and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and Demerger.

***Resolved further that*** the Report on Valuation of Shares & Share Exchange Ratio issued by Mr Sandeep Kumar Agrawal, Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705; and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by Turnaround Corporate Advisors Pvt Ltd, a SEBI Registered Category I Merchant Banker, placed before the meeting, be and are hereby received, considered and taken on record. The share exchange ratio as recommended by the Registered Valuer for the proposed amalgamation and demerger, etc., being fair and reasonable to the Shareholders and other stakeholders of all the Companies, be and is hereby considered, accepted and approved.

***Resolved further that*** the salient features/terms and conditions of the proposed Amalgamation and Demerger, etc., as set out in the draft Composite Scheme of Arrangement placed before the meeting, which, inter-alia, include the following:

- i. On Amalgamation, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt Ltd will be transferred to and vest in Mirza International Ltd.*
- ii. On Demerger, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd will be transferred to and vest in Redtape Ltd on going concern basis.*
- iii. On Amalgamation, all the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.*
- iv. On Demerger, all the employees of the Transferee Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, shall become the employees of the Resulting Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those applicable to them in the Demerged Business of the Transferee Company, on the Effective Date.*
- v. 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.*
- vi. Share Exchange Ratio for Amalgamation will be as follows:*
  - 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.*

*Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the*

eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

**vii.** Share Exchange Ratio for Demerger will be as follows:

➤ 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.

**viii.** Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

**ix.** BSE Ltd will act as the Designated Stock Exchange for the purposes of the Scheme of Arrangement.

be and are hereby approved in specific.

**Resolved further that** subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors, as placed before the meeting, be and is hereby approved.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to take necessary steps to obtain necessary approval(s) for the aforesaid Scheme and for effective implementation of the same, including but not limited to, to agree to such conditions or modifications [including the appointed date(s) and share exchange ratio, etc.,] that may be imposed, required or suggested by the Hon'ble National Company Law Tribunal or any other authorities or that may otherwise be deemed fit or proper by the Board and to do all other acts, deeds or things which may be ancillary or incidental to the above mentioned matter or which may otherwise be required for the aforesaid Scheme.”

**Take Further Notice** that in pursuance of the said order, a meeting of the **Equity Shareholders of Mirza International Ltd is scheduled to be held through Video Conferencing on Saturday, 6<sup>th</sup> August, 2022, at 11:00 A.M.**, when you are requested to attend.

**Facility of remote e-voting will be available during the prescribed time period before the meeting. Accordingly, Equity Shareholders can vote through remote electronic means (without attending the meeting) instead of voting in the Equity Shareholders' meeting.**

The Hon'ble Tribunal has appointed Mrs Santosh Kumari, Advocate, as the Chairperson and Mr Anil Kumar Mittal, as the Scrutinizer of the aforesaid meeting.

A copy each of the Explanatory Statement [under Sections 230 & 232 of the Companies Act, 2013 read with Sections 66 and 102 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any], the proposed Scheme of Arrangement and other documents, if any, are enclosed. The proposed Scheme of Arrangement, if approved in the meeting, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad.

Dated this 29<sup>th</sup> day of June, 2022

Sd/-  
**Santosh Kumari, Advocate**  
Chairperson of the meeting

Through

Sd/-  
Kartikeya Goel, Advocate  
**For Rajeev Goel & Associates**  
Counsel for the Applicants  
785, Pocket-E, Mayur Vihar-II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 88005 15597  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)

**Notes:**

1. In view of COVID-19 pandemic, the present meeting is proposed to be convened through Video Conferencing in terms of the Order passed by the Hon'ble National Company Law Tribunal, the Guidelines issued by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013, if any. Facility of remote e-voting will be available during the prescribed time period before the meeting and through e-voting platform which will be available during the meeting.
2. National Securities Depository Limited (NSDL) is appointed to provide remote e-voting facility before the meeting; and to provide e-voting platform during the meeting, in a secured manner. Whereas Mas Services Ltd, a SEBI registered Registrar and Transfer Agent (RTA) is appointed to provide platform for convening the meeting through Video Conferencing; to handle and supervise the entire process of holding the meeting through Video Conferencing, e-voting and processing of data relating to the meeting and voting, etc.
3. **Notice of the meeting is being sent to all such Equity Shareholders who hold shares as on the cut-off date, i.e., 17<sup>th</sup> June, 2022.**
4. **Equity Shareholders who have not registered their e-mail id, can get the same registered by sending the request to the Company Secretary and the Compliance Officer of the Company at [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com).**
5. **In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:**

Name	Contact Detail
Mr Sharwan Mangla General Manager Mas Services Ltd	011-26387281-83 <a href="mailto:sm@masserv.com">sm@masserv.com</a>
Ms Harshita Nagar Company Secretary & Compliance Officer Mirza International Ltd	011-4095 9500 <a href="mailto:compliance@mirzaindia.com">compliance@mirzaindia.com</a>

6. Only Equity Shareholders of the Company may attend the meeting of Equity Shareholders through Video Conferencing and vote through e-voting system.
7. Institutional/Corporate Equity Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation, etc., authorising its representative to attend the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at: [mittalanil.ubi@gmail.com](mailto:mittalanil.ubi@gmail.com).
8. **Please take note that since the meeting is proposed to be held through Video Conferencing, option of attending the meeting through proxy is not applicable/available.**
9. **Instructions for attending the meeting through Video Conferencing; and for voting through remote e-voting process are given at the end of this notice.**
10. Voting may be made through remote e-voting (without attending the meeting) which will be available during the prescribed time period before the meeting (as given below); or through e-voting platform which will be available during the meeting:

<b>Commencement of remote e-voting</b>	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
<b>End of remote e-voting</b>	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

11. All the Equity Shareholders will be entitled to attend the meeting through Video Conferencing. However, the Equity Shareholders who have already voted through the remote e-voting process before the meeting, will not be entitled to vote at the meeting.
12. Equity Shareholders attending the meeting through video conferencing shall be counted for the purposes of reckoning the quorum.

- 13.** Notice of the meeting, Explanatory Statement and other documents are also being placed on the following website(s):

<b>Particulars</b>	<b>Website</b>
Mirza International Ltd	<a href="http://www.mirza.co.in">www.mirza.co.in</a>
BSE Ltd	<a href="http://www.bseindia.com">www.bseindia.com</a>
National Stock Exchange of India Ltd	<a href="http://www.nseindia.com">www.nseindia.com</a>

Encl.: As above

### **Instructions:**

The remote e-voting period begins on Tuesday, 2<sup>nd</sup> August, 2022 at 9:00 A.M. IST and ends on Friday, 5<sup>th</sup> August, 2022 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The stakeholders, whose names appear in the concerned register(s) as on (cut-off date), i.e., 30<sup>th</sup> July, 2022, may cast their vote electronically. The voting right of members shall be in proportion to the paid-up value of their respective shares.

### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

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

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

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

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

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

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

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the " <b>Beneficial Owner</b> " icon under "Login" which is available under " <b>IDeAS</b> " section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.

	<p>Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> </ol>

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, 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. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**[Forgot User Details/Password?](#)**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **[Physical User Reset Password?](#)** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bskashtwal@gmail.com](mailto:bskashtwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset](#)"

[Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

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

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

1. Member will be provided with a facility to attend the MEETING through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under **“Join General meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following

the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in two days advance (i.e. upto 04/08/2022) mentioning their name demat account number/folio number, email id, mobile number at [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com). The same will be replied by the company suitably.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, ALLAHABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. CA (CAA) 11/ALD OF 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AND

IN THE MATTER OF

RTS FASHIONS PVT LTD

APPLICANT NO. 1/TRANSFEROR COMPANY

MIRZA INTERNATIONAL LTD

APPLICANT NO. 2/TRANSFeree COMPANY

AND

REDTAPE LTD

APPLICANT NO. 3/RESULTING COMPANY

Explanatory Statement

[Under Sections 230 & 232 of the Companies Act, 2013, read with Sections 66 and 102 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any]

1. A joint Application being CA (CAA) 11/ALD of 2022, was filed before the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad (hereinafter referred to as "the Tribunal/NCLT") 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, in connection with the proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors (hereinafter referred to as "the Scheme of Arrangement" or "this Scheme or "the Scheme") and other connected matters, if any.
2. Pursuant to the Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), passed by the Hon'ble Tribunal, in the above referred joint Company Application, separate meetings of the Equity Shareholders and Un-secured Creditors of Mirza International Ltd are scheduled to be convened and held through Video Conferencing with facility of remote e-voting, on Saturday, 6<sup>th</sup> August, 2022, as per the following schedule, for the purpose of considering and, if thought fit, approving

the proposed Scheme of Arrangement, at which time the said stakeholders are requested to attend:

Meetings	Time
Equity Shareholders of Mirza International Ltd	11:00 A.M.
Un-secured Creditors of Mirza International Ltd	1:00 P.M.

Voting may be made through remote e-voting which will be available during the prescribed period before the meetings (as given below); and through e-voting platform which will be available during the meetings:

Commencement of remote e-voting	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
End of remote e-voting	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

3. The Composite Scheme of Arrangement provides for:

- a. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd;
- b. Demerger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd; and
- c. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and Demerger.

A copy of the Scheme of Arrangement setting out the terms and conditions of the proposed Amalgamation, Demerger and other matters connected, is enclosed with this Explanatory Statement.

4. Companies to the Scheme and their Background

4.1 The Applicant No. 1/the Transferor Company-RTS Fashions Pvt Ltd:

- i. The Transferor Company-RTS Fashions Pvt Ltd [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284; Income Tax Permanent Account No. (PAN): AAJ CR 7652 R] (hereinafter referred to as "the Transferor Company/the Company") was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- ii. Presently, the Registered Office of the Applicant Transferor Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com).
- iii. The detailed objects of the Transferor Company are set out in the Memorandum of Association and are briefly stated as below:
  1. *To carry on in India or elsewhere the business as manufacturers, importers, exporters, distributors, dealers, trader and stockists of fashionable footwear of all types and*

styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other fashionable leather products and their by-products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.

2. To carry on in India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all shapes, sizes, variables, specifications, descriptions, applications, modalities, fashions and uses of fashionable garments for men, women, and children including footwear, sportswear, active wears, daily wears, fashion wears, party wears, wearing apparels, underwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale's exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and things necessary for the attainment of above objects.
3. To carry on India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all kinds and classes of paper, board and pulp processed from any suitable raw material including waste board, cardboard, strawboard, pulp board, leather board, mill board, corrugated board, liner board, duplex and triple boards, hard board ply-wood board, writing paper, printing paper, newsprint paper, absorbent paper, wrapping paper, tissue paper, blotting paper, filter paper, art paper, bank or bond paper, grease proof paper, gummed paper, parchment paper, drawing paper, kraft paper, envelope paper, tracing paper, waterproof paper, carbon paper, photographic paper, post cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp, semi-chemical pulp and all kinds of articles in the manufacture of which in any form paper board or pulp is used, and also to deal in or manufacture of which in any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

4. To undertake and carry on the business of providing all kinds of information technology based and enabled services in India and internationally, electric, electronic remote processing services, e- services including but not limited to providing financial and related services of all kinds and description including billing services, services, database services, data entry business marketing services, business information and management services, training and consultancy services to businesses, organizations, concerns, firms, corporations, trusts local bodies, State government and other entities, to establish and operate service processing centers for providing services for back office and processing requirements, marketing sales, credit collection services for companies engaged in the business of remote processing and IT enabled services from a place of business in India or elsewhere, contacting and communicating to and on behalf of overseas customers by voice, data image, letters, using dedicated international private lines and to handle business process management, remote help desk management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/fax based communication, knowledge, storage and management, data management, warehousing, search, integration and analysis for financial and non-financial and systems.
- iv. The Transferor Company is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets. Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets. Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.
- v. Present Authorised Share Capital of the Transferor Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each.
- vi. Detail of the present Board of Directors of the Transferor Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Director
2.	Shahid Ahmad Mirza 00048990 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Director
3.	Tauseef Ahmad Mirza 00049037 G-1, Maharani Bagh New Delhi-110 065	Director
4.	Tasneef Ahmad Mirza 00049066 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Director

4.2 The Applicant No. 2/Transferee Company-Mirza International Ltd:

- i. The Transferee Company-Mirza International Ltd [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821; Income Tax Permanent Account No. (PAN): AAE CM 3626 M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6<sup>th</sup> May, 1994 issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10<sup>th</sup> August, 2005 issued by the ROC, Kanpur.
- ii. Presently, the Registered Office of the Transferee Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com); website: [www.mirza.co.in](http://www.mirza.co.in).
- iii. The detailed objects of the Transferee Company are set out in the Memorandum of Association and are briefly stated as below:
  1. *To carry on the business as manufactures, tanners, exporters, importers, and distributors of and dealers and stockists in all classes of hides, skins and other materials required for converting hides and skins into leather and to carry on all or any of the business of tanners, curriers, hide and skin merchants, or any other business of allied nature whether manufacturing or otherwise any other business of*

allied nature, all kinds of industrial leathers, travel goods including bags, suitcases, brief cases, beddings vanity bags, saddles & horse ridings equipments, belts, caps, gloves, purses, synthetic rubber, synthetic leather, as sole proprietor and/or as partners in a partnership firm and as member of an association of persons or body of individuals or in any other manner authorised by law for the time being or as agents, bankers, contractors, etc.

2. To carry on the business as manufacturers, importers, exporters, distributors, dealers and stockists of footwear of all types and styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other leather products and their by products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.
3. To carry on the business as consultants and advisers on various applications of the products and bye-products of the Company for the same for clients and prospectus clients.
4. To carry on the business of Constructional Engineers, Architects, Colonizers, Site Developers, Builders, Contractors, Promoters and Developer and to build township, acquire, develop, construct, erect, alter, buy, sell any movable or immovable property including land, real estate, multi-storyed buildings, sheds, dwelling offices, shops, stores, public utility buildings, residential and commercial complexes, multiplexes, shopping malls and rent, lease, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain or control works and conveniences of all kinds of infrastructure including roadways, freightways, tramways, dams, flyovers, bridges, aerodromes, docks, ports, jetties, piers, wharves, canals, reservoirs, drainage aqueducts and any other related business activities.
5. To generate electrical power by conventional methods including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, hydal, geo-hydal, wind and tidal waves and to promote, own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, contract, take on hire/ lease power plants, co-generation power plants, energy conservation projects, power houses, transmission, and distribution system for the generation, distribution, transmission and supply of electrical energy for industrial, commercial, agriculture, household or captive consumption and to buy, sell, supply, exchange, market, function as a licensee to the State Electrical Boards, State

Government, Appropriate Authorities in India and elsewhere in any area, as may be specified by the State Government, Central Government, Local Authority, State Electrical Boards and any other competent authority in accordance with the provisions of applicable electricity law and rules and/or regulations made thereunder.

6. To carry on in India or elsewhere the business to manufacture, produce, process, crush, extract, reclaim, convert, commercialise, control, compound, develop, distribute, derive, treat, grade, release, manipulate, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaires, consultant, collaborator, job worker, export house or otherwise to deal in all varieties, colors, dimensions, descriptions, characteristics of sugar including cane sugar, beet sugar, maple sugar, khandsari sugar, gur, rab, etc. in the form of powder, granules, cubes and lumps and its products, bye-products including glucose, sucrose, fructose, lactose, maltose, molasses, alcohol, spirits, ethanol and in connection therewith to acquire, construct and operate mills, factories, distilleries, refineries and other establishments.
7. To carry on in India or elsewhere the business to manufacture, produce, process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, re-pack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, representative, consultant, collaborator, adatia, stockists, liasioner, middleman, export house, job-worker or otherwise to deal in all kinds of grains, cereals, seeds, pulses, oils, spices, dry fruits, consumer food items, their bye-products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, mineral water, juices, jams, jellies, squashes, honeys, pickles, sausages, concentrates, extracts, essences, flavours, syrups, sarbats, flavoured drinks, health and diet drinks, extruded foods, preserved foods, dehydrated foods, pre-cooked foods, canned foods, preserved foods, health foods, fast foods, cream, cheese, butter and other dairy products, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, namkeen, protein foods, dietic products, strained baby foods, instant foods, cereal products, table delicacies and all other whether natural, artificial or synthetic of a character similar or analogous to the foregoing or connected therewith.
8. To carry on in India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design,

cut, sort and grade or otherwise to deal in all shapes, sizes, variables, specifications, descriptions, applications, modalities, fashions and uses of garments for men, women, and children including footwear, sportswear, activewears, daily wears, fashion wears, party wears, wearing apparels, underwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale's exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and things necessary for the attainment of above objects.

9. (a) To undertake and carry on the business of providing all kinds of information technology based and enabled services in India and internationally, electric, electronic remote processing services, eservices including but not limited to providing financial and related services of all kinds and description including billing services, processing services, database services, data entry business marketing services, business information and management services, training and consultancy services to businesses, organizations, concerns, firms, corporations, trusts local bodies, State government and other entities, to establish and operate service processing centers for providing services for back office and processing requirements, marketing sales, credit collection services for companies engaged in the business of remote processing and IT enabled services from a place of business in India or elsewhere, contacting and communicating to and on behalf of overseas customers by voice, data image, letters, using dedicated international private lines and to handle business process management, remote help desk management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/fax based communication, knowledge, storage and management, data management, warehousing, search, integration and analysis for financial and non-financial and systems.

(b) To carry on the business as internet service provider and undertake any and all kinds of internet/web-based activities and transactions, to design, develop, sell, provide, market, buy, import, export, sell and license computer software, hardware, computer system and program products, services and to give out computer machine time and to carry on the business of collecting, collating, storing, devising other system including software programs and systems.

- iv. The Transferee Company is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- a. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is predominantly export wholesale made-to-order (MTO) business.
- b. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by the Company. 'REDTAPE' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- c. Leather Tannery Business: The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- v. Present Authorised Share Capital of the Transferee Company is ₹51,25,00,000 divided into 25,62,50,000 Equity Shares of ₹2 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹24,06,12,000 divided into 12,03,06,000 Equity Shares of ₹2 each.
- vi. Detail of the present Board of Directors of the Transferee Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Managing Director
2.	Shahid Ahmad Mirza 00048990 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Whole-time Director
3.	Tauseef Ahmad Mirza 00049037 G-1, Maharani Bagh New Delhi-110 065	Whole-time Director
4.	Tasneef Ahmad Mirza 00049066 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Whole-time Director
5.	Shuja Mirza 01453110 65, Friends Colony East	Whole-time Director

	New Delhi-110 065	
6.	Narendra Prasad Upadhyaya 00049196 302, Concord Apartment Swaroop Nagar Kanpur-208 002 Uttar Pradesh	Whole-time Director
7.	Sudhindra Kumar Jain 00189602 113/233, Swaroop Nagar Kanpur-208 002 Uttar Pradesh	Independent Director
8.	Yashvir Singh 00049360 A-53, Sector-26 Noida-201 301 Uttar Pradesh	Independent Director
9.	Qazi Noorus Salam 00051645 39/82, Majeed Ahmed Road Kanpur-208 001 Uttar Pradesh	Independent Director
10.	Sanjay Bhalla 00699901 A-8, Nizamuddin West New Delhi-110 013	Independent Director
11.	Sanjiv Gupta 02240256 B-63, Safdarjung Enclave New Delhi-110 029	Independent Director
12.	Saumya Srivastava 08206547 Flat 003, Tower K, Amrapali Silicon City Sec 76, Noida-201 301 Uttar Pradesh	Independent Director

4.3 The Applicant No. 3/Resulting Company-Redtape Ltd:

- i. The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- ii. Presently, the Registered Office of the Resulting Company is situated at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com).
- iii. The detailed objects of the Resulting Company are set out in the Memorandum of Association and are briefly stated as below:

1. To carry on the business as importers, traders, distributors, dealers and stockists of footwear of all types and styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other leather products and their by-products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.
  2. To carry on the business as consultants and advisers on various applications of the products and bye-products of the Company for the same for clients and prospectus clients.
  3. To carry on in India or elsewhere the business as importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all shapes, sizes, vaiables, specifications, descriptions, applications, modalities, fashions and uses of garments or men, women and children including footwear, sportswear, active wears, daily wears, fashion wears, party wears, wearing apparels, innerwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and thigs necessary for the attainment of above objects.
  4. To carry on any other business which may seem to the Company capable of being conveniently carried on and to deal in all kinds of goods and merchandise, machinery, apparatus and materials.
- iv. The Resulting Company is recently incorporated to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities.
  - v. Present Authorised Share Capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each.

- vi. Detail of the present Board of Directors of the Resulting Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Director
2.	Shuja Mirza 01453110 65, Friends Colony East New Delhi-110 065	Director
3.	Arvind Verma 09429834 A-602, Stellar Greens Apartment Plot No. D-6, Sector-44 Noida-201301	Director
4.	Sanjay Bhalla 00699901 A-8, Nizamuddin West New Delhi-110013	Director

5. Detail of the Promoters: The Transferor Company is a family owned, closely held private limited company. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE Ltd and National Stock Exchange of India Ltd. The Resulting Company is a wholly owned subsidiary of the Transferee Company. Entire issued and paid-up Equity Share Capital of the Resulting Company is beneficially owned by the Transferee Company.

- A. Present Promotors of the Transferor Company:

Sl. No.	Name and Address
1.	Rashid Ahmed Mirza Villa-122, Parkways Dubai Hills Dubai, UAE
2.	Shahid Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
3.	Tauseef Ahmad Mirza G-1, Maharani Bagh New Delhi-110 065
4.	Tasneef Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
5.	Irshad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh

B. Present Promotors of the Transferee Company:

Sl. No.	Name and Address
1.	Rashid Ahmed Mirza Villa-122, Parkways Dubai Hills Dubai, UAE
2.	Shahid Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
3.	Tauseef Ahmad Mirza G-1, Maharani Bagh New Delhi-110 065
4.	Tasneef Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
5.	Irshad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh

C. Present Promotors of the Resulting Company:

Sl. No.	Name and Address
1.	Mirza International Ltd 14/6, Civil Lines, Kanpur 208 001 Uttar Pradesh

6. The proposed Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd, will be affected by the arrangement embodied in the Scheme of Arrangement framed under 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, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any.

7. Rationale and Benefits of the Scheme:

The circumstances which justify and/or necessitate the proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd are, inter alia, as follows:

7.1 Preamble

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- a. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- b. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by the Company. 'REDTAPE' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- c. Leather Tannery Business: The Company owns and operates one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza (UK) Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza (UK) Ltd is a London based company formed under the laws of United Kingdom. Mirza (UK) Ltd [Mirza UK] is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

The present Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company); and

- Demerger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company) into Redtape Ltd (the Resulting Company) on going concern basis.

7.2 Amalgamation: Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:

- i. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- ii. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company- RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company- Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
- iii. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv. The proposed Scheme of Arrangement will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- vii. The proposed Scheme of Arrangement will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

7.3 Demerger: Following are some of the specific advantages of the proposed Demerger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- i. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- ii. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third-party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- iii. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon Demerger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- iv. The proposed Demerger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- v. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- vi. The proposed Demerger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- vii. The proposed Demerger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

7.4 The circumstances which justify and/or necessitate the proposed Re-organisation of pre-Scheme Share Capital of the Resulting Company-Redtape Ltd are, inter alia, as follows:

- i. Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of the Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee

Company. In other words, post Demerger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date.

- ii. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- iii. It is clarified that the aforesaid re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Company is not proposing any buy-back of shares from its shareholders.
- iv. It is further clarified that no creditor of the Company will be adversely affected by the proposed re-organisation of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

7.5 The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

## 8. Salient features of the Scheme of Arrangement

- i. On Amalgamation, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt Ltd will be transferred to and vest in Mirza International Ltd.
- ii. On Demerger, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd will be transferred to and vest in Redtape Ltd on going concern basis.
- iii. On Amalgamation, all the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
- iv. On Demerger, all the employees of the Transferee Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, shall become the employees of the Resulting Company on and from such date without any break or interruption in service and upon terms and conditions not less

favorable than those applicable to them in the Demerged Business of the Transferee Company, on the Effective Date.

- v. 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.
- vi. Share Exchange Ratio for Amalgamation will be as follows:
  - 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.

Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

- vii. Share Exchange Ratio for Demerger will be as follows:
  - 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.
- viii. Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- ix. BSE Ltd will act as the Designated Stock Exchange for the purposes of the Scheme of Arrangement.

- 9. Extracts of the Scheme: Extracts of the selected clauses of the Scheme are reproduced below in italics (*points/clauses referred to in this part are of the Scheme of Arrangement*):

#### A. DEFINITIONS

*In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under: and*

- 1.1 "Act" means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-

enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.

- 1.2 "Amalgamation" means amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company) in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 "Applicable Law(s)" means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 "Appointed Date" means commencement of business on 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.
- 1.5 "Board" or "Board of Directors" means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.6 "Demerged Business" means the Branded Business/REDTAPE Business of Mirza International Ltd, which is proposed to be Demerged into Redtape Ltd. Demerged Business means all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Ltd, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business and shall include (without limitation):
  - a. Design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by Mirza International Ltd; and other related activities being carried on by Mirza International Ltd [Branded Business/REDTAPE Business].
  - b. Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd wherever situated pertaining thereto, including but not limited to the following:
    - i. Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh.
    - ii. Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh.

- iii. Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand.
  - iv. New Corporate Office (being the registered office of Redtape Ltd): Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
  - v. Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka.
  - vi. All Stores: Self rented & Franchise stores.
  - vii. All the vehicles being used for Redtape Business.
  - viii. Shareholding/ownership rights in Mirza Bangla Ltd, Bangladesh.
- c. Trademark and Tradename-REDTAPE and all other trademarks and Intellectual Property Rights which are being used in the Branded Business/REDTAPE Business including those listed in Schedule-1.
- d. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- e. Without prejudice to the generality of the above, Demerged Business shall include in particular:
- i. Land and building, plant and machinery and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights along with copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger.

- iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relatable to the Demerged Business.
  - v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.
  - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business, which shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- f. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.
  - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- g. All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- h. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Transferee Company.

Brief description of the free hold land, lease hold land, trademarks and other IPR, etc., of the Demerged Business of the Transferee Company is set out in Schedule-1.

- 1.7 "De-merger" means transfer and vesting of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd, on going-concern basis, by way of de-merger into Redtape Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.8 "Effective Date" means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law

Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.

- 1.9 "Encumbrance" means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.
- 1.10 "FEMA" means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.11 "Intellectual Property Rights" means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company or the Transferee Company, as the case may be, or in the nature of common law rights of the Transferor Company or the Transferee Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- 1.12 "IT Act" means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 National Company Law Tribunal means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/ "NCLT".
- 1.14 "Record Date-1" means the date to be fixed by the Board of Directors of the Transferor Company or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the

Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.

- 1.15 "Record Date-2" means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares to the Shareholders of the Transferor Company pursuant to amalgamation of the Transferor Company with the Transferee Company.
- 1.16 "Record Date" means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.17 "Registrar of Companies" means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.18 "Remaining Business of the Transferee Company" means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business. Without prejudice to the generality of this clause, the remaining business of the Transferee Company will include the following:
- i. Private Label/White Label Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Private Label/White Label Business.
  - ii. Tannery Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Tannery Business.
  - iii. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property rights being used by Mirza International Ltd for its remaining business.
- 1.19 Re-organisation of Share Capital means Re-organisation of pre-Scheme Share Capital of Redtape Ltd (the Resulting Company) whereby the entire pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000 will be cancelled and equal number of 9% Compulsorily Redeemable Preference Shares will be created in place of such cancelled equity share capital.
- 1.20 "Resulting Company" means Redtape Ltd being a company incorporated under the provisions of the Companies Act, 2013, and

having its registered office at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [shuja@redtapeindia.com](mailto:shuja@redtapeindia.com).

The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- 1.21 "Scheme" means the present 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; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

## AMALGAMATION OF RTS FASHIONS PVT LTD WITH MIRZA INTERNATIONAL LTD

### 2.1 TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject

to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.
- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately

preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

### 2.3 LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

### 2.7 ISSUE OF SHARES BY TRANSFEREE COMPANY

- 2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:
- a. 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.
- 2.7.2 Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional

entitlement, within a period of seven days of compensating the shareholders.

- 2.7.3 New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank *pari passu* in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.4 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5 In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each equity shareholders of the Transferor Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the New Equity Share(s) of the Transferee Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Transferee Company in respect of any equity shareholder, the New Equity Shares of the Transferee Company shall be issued to such shareholders in physical form.
- 2.7.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferor Company pursuant to Clause 2.7.1 above.
- 2.7.7 Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Transferee Company.
- 2.7.8 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

- 2.7.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Transferee Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.
- 2.7.10 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 2.7.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The Transferee Company will comply with the applicable provisions in this regard.
- 2.7.12 It is clarified that in the event of any change in the capital structure of the Transferee Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 2.7.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Transferee Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company.

#### DE-MERGER OF BRANDED BUSINESS/REDTAPE BUSINESS OF MIRZA INTERNATIONAL LTD INTO REDTAPE LTD

#### 3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in

relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.6' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1 The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in Sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3 All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4 All the investments made by the Transferee Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Business, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of sections 230 & 232 of the Act.
- 3.1.5 The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the

Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.

- 3.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 3.1.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.8 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company, if any.
- 3.1.9 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.10 Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.11 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be

available to and vest in the Resulting Company from the Appointed Date.

- 3.1.12 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Transferee Company, which are being operated exclusively in relation to or in connection with the Demerged Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferee Company, in relation to or in connection with the Demerged Business in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 3.1.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, in the name of the Transferee Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Transferee Company, in relation to or in connection with the Demerged Business, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Transferee Company for such time as may be determined to be necessary by the Resulting Company for presentation and, deposition of cheques and pay orders that have been issued in the name of the Transferee Company, in relation to or in connection with the Demerged Business. It is hereby expressly clarified that any legal proceedings by or against the Transferee Company, in relation to or in connection with the Demerged Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferee Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

## 3.2 LEGAL PROCEEDINGS

- 3.2.1 All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the

same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.

3.2.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.

3.2.3 The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

a. the filing, approval and implementation of the actions contemplated in this Scheme, or

b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### 3.9 Issue of Shares by the Resulting Company

3.9.1 Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- 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.

3.9.2 New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank *pari passu* in all respects, including dividend, with the existing Equity Shares of the Resulting Company.

- 3.9.3 The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.4 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors (RFPs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company, equivalent to the percentage holding allowed in the Transferee Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the RBI and comply with such other requirements as mandated by the extant Foreign Exchange Regulations relating thereto.
- 3.9.5 In respect of the equity shares in the Transferee Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu hereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferee Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferee Company to the Resulting Company on or before the Record Date-2. In respect of the equity shares of the Transferee Company held in physical form, each equity shareholders of the Transferee Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date-2, to receive the New Equity Share(s) of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. If such notice has not been received by the Resulting Company in respect of any equity shareholder, the New Equity Shares of the Resulting Company shall be issued to such shareholders in physical form.
- 3.9.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record Date-2, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.
- 3.9.7 Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.

- 3.9.8 It is, however, clarified that provisions of this Scheme regarding issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.
- 3.9.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company.
- 3.9.10 In case any Promoters' holding in the Resulting Company and/or new Shares to be issued in the Resulting Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 3.9.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The concerned Company will comply with the applicable provisions in this regard.
- 3.10 Re-organisation/Reduction of Capital of the Resulting Company and other matters
- 3.10.1 Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of

50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

- 3.10.2 Accordingly, upon the Scheme coming into effect, the Resulting Company will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹2 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4 It is clarified that the aforesaid Re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.
- 3.10.5 It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed Re-organisation of Share Capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

#### 4.1 OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

#### 4.6 IMPLEMENTATION OF THE SCHEME:

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Scheme of Arrangement will be implemented in that order:

- i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd as provided in Part-2 of this Scheme; and issue of shares by

the Transferee Company to the Shareholders of the Transferor Company, as on Record Date-1, pursuant to such amalgamation.

- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd as provided in Part-3 of this Scheme; and issue of shares by the Resulting Company to the Shareholders of the Transferee Company, as on Record Date-2, pursuant to such de-merger. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

Re-organisation/reduction of Share Capital of Redtape Ltd, as provided in Part-3 of this Scheme will be implemented simultaneously with the De-merger.

The aforesaid are the salient features/selected extracts of the Scheme of Arrangement. Please read the entire text of the Scheme of Arrangement to get acquainted with the complete provisions of the Scheme.

10. The proposed Scheme of Arrangement is for the benefit of all the Companies, their Shareholders and other stakeholders. It is fair and reasonable and is not detrimental to the interest of the public. It is not prejudicial to any person.
11. Valuation exercise has been carried out to determine the share swap ratio for the proposed Scheme of Arrangement. Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), has prepared the Report on Valuation of Shares and Share Exchange Ratio.

A complete set of the Report on Valuation of Shares & Share Exchange Ratio of Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), giving basis of valuation, valuation methodology and calculations, etc., is enclosed herewith.

12. In terms of the provisions of the SEBI Regulations, Fairness Opinion Report was obtained from Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers, on the Share Valuation Report of Mr Sandeep Kumar Agrawal, and the proposed Share Exchange Ratio. Opinion expressed by the aforesaid Merchant Banker is reproduced below:

*"Based on the information and data made available to us including the Share Exchange Ratio Report and the proposed composite scheme of arrangement and subject to disclaimers as mentioned in this report, we are of the opinion that the Share Exchange Ratio, as suggested by CA Sandeep Kumar Agrawal, Registered Valuer, is fair and reasonable."*

A copy of the Fairness Opinion issued by Turnaround Corporate Advisors Pvt Ltd is enclosed herewith.

13. The Audit Committee of the Transferee Company in the meeting held on 10<sup>th</sup> December, 2021, reviewed the Share Valuation Report and proposed Share Exchange Ratio, Fairness Opinion, Rationale of the Scheme; and recommended the proposed Scheme of Arrangement for favourable consideration by the Board of Directors of the Company, the Stock Exchange(s), SEBI and other applicable regulatory authorities.
14. The Committee of Independent Directors of the Transferee Company in the meeting held on 10<sup>th</sup> December, 2021, also reviewed and unanimously recommended the proposed Scheme of Arrangement to the Board of Directors, the Stock Exchanges, SEBI and other applicable regulatory authorities for its approval.
15. The Report on Valuation of Shares & Share Exchange Ratio issued by Mr Sandeep Kumar Agrawal, a Chartered Accountant and the IBBI Registered Valuer in respect of Securities or Financial Assets, and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers have been unanimously accepted by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company, based on the Report on Valuation of Shares & Share Exchange Ratio and on the basis of their independent evaluation and judgment, concluded that the proposed exchange ratio is fair and reasonable to the Shareholders and other stakeholders of all the Companies.

The proposed Scheme of Arrangement has been unanimously approved by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company in their respective meetings held on 10<sup>th</sup> December, 2021. None of the Directors voted against or abstained from voting on the resolution for approving the Scheme of Arrangement in the aforesaid meetings.

Further, the notices of the aforesaid meetings scheduled to be convened and held under the supervisions of the Hon'ble National Company Law Tribunal, the Explanatory Statement and other papers of the meetings have also been approved unanimously, by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company. None of the Directors voted against or abstained from voting on the resolution for approving the notice and other papers of the meetings.

16. In terms of the provisions of the SEBI Regulations, the Transferee Company has filed the requisite application(s) along with the draft Scheme of Arrangement and other documents with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) to obtain No Objection to the proposed Scheme of Arrangement.
17. As required by the SEBI Regulations, the Transferee Company filed Complaint Reports (indicating Nil Complaints) with BSE and NSE. After filing of Complaint Reports, the Transferee Company has not received any complaint from any investors.

Copies of the aforesaid Complaint Reports are enclosed herewith.

18. The Transferee Company has received no-objection/observation to the Scheme of Arrangement from BSE Limited vide its Letter No. DCS/AMAL/TL/IP/2331/2022-23 dated 17<sup>th</sup> May, 2022, and National Stock Exchange of India Limited vide its observation Letter No. NSE/LIST/29638 dated 20<sup>th</sup> May, 2022.

a. Relevant extracts from the Observation Letter issued by BSE are reproduced below:

*"We are in receipt of the Draft Composite Scheme of Arrangement of Mirza International Ltd as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 17, 2022, has, inter alia, given the following comment(s) on the draft Scheme of Arrangement:*

- *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed Company and the Stock Exchanges.*
- *Company shall ensure compliance with the said Circular.*
- *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of the Hon'ble NCLT.*
- *It is to be noted that the Petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/observations/representations.*

*In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the Scheme with Hon'ble NCLT.*

*Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017."*

b. Relevant extracts from the Observation Letter issued by NSE are reproduced below:

*"We are in receipt of the Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd*

(Resulting Company) and their respective Shareholders and Creditors vide Application dated January 08, 2022.

Based on our letter reference no. NSE/LIST/29638 dated March 28, 2022, submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended), kindly find following comments on the draft Scheme:

- a. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter is displayed on the websites of the listed Company and the Stock Exchanges.
- b. The Entities involved in the Scheme shall duly comply with various provisions of the said Circular.
- c. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of the Hon'ble NCLT.
- d. It is to be noted that the Petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchanges. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT."

19. Copies of the Observation Letters received from BSE and NSE are enclosed herewith.
20. The present Scheme of Arrangement, if approved in the aforesaid meetings, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad. No specific approval is required to be obtained from any other government authority for the present Scheme of Arrangement.
21. No proceedings for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, are pending against the Transferor Company, the Transferee Company and the Resulting Company.

22. Effect of the Scheme on the Promoters, Directors, Key Managerial Personnel, Shareholders, etc.:

- a. Promoters and/or Directors of the Transferor Company, the Transferee Company and the Resulting Company are deemed to be interested in the proposed Scheme of Arrangement to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies. Similarly, Key Managerial Personnel (KMP) of the Transferor Company, the Transferee Company and the Resulting Company may also be deemed to be interested in the proposed Scheme to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies.
- b. The proposed Scheme of Arrangement would not have any effect on the material interest of the Promoters, Directors and Key Managerial Personnel of the Transferor Company, the Transferee Company and the Resulting Company different from that of the interest of other shareholders, creditors and employees of these Companies.
- c. The proposed Scheme of Arrangement does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of any of the Transferor Company, the Transferee Company or the Resulting Company towards their respective creditors. The proposed Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Transferor Company, the Transferee Company or the Resulting Company in any manner whatsoever.
- d. The proposed Scheme of Arrangement will not have any adverse effect on the Secured Creditors, Un-Secured Creditors, Employees and other stakeholders, if any, of the Transferor Company, the Transferee Company or of the Resulting Company.

23. Shareholding of the Directors and Key Managerial Personnel

- A. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferor Company in the Transferor Company, Transferee Company and the Resulting Company either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Transferor Company	Transferee Company	Resulting Company
1.	Rashid Ahmed Mirza Director	22,35,900	1,36,65,520	1*
2.	Shahid Ahmad Mirza Director	18,61,800	1,49,81,465	1*
3.	Tauseef Ahmad Mirza Director	18,61,800	1,80,58,453	1*
4.	Tasneef Ahmad Mirza Director	16,09,500	1,40,76,104	1*

\* As nominee on behalf of Mirza International Limited

B. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferee Company in the Transferee Company, the Transferor Company and in the Resulting Company, either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Transferee Company	Transferor Company	Resulting Company
1.	Rashid Ahmed Mirza Managing Director	1,36,65,520	22,35,900	1*
2.	Shahid Ahmad Mirza Whole Time Director	1,49,81,465	18,61,800	1*
3.	Tauseef Ahmad Mirza Whole Time Director	1,80,58,453	18,61,800	1*
4.	Tasneef Ahmad Mirza Whole Time Director	1,40,76,104	16,09,500	1*
5.	Shuja Mirza Whole Time Director	1,02,02,099	3,39,300	1*
6.	Narendra Prasad Upadhyaya Whole Time Director	-	-	-
7.	Sudhindra Kumar Jain Independent Director	-	-	-
8.	Yashvir Singh Independent Director	-	-	-
9.	Qazi Noorus Salam Independent Director	-	-	-
10.	Sanjiv Gupta Independent Director	-	-	-
11.	Sanjay Bhalla Independent Director	-	-	-
12.	Saumya Srivastava Independent Director	-	-	-
13.	V. T. Cherian Chief Financial Officer	2,100	-	-
14.	Harshita Nagar Company Secretary & Compliance Officer	-	-	-

\* As nominee on behalf of Mirza International Limited

C. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Resulting Company in the Resulting Company, the Transferor Company and the Transferee Company, either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Resulting Company	Transferor Company	Transferee Company
1.	Rashid Ahmed Mirza Director	1*	22,35,900	1,36,65,520
2.	Shuja Mirza Director	1*	3,39,300	1,02,02,099
3.	Arvind Verma Director	-	-	-
4.	Sanjay Bhalla Director	-	-	-

\* As nominee on behalf of Mirza International Limited

#### 24. Pre-Scheme Share Capital Structure

- i. Pre-Scheme Share Capital Structure of the Transferor Company is given below:

Particulars	No. of Shares (of ₹10 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	81,34,500	8,13,45,000

- ii. Pre-Scheme Share Capital Structure of the Transferee Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	12,03,06,000	24,06,12,000

- iii. Pre-Scheme Share Capital Structure of the Resulting Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	50,000	1,00,000

#### 25. Post-Scheme Share Capital Structure

- A. In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.
- B. Post-Scheme Share Capital Structure of the Transferee Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Post-Scheme Issued, Subscribed and Paid-up Equity Share Capital	13,82,01,900	27,64,03,800

- C. Post-Scheme Share Capital Structure of the Resulting Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Post-Scheme Issued, Subscribed and Paid-up Equity Share Capital	13,82,01,900	27,64,03,800
Post-Scheme Issued, Subscribed and Paid-up 9% Compulsorily Redeemable Preference Share Capital	50,000	1,00,000

## 26. Pre and Post Scheme Shareholding Pattern

A. Pre-Scheme Equity Shareholding Pattern of the Transferor Company is given below:

Sl. No.	Category	Pre-Scheme	
		No. of fully paid-up Equity Shares of ₹10 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	81,34,500	100.00
	Total Shareholding of Promoters & Promoters' Group (A)	81,34,500	100.00
B	Public Shareholding	Nil	Nil
	Total Public Shareholding (B)	---	---
	Total (A+B)	81,34,500	100.00

\* In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.

B. Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Transferee Company is given below:

Sl. No.	Category	Pre-Scheme		Post-Scheme	
		No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital	No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	8,17,00,441	67.91	9,95,96,341	72.07
	Total Shareholding of Promoters & Promoters' Group (A)	8,17,00,441	67.91	9,95,96,341	72.07
B	Public Shareholding	3,86,05,559	32.09	3,86,05,559	27.93
	Total Public Shareholding (B)	3,86,05,559	32.09	3,86,05,559	27.93
	Total (A+B)	12,03,06,000	100.00	13,82,01,900	100.00

C. Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Resulting Company is given below:

Sl. No.	Category	Pre-Scheme		Post-Scheme	
		No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital	No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	50,000	100.00	9,95,96,341	72.07
	Total Shareholding of Promoters & Promoters' Group (A)	50,000	100.00	9,95,96,341	72.07
B	Public Shareholding	-	-	3,86,05,559	27.93

	Total Public Shareholding (B)	-	-	3,86,05,559	27.93
	Total (A+B)	50,000	100.00	13,82,01,900	100.00

Detailed Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the listed Transferee Company is enclosed herewith.

Detailed Post-Scheme Equity Shareholding Pattern of the Resulting Company is also enclosed herewith.

27. A copy of the Scheme of Arrangement is being filed with the concerned Registrar of Companies.
28. Copies of the latest Audited Financial Statements of the Transferor Company, the Transferee Company and the Resulting Company for the year/period ended 31<sup>st</sup> March, 2022, along with the Auditors' Reports thereon, are enclosed herewith.
29. Compliance Report in terms of the provisions of the SEBI Scheme Master Circular is enclosed herewith.
30. Total amount due to Secured Creditors, as on 31<sup>st</sup> March, 2022, is given below:

Sl. No.	Secured Creditors of	Amount ₹
1.	RTS Fashions Pvt Ltd	Nil
2.	Mirza International Ltd	77,78,15,612
3.	Redtape Ltd	Nil

31. Total amount due to Un-secured Creditors [excluding Statutory and Other Dues], as on 31<sup>st</sup> March, 2022, is given below:

Sl. No.	Un-secured Creditors of	Amount ₹
1.	RTS Fashions Pvt Ltd	3,26,69,510
2.	Mirza International Ltd	252,03,76,832
3.	Redtape Ltd	5,000

32. The following documents will be available for inspection or for obtaining extracts from or for making or obtaining copies of, by the members and creditors at the registered office of the Transferor Company, the Transferee Company and the Resulting Company on any working day from the date of this notice till the date of meeting between 11:00 A.M. and 4:00 P.M.:
  - a. The Memorandum and Articles of Association of the Transferor Company, the Transferee Company and the Resulting Company.
  - b. The Audited Financial Statements of the Transferor Company, and Transferee Company for the last 3 years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2022.
  - c. Audited Financial Statements of the Resulting Company for the period ended 31<sup>st</sup> March, 2022.

- d. Register of Particulars of Directors and KMP and their Shareholding, of the Transferor Company, the Transferee Company and the Resulting Company.
  - e. Copy of the proposed Scheme of Arrangement.
  - f. Paper Books and proceedings of the Company Application No. CA (CAA) 11/ALD of 2022.
  - g. Copy of Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), passed by the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad, in the Company Application No. CA (CAA) 11/ALD of 2022, jointly filed by the Transferor Company, the Transferee Company and the Resulting Company, in pursuance of which the aforesaid meetings are scheduled to be convened.
  - h. Report on Valuation of Shares & Share Exchange Ratio by Mr Sandeep Kumar Agrawal, a Chartered Accountant and the IBBI Registered Valuer in respect of Securities or Financial Assets.
  - i. Copy of the Fairness Opinion of Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers on the Share Valuation & Share Exchange Ratio.
  - j. Copies of the Certificates issued by the Statutory Auditors of the Transferor Company, the Transferee Company and the Resulting Company to the effect that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
  - k. Complaints Reports filed by the Transferee Company with BSE and NSE.
  - l. Compliance Report in terms of the provisions of the SEBI Scheme Master Circular.
  - m. Observation letters of BSE and NSE for the proposed Scheme of Arrangement conveying their No-Objection to the Scheme of Arrangement.
  - n. Applicable information of RTS Fashions Pvt Ltd and Redtape Ltd in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, along with the Certificate issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers.
33. A copy of the Scheme of Arrangement, Explanatory Statement and other annexures may be obtained free of charge on any working day (except Saturday) prior to the date of meeting, from the registered office of the Transferee Company; or from the office of the Legal Counsel-M/s Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar-II, Delhi Meerut Expressway/ NH-9, Delhi-110

091, India, Mobile: 88005 15597, e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com);  
Website: [www.rgalegal.in](http://www.rgalegal.in).

34. Notice of the meetings, Explanatory Statement and other documents are also being placed on the following website:

Particulars	Website
Mirza International Ltd	<a href="http://www.mirza.co.in">www.mirza.co.in</a>
BSE Ltd	<a href="http://www.bseindia.com">www.bseindia.com</a>
National Stock Exchange of India Ltd	<a href="http://www.nseindia.com">www.nseindia.com</a>

35. Please take note that since all the meetings are proposed to be held through Video Conferencing, option of attending the meetings through proxy is not applicable/available.

36. Facility of remote e-voting will be available during the prescribed period before the meeting as given in the notice of the meetings. e-voting system will also be available during the meeting. Instructions for attending the meetings through Video Conferencing; and for voting through e-voting system are given in the notice of meetings.

Dated this 29<sup>th</sup> day of June, 2022

For and on behalf of the Board of  
Directors  
For RTS Fashions Pvt Ltd

For and on behalf of the Board  
of Directors  
For Mirza International Ltd

Sd/-  
Tauseef Ahmad Mirza  
Director  
DIN: 00049037

Sd/-  
Tauseef Ahmad Mirza  
Whole Time Director  
DIN: 00049037

For and on behalf of the Board of  
Directors  
For Redtape Ltd

Sd/-  
Arvind Verma  
Director  
DIN: 09429834

COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PVT LTD,  
MIRZA INTERNATIONAL LTD AND REDTAPE LTD;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER  
SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION  
66 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS,  
IF ANY

A. Preamble

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business: The Company owns and operates one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza (UK) Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza (UK) Ltd is a London based company formed under the laws of United Kingdom. Mirza (UK) Ltd [Mirza UK] is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

The present Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company); and
- De-merger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company) into Redtape Ltd (the Resulting Company) on going concern basis.

B. Detailed Rationale of the Scheme:

- i. Amalgamation: Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:
  - a. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
  - b. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company-Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
  - c. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
  - d. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
  - e. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
  - f. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
  - g. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.
- ii. De-merger: Following are some of the specific advantages of the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- a. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
  - b. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
  - c. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
  - d. The proposed De-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
  - e. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
  - f. The proposed De-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
  - g. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.
- iii. The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.
- C. This Composite Scheme of Arrangement is framed in terms of 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.

The Composite Scheme of Arrangement 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.

D. Parts of the Scheme of Arrangement:

This Scheme provides for matters connected with the aforesaid Amalgamation and De-merger, etc. Accordingly, this Scheme is divided into the following parts:

Part-1 which deals with the Definitions and Share Capital of the Companies.

Part-2 which deals with Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd.

Part-3 which deals with De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd.

Part-4 which deals with Other General Terms and Conditions applicable to the Scheme.

## PART 1

### DEFINITIONS, SHARE CAPITAL AND RATIONALE FOR THE SCHEME

#### A. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given below:

- 1.1 **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.2 **"Amalgamation"** means amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company) in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 **"Appointed Date"** means commencement of business on 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.
- 1.5 **"Board" or "Board of Directors"** means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.6 **"Demerged Business"** means the Branded Business/REDTAPE Business of Mirza International Ltd, which is proposed to be De-merged into Redtape Ltd. Demerged Business means all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Ltd, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business and shall include (without limitation):
  - a. Design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by Mirza International Ltd; and other related activities being carried on by Mirza International Ltd [Branded Business/REDTAPE Business].
  - b. Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd wherever situated pertaining thereto, including but not limited to the following:

- i. Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh.
  - ii. Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh.
  - iii. Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand.
  - iv. New Corporate Office (being the registered office of Redtape Ltd): Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
  - v. Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka.
  - vi. All Stores: Self rented & Franchise stores.
  - vii. All the vehicles being used for Redtape Business.
  - viii. Shareholding/ownership rights in Mirza Bangla Ltd, Bangladesh.
- c. Trademark and Tradename-REDTAPE and all other trademarks and Intellectual Property Rights which are being used in the Branded Business/REDTAPE Business including those listed in Schedule-1.
- d. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- e. Without prejudice to the generality of the above, Demerged Business shall include in particular:
- i. Land and building, plant and machinery and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights along with copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed Demerger.
  - iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relating to the Demerged Business.

- v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.
  - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business, which shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- f. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.
  - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- g. All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- h. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Transferee Company.

Brief description of the free hold land, lease hold land, trademarks and other IPR, etc., of the Demerged Business of the Transferee Company is set out in Schedule-1.

- 1.7 **"De-merger"** means transfer and vesting of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd, on going-concern basis, by way of de-merger into Redtape Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.8 **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.
- 1.9 **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.

- 1.10 **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.11 **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company or the Transferee Company, as the case may be, or in the nature of common law rights of the Transferor Company or the Transferee Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- 1.12 **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 National Company Law Tribunal means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/ "NCLT".
- 1.14 **"Record Date-1"** means the date to be fixed by the Board of Directors of the Transferor Company or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.
- 1.15 **"Record Date-2"** means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares to the Shareholders of the Transferor Company pursuant to amalgamation of the Transferor Company with the Transferee Company.
- 1.16 **"Record Date"** means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.17 **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

- 1.18 **"Remaining Business of the Transferee Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business. Without prejudice to the generality of this clause, the remaining business of the Transferee Company will include the following:
- i. Private Label/White Label Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Private Label/White Label Business.
  - ii. Tannery Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Tannery Business.
  - iii. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property rights being used by Mirza International Ltd for its remaining business.
- 1.19 Re-organisation of Share Capital means Re-organisation of pre-Scheme Share Capital of Redtape Ltd (the Resulting Company) whereby the entire pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000 will be cancelled and equal number of 9% Compulsorily Redeemable Preference Shares will be created in place of such cancelled equity share capital.
- 1.20 **"Resulting Company"** means Redtape Ltd being a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [shuja@redtapeindia.com](mailto:shuja@redtapeindia.com).
- The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- 1.21 **"Scheme"** means the present 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; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.
- 1.22 **"Transferor Company"** means RTS Fashions Pvt Ltd being a company incorporated under the provisions of the Companies Act, 2013, and having

its registered office at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [cherian@redtapeindia.com](mailto:cherian@redtapeindia.com).

The Transferor Company-RTS Fashions Pvt Ltd [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284; Income Tax Permanent Account No. (PAN): AAJ CR 7652 R] (hereinafter referred to as "the Transferor Company/the Company") was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- 1.23 **"Transferee Company"** means Mirza International Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [cherian@redtapeindia.com](mailto:cherian@redtapeindia.com); website: [www.mirza.co.in](http://www.mirza.co.in).

The Transferee Company-Mirza International Ltd [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821; Income Tax Permanent Account No. (PAN): AAE CM 3626 M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6<sup>th</sup> May, 1994, issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10<sup>th</sup> August, 2005 issued by the ROC, Kanpur.

It is clarified that for the purpose of the proposed amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd; Mirza International Ltd will be deemed to be the Transferee Company. Whereas for the purpose of De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd, Mirza International Ltd will be deemed to be the Demerged Company. However, for the sake of clarity and uniformity, Mirza International Ltd is referred to as the Transferee Company in the entire Scheme and other documents for the purpose of amalgamation as well as de-merger.

## B. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- i. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;
- ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- iii. the term "Clause" refers to the specified clause of this Scheme;
- iv. references to one gender includes all genders;

- v. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- vi. words denoting singular shall include the plural and vice versa;
- vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- viii. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- ix. references to dates and times shall be construed to be references to Indian dates and times.

### C. SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each.
- ii. The present Authorised Share Capital of the Transferee Company is ₹51,25,00,000 divided into 25,62,50,000 Equity Shares of ₹2 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹24,06,12,000 divided into 12,03,06,000 Equity Shares of ₹2 each.
- iii. The present Authorised Share Capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each.
- iv. The Transferor Company is a family owned, closely held private limited company. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE Ltd (Bombay Stock Exchange/BSE) and National Stock Exchange of India Ltd (National Stock Exchange/NSE). The Resulting Company is a wholly owned subsidiary of the Transferee Company. Entire issued and paid-up Equity Share Capital of the Resulting Company is beneficially owned by the Transferee Company.

The Transferor Company, the Transferee Company and the Resulting Company are under common management and control.

- v. Save as otherwise provided in this Scheme, there will be no change in the issued and paid-up share capital of the Transferor Company and the Resulting Company till the record date.
- vi. Further, there shall be no change in the Shareholding Pattern or Control in the Resulting Company-Redtape Ltd between the Record Date and the Listing which may affect the status of the approval given by BSE and NSE.

## PART-2

### AMALGAMATION OF RTS FASHIONS PVT LTD WITH MIRZA INTERNATIONAL LTD

#### 2.1 TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.
- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the

property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.

- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

## 2.2 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 2.2.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party thereto.
- 2.2.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- 2.2.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.

## 2.3 LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

## 2.4 DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

## 2.5 EMPLOYEES OF TRANSFEROR COMPANY

2.5.1 All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Company on the said date.

2.5.2 Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

## 2.6 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date,

- a. The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.
- b. The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- c. Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee

Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

- d. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.

## 2.7 ISSUE OF SHARES BY TRANSFEE COMPANY

- 2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:
  - a. 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.
- 2.7.2 Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.
- 2.7.3 New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.4 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5 In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each equity shareholders of the Transferor Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Transferee Company

on or before the Record Date, to receive the New Equity Share(s) of the Transferee Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Transferee Company in respect of any equity shareholder, the New Equity Shares of the Transferee Company shall be issued to such shareholders in physical form.

- 2.7.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferor Company pursuant to Clause 2.7.1 above.
- 2.7.7 Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Transferee Company.
- 2.7.8 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.
- 2.7.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Transferee Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.
- 2.7.10 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 2.7.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The Transferee Company will comply with the applicable provisions in this regard.

2.7.12 It is clarified that in the event of any change in the capital structure of the Transferee Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 2.7.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Transferee Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company.

## 2.8 UPON THIS SCHEME BECOMING EFFECTIVE:

2.8.1 Entire Issued Share Capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

2.8.2 Cross holding of shares between the Transferor Company and the Transferee Company, on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

2.8.3 The authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Arrangement by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

## 2.9 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted for in accordance

with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the Scheme in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

- a. All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- b. Cross investments or other inter-company balances, if any, will stand cancelled.
- c. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- d. Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against capital reserves, if any, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.
- e. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

## 2.10 COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## PART 3

### DE-MERGER OF BRANDED BUSINESS/REDTAPE BUSINESS OF MIRZA INTERNATIONAL LTD INTO REDTAPE LTD

#### 3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.6' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1 The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in Sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3 All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4 All the investments made by the Transferee Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Business, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of sections 230 & 232 of the Act.
- 3.1.5 The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other

encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.

- 3.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 3.1.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.8 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company, if any.
- 3.1.9 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.10 Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.11 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company from the Appointed Date.
- 3.1.12 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Transferee Company, which are being operated exclusively in relation to or in

connection with the Demerged Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferee Company, in relation to or in connection with the Demerged Business in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

- 3.1.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, in the name of the Transferee Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Transferee Company, in relation to or in connection with the Demerged Business, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Transferee Company for such time as may be determined to be necessary by the Resulting Company for presentation and, deposition of cheques and pay orders that have been issued in the name of the Transferee Company, in relation to or in connection with the Demerged Business. It is hereby expressly clarified that any legal proceedings by or against the Transferee Company, in relation to or in connection with the Demerged Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferee Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

## 3.2 LEGAL PROCEEDINGS

- 3.2.1 All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.
- 3.2.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.
- 3.2.3 The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all

third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

- a. the filing, approval and implementation of the actions contemplated in this Scheme, or
- b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### 3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

3.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferee Company, in relation to the Demerged Business, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect and shall stand assigned/novated in favour of the Resulting Company, may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Transferee Company, in relation to the Demerged Business, the Resulting Company had been a party thereto.

3.3.2 It is expressly clarified that consent of the counterparties shall not be separately required for assignment of such contracts etc., in favour of Resulting Company.

3.3.3 The Resulting Company shall be obligated to fulfill all the obligations and covenants of aforesaid contracts, deeds, bonds, agreements and instruments in relation to the Demerged Business and indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions there under committed by the Transferee Company or the Resulting Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), prior to the Appointed Date or thereafter.

3.3.4 Pursuant to the de-merger of the Transferee Company, in case for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other such instruments, the Resulting Company is required to demonstrate experience, track record and credentials of the Transferee Company, then the experience, track record and credentials gained by the Transferee Company in the past prior to de-merger in relation to the Demerged Business, would be considered to be equivalent as the experience, track record and credentials of the Resulting Company.

### 3.4 PERMISSIONS

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferee Company, in relation to the Demerged Business, shall stand vested in or transferred to the Resulting Company

without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resulting Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferee Company, in relation to the Demerged Businesses, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions. It is specifically clarified that all the excise concessions, exemptions, benefits in terms of the Central Excise Act, 1944, Notifications, Circulars, Orders, Trade Notices, Guidelines, Clarifications and/or other Communications issued by the any appropriate competent authority; Income Tax holiday including benefits under Chapter VIA of the Income Tax Act, 1961; sales tax exemptions and benefits under the Central Sales Tax Act, 1956, exemptions and credits under the Central Goods and Services Tax Act, 2017 (GST) and other local sales tax laws; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger.

### 3.5 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Business into the Resulting Company as above and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceeding already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferee Company, in relation to the Demerged Business, in respect thereto as done and executed on behalf of the Resulting Company.

### 3.6 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

#### 3.6.1 With effect from the Appointed Date:

- a. The Transferee Company, in relation to the Demerged Business shall carry on and be deemed to have carried on the business and activities and shall possessed of their properties and assets for and in trust of the Resulting Company and all the profits/losses accruing, shall for all purposes be treated as profits/losses of the Resulting Company.
- b. The Transferee Company, in relation to the Demerged Business shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

### 3.7 STAFF, WORKMEN AND EMPLOYEES

- 3.7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resulting Company on

such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them with reference to the Transferee Company, in relation to the Demerged Business, on the Effective Date.

- 3.7.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferee Company, in relation to the Demerged Business, in relation to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

### 3.8 REMAINING BUSINESS OF THE TRANSFEREE COMPANY

Remaining Business of the Transferee Company to continue with Transferee Company

- 3.8.1 The Remaining Business of the Transferee Company and all the assets including immovable property, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferee Company.
- 3.8.2 All legal and other proceedings by or against the Transferee Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Transferee Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferee Company in respect of the Remaining Business of the Transferee Company) shall be continued and enforced by or against the Transferee Company.
- 3.8.3 With effect from the Appointed Date and including the Effective Date:
- a. The Transferee Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Transferee Company for and its own behalf.
  - b. All profit accruing to the Transferee Company thereon or losses arising or incurred by it relating to the Remaining Business of the Transferee Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Transferee Company.

### 3.9 Issue of Shares by the Resulting Company

- 3.9.1 Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the

Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- 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.

- 3.9.2 New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.
- 3.9.3 The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.4 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors (FPIs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company, equivalent to the percentage holding allowed in the Transferee Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the RBI and comply with such other requirements as mandated by the extant Foreign Exchange Regulations relating thereto.
- 3.9.5 In respect of the equity shares in the Transferee Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu hereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferee Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferee Company to the Resulting Company on or before the Record Date-2. In respect of the equity shares of the Transferee Company held in physical form, each equity shareholders of the Transferee Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date-2, to receive the New Equity Share(s) of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. If such notice has not been received by the Resulting Company in respect of any equity shareholder, the New Equity Shares of the Resulting Company shall be issued to such shareholders in physical form.
- 3.9.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record

Date-2, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.

- 3.9.7 Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.
  - 3.9.8 It is, however, clarified that provisions of this Scheme regarding issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.
  - 3.9.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company.
  - 3.9.10 In case any Promoters' holding in the Resulting Company and/or new Shares to be issued in the Resulting Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
  - 3.9.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The concerned Company will comply with the applicable provisions in this regard.
- 3.10 Re-organisation of Capital of the Resulting Company and other matters
- 3.10.1 Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective,

the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

- 3.10.2 Accordingly, upon the Scheme coming into effect, the Resulting Company will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹2 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4 It is clarified that the aforesaid Re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.
- 3.10.5 It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed Re-organisation of Share Capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

### 3.11 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, De-merger of the Branded Business/REDTAPE Business of the Transferee Company into the Resulting Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

Without prejudice to the generality of the aforesaid, the accounting treatment in respect of certain specific matters in the books of accounts of the Companies shall be as set out below:

- 3.11.1 In the books of the Transferee Company
  - a. All the assets and liabilities pertaining to the Demerged Business, which cease to be the assets and liabilities of the Transferee Company, will be reduced from the books of accounts of the Transferee Company at their respective carrying values as on the Appointed Date.
  - b. The difference, i.e., the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Business will be adjusted against the Capital Reserves, Securities

Premium Account, and other Reserves & Surplus, in that order, in books of the Transferee Company.

### 3.11.2 In the books of the Resulting Company

- a. The Resulting Company shall record the assets and liabilities pertaining to the Demerged Business vested in it pursuant to this Scheme, at the values as appearing in the books of the Transferee Company as on the Appointed Date.
- b. The Resulting Company shall credit to the Share Capital Account, in the books of accounts, the aggregate face value of the new Equity Shares to be issued by it to the Shareholders of the Transferee Company pursuant to Clause 3.9.1 of the Scheme.
- c. The difference, i.e., the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Business and received from the Transferee Company pursuant to the Scheme after taking into account the face value of the shares issued by the Resulting Company, shall be credited or debited to the reserves of the Resulting Company, in terms of the provisions of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.11.3 It is, however, clarified that the Board of Directors of the Transferee Company and the Resulting Company, in consultation with the respective Statutory Auditors, may account for the present de-merger in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.12 It is clarified that Re-organisation/reduction of the paid-up share capital, reserves & surplus, including utilisation of securities premium account in terms of this Scheme, of the Transferee Company and/or the Resulting Company, as the case may be, shall be affected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Transferee Company and the Resulting Company, as the case may be, and sanction by the Tribunal under Sections 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Sections 52 and 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the Re-organization/reduction of the paid-up share capital, reserves & surplus, including utilisation of securities premium account in terms of this Scheme, of the Transferee Company and/or the Resulting Company, as the case may be. Such re-organisation/reduction of share capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Transferee Company and the Resulting Company are not proposing any buy-back of shares from their respective shareholders. Accordingly, the Transferee Company and the Resulting Company shall not be required to add "and reduced" as a suffix to their respective names.

### 3.13 COMPLIANCE WITH TAX LAWS

- a. The De-merger of the Demerged Business of the Transferee Company into the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any.
- b. This Scheme has been drawn up to comply with the conditions relating to "De-merger" as defined under Section 2(19AA) of the Income Tax

Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## PART 4

### OTHER TERMS AND CONDITIONS

#### 4.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

- 4.1.1 The Transferor Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- 4.1.2 The Transferee Company will make necessary application(s)/petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate **Bench of the Hon'ble National Company Law Tribunal** and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.
- 4.1.3 The Resulting Company will also make necessary application(s)/ petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate **Bench of the Hon'ble National Company Law Tribunal** and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

#### 4.2 COMPLIANCE WITH SEBI REGULATIONS

- a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November, 2021, issued by the SEBI ("the SEBI Scheme Circular"), as amended from time to time, and other applicable provisions, if any, the present Scheme of Arrangement is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferee Company by passing a Resolution through e-voting and other means, as may be applicable. The Scheme is conditional upon the Scheme being approved by the public shareholders through e-voting in terms of **Para 'A' '10(b)' of Part-I** of the SEBI Scheme Circular. The Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- b. Notwithstanding above, the Transferor Company, the Transferee Company and the Resulting Company will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.

- c. BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

#### 4.3 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 4.3.1 The Transferor Company, the Transferee Company and the Resulting Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 4.3.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

#### 4.4 OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

#### 4.5 AUTHORISED SHARE CAPITAL

Save as provided in this Scheme, the concerned Transferee Company and the Resulting Company, as the case may be, will increase/modify their respective Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of the Transferee Company and the Resulting Company will be sufficient for such the modification/increase in the authorised share capital and no further approval will be required for the same.

#### 4.6 IMPLEMENTATION OF THE SCHEME:

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Scheme of Arrangement will be implemented in that order:

- i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd as provided in Part-2 of this Scheme; and issue of shares by the Transferee Company to the Shareholders of the Transferor Company, as on Record Date-1, pursuant to such amalgamation.
- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd as provided in Part-3 of this Scheme; and issue of shares by the Resulting Company to the Shareholders of the Transferee Company, as on Record Date-2,

pursuant to such de-merger. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

Re-organisation/reduction of Share Capital of Redtape Ltd, as provided in Part-3 of this Scheme will be implemented simultaneously with the De-merger.

#### 4.7 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation and De-merger in pursuance of this Scheme, shall be borne and paid by the Transferee Company and the Resulting Company, equally. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation and de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

*Legal Consultants of the Scheme:*

*Rajeev Goel & Associates  
Advocates and Solicitors  
785, Pocket-E, Mayur Vihar II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 93124 09354  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)*

*Schedule-1 to the Scheme of Arrangement*

Brief description of the immovable property and IPRs of Branded Business/REDTAPE Business of Mirza International Ltd to be De-merged into Redtape Ltd

1. List of Immovable Property

A. Freehold Property

Sl. No.	Particulars
1.	Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand

B. Leasehold Property

Sl. No.	Particulars
1.	Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh
2.	Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh
3.	New Corporate Office (being the registered office of Redtape Ltd): Plot 8, Sec-90, Noida, Uttar Pradesh
4.	Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka
5.	All Stores: Self rented & Franchise stores

2. List of Intellectual Property

Global list of trademarks and IPRs of Redtape Business

1. India

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
BOND STREET	642399	1994-10-07	25	Registered	2024-10-07
O A K R I D E G	730633	1996-08-30	18	Registered	2026-08-30
OAKRIDGE	744160	1996-10-16	24	Registered	2026-10-16
OAKRIDGE	744161	1996-10-16	28	Registered	2026-10-16
RED TAPE	758075	1997-04-21	18	Rectification Filed	2027-04-21
RED TAPE	758080	1997-04-21	28	Registered	2027-04-21
RED TAPE	758081	1997-04-21	25	Registered	2027-04-21
ALLOY	791888	1998-02-18	28	Registered	2028-02-18
ALLOY	791889	1998-02-18	24	Registered	2028-02-18
ALLOY	791890	1998-02-18	25	Registered	2028-02-18
RED TAPE (LABEL)	822804	1998-10-13	25	Registered	2028-10-13
OAKRIDGE	823846	1998-10-20	25	Registered	2028-10-20
A L L O Y	824286	1998-10-26	18	Registered	2028-10-26
OAKRIDGE	824289	1998-10-26	28	Registered	2028-10-26
OAKRIDGE	824290	1998-10-26	18	Registered	2028-10-26
MISC GEOM (DEVICE)	824291	1998-10-26	28	Registered	2028-10-26
RED TAPE (LABEL)	824293	1998-10-26	24	Registered	2028-10-26
Red Tape (LABEL)	824294	1998-10-26	28	Registered	2028-10-26
RED TAPE	824295	1998-10-26	18	Registered	2028-10-26
O Z A R K	825672	1998-11-02	18	Registered	2028-11-02

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
OZARK	825673	1998-11-02	25	Registered	2028-11-02
O Z A R K	825674	1998-11-02	28	Registered	2028-11-02
BOND STREET	827135	1998-11-12	18	Registered	2028-11-12
BOND STREET	827136	1998-11-12	28	Registered	2028-11-12
R E D T A P E	856107	1999-05-13	3	Registered	2029-05-13
RED TAPE	856108	1999-05-13	7	Registered	2029-05-13
R E D T A P E	856109	1999-05-13	9	Registered	2029-05-13
R E D T A P E	856110	1999-05-13	11	Registered	2029-05-13
R E D T A P E	856111	1999-05-13	12	Registered	2029-05-13
R E D T A P E	856112	1999-05-13	16	Registered	2029-05-13
R E D T A P E	856113	1999-05-13	21	Registered	2029-05-13
R E D T A P E	856114	1999-05-13	32	Registered	2029-05-13
R E D T A P E	856115	1999-05-13	33	Registered	2029-05-13
R E D T A P E	856116	1999-05-13	34	Registered	2029-05-13
MODE	1256642	2003-12-22	25	Registered	2023-12-22
RED TAPE RACING	1404180	2005-12-06	25	Registered	2025-12-06
RED TAPE WITH LABEL	1469760	2006-07-13	25	Objected	
DEVICE MARK	1665637	2008-03-17	25	Registered	2028-03-17
RED TAPE	1725354	2008-08-26	1	Registered	2028-08-26
RED TAPE	1725355	2008-08-26	2	Registered	2028-08-26
RED TAPE	1725356	2008-08-26	4	Registered	2028-08-26
RED TAPE	1725357	2008-08-26	5	Registered	2028-08-26
RED TAPE	1725358	2008-08-26	6	Registered	2028-08-26
RED TAPE	1725359	2008-08-26	8	Registered	2028-08-26
RED TAPE	1725360	2008-08-26	10	Registered	2028-08-26
RED TAPE	1725361	2008-08-26	13	Registered	2028-08-26
RED TAPE	1725362	2008-08-26	14	Registered	2028-08-26
RED TAPE	1725363	2008-08-26	15	Registered	2028-08-26
RED TAPE	1725364	2008-08-26	17	Registered	2028-08-26
RED TAPE	1725365	2008-08-26	19	Registered	2028-08-26
RED TAPE	1725366	2008-08-26	20	Registered	2028-08-26
RED TAPE	1725367	2008-08-26	22	Registered	2028-08-26
RED TAPE	1725368	2008-08-26	23	Registered	2028-08-26
RED TAPE	1725369	2008-08-26	26	Registered	2028-08-26
RED TAPE	1725370	2008-08-26	27	Registered	2028-08-26
RED TAPE	1725371	2008-08-26	29	Registered	2028-08-26
RED TAPE	1725372	2008-08-26	30	Registered	2028-08-26
RED TAPE	1725373	2008-08-26	31	Registered	2028-08-26
RED TAPE	1725374	2008-08-26	35	Registered	2028-08-26
RED TAPE	1725375	2008-08-26	36	Registered	2028-08-26
RED TAPE	1725376	2008-08-26	37	Registered	2028-08-26
RED TAPE	1725377	2008-08-26	38	Registered	2028-08-26
RED TAPE	1725378	2008-08-26	39	Registered	2028-08-26
RED TAPE	1725379	2008-08-26	40	Registered	2028-08-26
RED TAPE	1725380	2008-08-26	41	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	45	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	42	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	43	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	44	Registered	2028-08-26
RTFL REDTAPE	1811880	2009-04-27	18	Registered	2029-04-27

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
DEVICE WITH LABEL	1811881	2009-04-27	25	Registered	2029-04-27
RTFL REDTAPE	1811882	2009-04-27	25	Registered	2029-04-27
RED TREE	1925755	2010-02-22	43	Registered	2030-02-22
REDTAPE RTX	2445461	2012-12-20	25	Registered	2022-12-20
REDTAPE RTX	2445462	2012-12-20	18	Registered	2022-12-20
DEVICE	3029736	2015-08-12	25	Registered	2025-08-12
DEVICE	3029738	2015-08-12	25	Registered	2025-08-12
DEVICE	3061486	2015-09-23	18	Registered	2025-09-23
REDTAPE	3174128	2016-02-02	25	Registered	2026-02-02
BOND STREET REDTAPE LONDON	3254190	2016-05-09	25	Registered	2026-05-09
NEVER STEP BACK	3295666	2016-06-28	25	Registered	2026-06-28
REDTAPE	3295667	2016-06-28	25	Registered	2026-06-28
DEVICE	3304442	2016-07-08	25	Registered	2026-07-08
DEVICE	3304443	2016-07-08	25	Registered	2026-07-08
RED TAPE FLOW + TAPE	3433883	2016-12-16	25	Registered	2026-12-16
RED SHOES	3536467	2017-04-28	25	Registered	2027-04-28
RED TAPE	3536468	2017-04-28	25	Objected	
RED TAPE	3565176	2017-06-07	25	Registered	2027-06-07
MODE	3739739	2018-01-30	25	Registered	2028-01-30
TOKYO DRIFT	3739740	2018-01-30	25	Registered	2028-01-30
MODE REDTAPE LONDON	3750161	2018-02-09	25	Registered	2028-02-09
DEVICE	3752181	2018-02-13	25	Registered	2028-02-13
OZARK	3752182	2018-02-13	25	Registered	2028-02-13
XCVI	3806972	2018-04-16	25	Registered	2028-04-16
REDTAPE AUTHENTIC CASUALS	3917650	2018-08-16	25	Opposed	
REDTAPE	3917651	2018-08-16	25	Opposed	
REDTAPE SPORTS	3917652	2018-08-16	25	Opposed	
REDTAPE With Device	3917653	2018-08-16	25	Opposed	
OZARK REDTAPE	3917654	2018-08-16	25	Objected	
MODE REDTAPE LONDON	3917655	2018-08-16	25	Registered	2028-08-16
REDTAPE BARBADOS COLLECTION	3917656	2018-08-16	25	Registered	2028-08-16
Alloy With Device	3917657	2018-08-16	25	Opposed	
BOND STREET REDTAPE LONDON	3917658	2018-08-16	25	Registered	2028-08-16
RED	3953626	2018-09-24	25	Objected	
HOUSE OF RED	3962785	2018-10-03	25	Registered	2028-10-03
Redtape	4046042	2019-01-04	25	Registered	2029-01-04
REDTAPE	4046415	2019-01-04	25	Opposed	
DEVICE	4151424	2019-04-18	25	Registered	2029-04-18
DEVICE	4151425	2019-04-18	25	Accepted & Advertised	
BOND STREET with Device	4250196	2019-07-30	25	Registered	2029-07-30
BOND STREET with Device	4250197	2019-07-30	18	Registered	2029-07-30
DEVICE of BEE	4309597	2019-10-01	25	Objected	

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
UMRAO JAAN	4319033	2019-10-12	25	Objected	
Device	4347711	2019-11-14	25	Registered	2029-11-14
RED TAPE FLOW PRO	4378030	2019-12-14	25	Registered	2029-12-14
RED TAPE AIR +	4378031	2019-12-14	25	Registered	2029-12-14
RED TAPE BOUNCE +	4378033	2019-12-14	25	Registered	2029-12-14
AIR+	4505943	2020-05-20	25	Objected	
BOLT+	4505944	2020-05-20	25	Objected	
DRIFT	4505945	2020-05-20	25	Objected	
RED TAPE DRIFT+	4775423	2020-12-10	25	Accepted & Advertised	
MODE	4779872	2020-12-14	35	Objected	
MODE REDTAPE LONDON	4779873	2020-12-14	35	Objected	
RED TAPE WITH WINGS LOGO	4822863	2021-01-16	25	Accepted	
DUAL+	4884790	01-03-2021	25	Objected	
AIR+ RED TAPE	4886451	02-03-2021	25	Objected	
Red Tape Arch+	4957683	27-04-2021	25	Accepted & Advertised	
Red Tape Gel+	4967177	07-05-2021	25	Registered	
REDTAPE	4998028	08-06-2021	25	Opposed	
MODE	4998029	08-06-2021	25	Opposed	
MODE REDTAPE	5127644	11-09-2021	25	Advertised	
Red Tape Sunnies	5127643	11-09-2021	25	Accepted & Advertised	
DEVICE	2913388	2015-03-02	18	Registered	2025-03-02
DEVICE OF BIRD	2913389	2015-03-02	24	Registered	2025-03-02
DEVICE OF BIRD	2913390	2015-03-02	25	Registered	2025-03-02
DEVICES	2913391	2015-03-02	28	Registered	2025-03-02
DEVICES	2913391	2015-03-02	28	Registered	2025-03-02
DEVICE	3050520	2015-09-09	28	Registered	2025-09-09
DEVICE	3061483	2015-09-23	28	Registered	2025-09-23
DEVICE	3061485	2015-09-23	24	Registered	2025-09-23







## 2. Europe

Country	Appl. no.	Pat./Reg.no	Reg. date	Keyword/Mark/Design	Logo	Classes	Nat. fil. date
EU	014661706	014661706	30-08-2016	Mountain Goat		25	09-10-2015
EU	013738117	013738117	07-07-2015	Eagle logo		18, 24, 25, 28	13-02-2015
EU	000461202	000461202	03-03-2000	ALLOY		18, 24, 25	10-02-1997
EU	018183906	018183906	11-06-2020	BOND STREET Logo		18,25	20-01-2020
EU	000461210	000461210	14-06-1999	RED TAPE		18, 24, 25, 28	10-02-1997
EU	001168590	001168590	18-09-2000	RED TAPE		3, 14	11-05-1999
EU	018345327			RED TAPE AIR+		25	26-11-2020
EU	009763269	009763269	24/02/2011	Wings logo		24, 28, 35	24-02-2011
EU	011872091	011872091	05/06/2013	Wings logo (in colour)		3, 14, 18, 25, 28, 35	05-06-2013

### 3. United Kingdom

Country	Appl. no.	Pat./Reg.no	Reg. date	Keyword/ Mark/Design	Logo	Classes	Nat. fil. date
UK	013738117	013738117	07-07-2015	Eagle logo		18, 24, 25, 28	13-02-2015
UK	018183906	UK00918183906	11-06-2020	BOND STREET Logo		18,25	
UK	000461210	000461210	14-06-1999	RED TAPE		18, 24, 25, 28	
UK	001168590	001168590	18-09-2000	RED TAPE		3, 14	
UK	018345327			RED TAPE AIR+		25	26-11-2020
UK	2625418	2625418	21/06/2012	Wings logo		18, 25	21-06-2012
UK	011872091	011872091	05/06/2013	Wings logo (in colour)		3, 14, 18, 25, 28, 35	05-06-2013



### 4. Middle East

Country	Appl. no./Reg No.	Keyword/Mark/Design	Logo	Classes	
UAE	302921	RED TAPE		18	
UAE	302925	RED TAPE		25	
UAE	355654	Bond Street Logo		25	
UAE	306849	LION LOGO		25	
UAE	306850	LION LOGO		25	
UAE	355655	Wings Logo		25	
UAE	357179	MODE REDTAPE		25	
UAE		AIR+		25	
Kuwait	2018/010144	RED TAPE		18	
Kuwait	2018/010142	RED TAPE		25	
Kuwait	KW1631968	Bond Street Logo		25	
Kuwait	KW1631969	Wings Logo		25	
Kuwait	2019/001581	LION LOGO		18	
Kuwait	2019/001580	LION LOGO		25	
Kuwait	2021/009916	MODE REDTAPE		25	
Kuwait		AIR+		25	
Qatar	127528	RED TAPE		18	
Qatar	127529	RED TAPE		25	
Qatar	148930	Bond Street Logo		25	
Qatar	148931	Wings Logo		25	
Qatar	129930	LION LOGO		18	
Qatar	129931	LION LOGO		25	
Qatar	149558	MODE REDTAPE		25	
Qatar		AIR+		25	
Saudi Arabia	166262	RED TAPE		18	
Saudi Arabia	166263	RED TAPE		25	
Saudi Arabia	1442038570	Bond Street Logo		25	
Saudi Arabia	1442038569	Wings Logo		25	
Saudi Arabia	175012	1440015949	LION LOGO		18
Saudi Arabia	175013	1440015950	LION LOGO		25
Saudi Arabia	312320	MODE REDTAPE		25	
Saudi Arabia		AIR+		25	


5. Africa


Country	Appl. no.	Keyword/Mark/Design	Classes
Nigeria	F/TM/O/2019/153206	RED TAPE (LOGO)	18
Nigeria	F/TM/O/2019/153207	RED TAPE (LOGO)	25
Nigeria	F/TM/O/2019/153208	RED TAPE SPORTS (LOGO)	18
Nigeria	F/TM/O/2019/153210	RED TAPE SPORTS (LOGO)	25
Nigeria	F/TM/O/2019/153212	BOND STREET (LOGO)	18
Nigeria	F/TM/O/2019/153213	BOND STREET (LOGO)	25
Nigeria	F/TM/O/2019/153214	MODE (LOGO)	18
Nigeria	F/TM/O/2019/153215	MODE (LOGO)	25
Nigeria	F/TM/O/2019/153216	LION (LOGO)	18
Nigeria	F/TM/O/2019/153217	LION (LOGO)	25
Mozambique	36000/2018	RED TAPE	25
South Africa	1997/02867	RED TAPE	25
South Africa	2002/20220	RED TAPE	18
Ethiopia	FTM/12680/2021	RED TAPE	18,25
Ethiopia	FTM/12679/2021	RED TAPE (LOGO)	18,25

6. Asia – IND

Country	Appl. no./Reg No.	Keyword/Mark/Design	Logos	Classes	Filing Date
Bangladesh	228132	RED TAPE		18	28-10-2018
Bangladesh	228131	RED TAPE		25	28-10-2018
Bangladesh	228129	MODE		18	28-10-2018
Bangladesh	228130	MODE		25	28-10-2018
Bangladesh	228134	BOND STREET		18	28-10-2018
Bangladesh	228133	BOND STREET		25	28-10-2018
Sri Lanka	LK/T/1/235446	RED TAPE		25	23-10-2018
Sri Lanka	172550	RED TAPE		18	29-06-2012
Sri Lanka		BOND STREET		18	
Sri Lanka		BOND STREET		25	
Sri Lanka		MODE		18	
Sri Lanka		MODE		25	
Sri Lanka	239160	LION LOGO		18	27-02-2019
Sri Lanka	239159	LION LOGO		25	27-02-2019
China	F00018968	Mode			
China	F00018970	Bond Street			
China		RED TAPE		25	
China	F00018971	RED TAPE			27-01-2021
China	F00018969	RED TAPE (LOGO)			27-01-2021
Pakistan	150523	RED TAPE		25	
Pakistan	150525	RED TAPE		18	
Myanmar	13531/2018	RED TAPE		18, 25	06-12-2018
Malaysia	2018072970	RED TAPE		18	30-10-2018
Malaysia	2018072971	RED TAPE		25	30-10-2018
Hong Kong	99/11416	RED TAPE		18	24-08-1999
Nepal	31260	RED TAPE		18	
Nepal	32474	RED TAPE		25	
Afganistan	14248	22678	RED TAPE	18	
Afganistan	14247	22679	RED TAPE	25	
Afganistan	14245	22680	RED TAPE (LOGO)	18	
Afganistan	14246	22681	RED TAPE (LOGO)	25	

7. Others

Country	Appl No. / Registration No.		APPL_DATE	TM	Logo	CL
Australia	728952	728952	04-12-1997	RED TAPE		18, 25
Canada	893475	551529	25-09-2001	RED TAPE		N/A
New Zealand	287800	287800	08-02-2000	RED TAPE		25
USA	75/564821	2462230	19-06-2001	RED TAPE		25
Albania	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Albania	IAOI 1795	1576773		MODE		25
Albania	IAOI 1794	1558679		BOND STREET (LOGO)		25
Algeria	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Algeria	IAOI 1795	1576773		MODE		25
Algeria	IAOI 1794	1558679		BOND STREET (LOGO)		25
Azerbaijan	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Azerbaijan	IAOI 1795	1576773		MODE		25
Azerbaijan	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bahrain	IAOI 1222	1475241		LION LOGO		25
Bahrain		1527936		Wings Logo		25
Bahrain		1415940	10-07-2019	RED TAPE		25
Bahrain	IAOI 853	1415967		BOND STREET LOGO		25
Bosnia & Herz	IAOI 1795	1576773		MODE		25
Bosnia & Herz	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bosnia & Herzr	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Botswana		1415940		RED TAPE		25
Botswana	IAOI 1795	1576773		MODE		25
Botswana	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bulgaria	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Bulgaria	IAOI 1795	1576773		MODE		25
Bulgaria	IAOI 1794	1558679		BOND STREET (LOGO)		25
Cambodia		1415940	01-03-2018	RED TAPE		25
Cambodia	IAOI 853	1415967		BOND STREET LOGO		25
Egypt		1527936		Wings Logo		25
Egypt		688723		RED TAPE		18, 24, 25, 28
Egypt	IAOI 1795	1576773		MODE		25
Egypt	IAOI 853	1415967		BOND STREET LOGO		25
Georgia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Georgia	IAOI 1795	1576773		MODE		25
Georgia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Greece	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Greece	IAOI 1795	1576773		MODE		25
Greece	IAOI 1794	1558679		BOND STREET (LOGO)		25
Indonesia		1415940	01-03-2018	RED TAPE		25
Indonesia	IAOI 853	1415967		BOND STREET LOGO		25

Country	Appl No. / Registration No.		APPL_DATE	TM	Logo	CL
Iran	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Iran	IAOI 1795	1576773		MODE		25
Iran	IAOI 1794	1558679		BOND STREET (LOGO)		25
Japan		688723		RED TAPE		18, 24, 25, 28
Kenya		1415940		RED TAPE		25
Kenya	IAOI 1795	1576773		MODE		25
Kenya	IAOI 1794	1558679		BOND STREET (LOGO)		25
Kyrgyzstan	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Kyrgyzstan	IAOI 1795	1576773		MODE		25
Kyrgyzstan	IAOI 1794	1558679		BOND STREET (LOGO)		25
Lao		1415940	01-03-2018	RED TAPE		25
Lao	IAOI 853	1415967		BOND STREET LOGO		25
Mexico		688723		RED TAPE		18, 24, 25, 28
Monaco		688723		RED TAPE		18, 24, 25, 28
Montenegro	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Montenegro	IAOI 1795	1576773		MODE		25
Montenegro	IAOI 1794	1558679		BOND STREET (LOGO)		25
Morocco		1527936		Wings Logo		25
Morocco	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Morocco	IAOI 1795	1576773		MODE		25
Morocco	IAOI 853	1415967		BOND STREET LOGO		25
Namibia	IAOI 1795	1576773		MODE		25
Namibia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Namibia		1415940		RED TAPE		25
North Macedonia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
North Macedonia	IAOI 1795	1576773		MODE		25
North Macedonia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Oman	IAOI 1222	1475241		LION LOGO		25
Oman		1527936		Wings Logo		25
Oman		688723		RED TAPE		18, 24, 25, 28
Oman	IAOI 853	1415967		BOND STREET LOGO		25
Philippines		1415940	01-03-2018	RED TAPE		25
Philippines	IAOI 853	1415967		BOND STREET LOGO		25
Portugal	IAOI 853	1415967		BOND STREET LOGO		25
Romania	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Romania	IAOI 1795	1576773		MODE		25
Romania	IAOI 1794	1558679		BOND STREET (LOGO)		25
Russia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25

Country	Appl No. / Registration No.	APPL_DATE	TM	Logo	CL
Russia		688723		RED TAPE	18, 24, 25, 28
Russia	IAOI 1795	1576773		MODE	25
Russia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Rwanda		1415940		RED TAPE	25
Rwanda	IAOI 1795	1576773		MODE	25
Rwanda	IAOI 1794	1558679		BOND STREET (LOGO)	25
Serbia	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Serbia	IAOI 1795	1576773		MODE	25
Serbia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Singapore		1415940	01-03-2018	RED TAPE	25
Singapore	IAOI 853	1415967		BOND STREET LOGO	25
South Korea		688723		RED TAPE	18, 24, 25, 28
Spain	IAOI 853	1415967		BOND STREET LOGO	25
Switzerland		688723		RED TAPE	18, 24, 25, 28
Syria	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Syria	IAOI 1795	1576773		MODE	25
Syria	IAOI 1794	1558679		BOND STREET (LOGO)	25
Tajikistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Tajikistan	IAOI 1795	1576773		MODE	25
Tajikistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Thailand		1415940	01-03-2018	RED TAPE	25
Thailand	IAOI 853	1415967		BOND STREET LOGO	25
Tunisia	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Tunisia	IAOI 1795	1576773		MODE	25
Tunisia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Turkey		1527936		Wings Logo	25
Turkey		1415940	28/06/2019	RED TAPE	25
Turkey	IAOI 853	1415967		BOND STREET LOGO	25
Turkmenistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Turkmenistan	IAOI 1795	1576773		MODE	25
Turkmenistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Uzbekistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Uzbekistan	IAOI 1795	1576773		MODE	25
Uzbekistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Vietnam		1415940	01-03-2018	RED TAPE	25
Vietnam	IAOI 853	1415967		BOND STREET LOGO	25

**Pre and Post Arrangement shareholding pattern for all companies involved in the Scheme of Arrangement**

		Transferor Company		Transferee Company				Resulting Company					
		RTS Fashions Pvt Ltd		Mirza International Ltd.				Redtape Limited					
		Pre-arrangement (Equity)		Pre-arrangement (Equity)		Post -arrangement (Equity)		Pre-arrangement (Equity)		Post -arrangement (Equity)		Post -arrangement (Redeemable Preference Shares)	
Sr	Description	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>												
<b>1</b>	<b>Indian</b>												
(a)	Individuals/ Hindu Undivided Family	58,98,600	72.51	6,22,84,071	51.77	7,52,60,991	54.46			7,52,60,991	54.46		
(b)	Central Government/ State Government(s)	0	0.00	0	0.00	0	0.00			0	0.00		
(c)	Bodies Corporate	0	0.00	0	0.00	0	0.00	50,000	100.00	0	0.00	50,000	100.00
(d)	Financial Institutions/ Banks	0	0.00	0	0.00	0	0.00			0	0.00		
(e)	Any Others	0	0.00	0	0.00	0	0.00			0	0.00		
	<b>Sub Total(A)(1)</b>	<b>58,98,600</b>	<b>72.51</b>	<b>6,22,84,071</b>	<b>51.77</b>	<b>7,52,60,991</b>	<b>54.46</b>	<b>50,000</b>	<b>100.00</b>	<b>7,52,60,991</b>	<b>54.46</b>	<b>50,000</b>	<b>100.00</b>
<b>2</b>	<b>Foreign</b>									0	0.00		
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	22,35,900	27.49	1,94,16,370	16.14	2,43,35,350	17.61			2,43,35,350	17.61		
(b)	Bodies Corporate			0	0.00	0	0.00			0	0.00		
(c)	Institutions			0	0.00	0	0.00			0	0.00		
(d)	Any Others			0	0.00	0	0.00			0	0.00		
	<b>Sub Total(A)(2)</b>	<b>22,35,900</b>	<b>27.49</b>	<b>1,94,16,370</b>	<b>16.14</b>	<b>2,43,35,350</b>	<b>17.61</b>	<b>0</b>	<b>0.00</b>	<b>2,43,35,350</b>	<b>17.61</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>81,34,500</b>	<b>100.00</b>	<b>8,17,00,441</b>	<b>67.91</b>	<b>9,95,96,341</b>	<b>72.07</b>	<b>50,000</b>	<b>100.00</b>	<b>9,95,96,341</b>	<b>72.07</b>	<b>50,000</b>	<b>100.00</b>
<b>(B)</b>	<b>Public shareholding</b>												
<b>1</b>	<b>Institutions</b>												
(a)	Mutual Funds/ UTI	0	0.00	4,500	0.00	4,500	0.00			4,500	0.00		
(b)	Financial Institutions / Banks	0	0.00	42,495	0.04	42,495	0.03			42,495	0.03		
(c)	Central Government/ State Government(s)	0	0.00	0	0.00	0	0.00			0	0.00		
(d)	Venture Capital Funds	0	0.00	0	0.00	0	0.00			0	0.00		
(e)	Insurance Companies	0	0.00	0	0.00	0	0.00			0	0.00		
(f)	Foreign Institutional Investors	0	0.00	36,07,937	3.00	36,07,937	2.61			36,07,937	2.61		
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0	0.00			0	0.00		
(h)	Any Other	0	0.00	0	0.00	0	0.00			0	0.00		
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0.00</b>	<b>36,54,932</b>	<b>3.04</b>	<b>36,54,932</b>	<b>2.64</b>	<b>0</b>	<b>0.00</b>	<b>36,54,932</b>	<b>2.64</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Non-institutions</b>												
(a)	Bodies Corporate	0	0.00	11,46,971	0.95	11,46,971	0.83			11,46,971	0.83		
(b)	Individuals									0	0.00		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	0	0.00	2,71,14,726	22.54	2,71,14,726	19.62			2,71,14,726	19.62		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	0	0.00	32,03,115	2.66	32,03,115	2.32			32,03,115	2.32		
(c)	Any Other	0	0.00	34,85,815	2.90	34,85,815	2.52			34,85,815	2.52		
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0.00</b>	<b>3,49,50,627</b>	<b>29.05</b>	<b>3,49,50,627</b>	<b>25.29</b>	<b>0</b>	<b>0.00</b>	<b>3,49,50,627</b>	<b>25.29</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0.00</b>	<b>3,86,05,559</b>	<b>32.09</b>	<b>3,86,05,559</b>	<b>27.93</b>	<b>0</b>	<b>0.00</b>	<b>3,86,05,559</b>	<b>27.93</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>81,34,500</b>	<b>100</b>	<b>12,03,06,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100</b>	<b>50,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100.00</b>	<b>50,000</b>	<b>100</b>
<b>(C)</b>	Shares held by Custodians and against which DRs have been issued												
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>81,34,500</b>	<b>100</b>	<b>12,03,06,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100</b>	<b>50,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100.00</b>	<b>50,000</b>	<b>100</b>

# SANDEEP KUMAR AGRAWAL

F.C.A., LL.B., M.B.A. (Finance), DISA (ICAI),  
FAFD (ICAI), INSOLVENCY PROFESSIONAL  
**REGISTERED VALUER (Securities or Financial Assets)**  
Registration No. IBBI/RV/06/2019/10705



To,

<b>Mirza International Ltd</b> 14/6, Civil Lines Kanpur 208 001 Uttar Pradesh	<b>RTS Fashions Pvt Ltd</b> 14/6, Civil Lines Kanpur 208 001 Uttar Pradesh	<b>Redtape Limited</b> Plot No. 08, Sector- 90, Noida-201 301 Uttar Pradesh
--	---	--

**Sub: Report on Valuation of Shares and Share Exchange Ratio for the purpose of the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd**

Dear Sirs

There is a proposal for (a) Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd; and (b) De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd. The transaction is proposed to be implemented through a Composite Scheme of Arrangement under the provisions of the Companies Act, 2013, and other applicable provisions, if any

RTS Fashions Pvt Ltd is hereinafter referred to as "the Transferor Company". Mirza International Ltd is hereinafter referred to as "the Transferee Company". Redtape Ltd is hereinafter referred to as "the Resulting Company". Whereas RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd are hereinafter collectively referred to as "the Companies". The Branded Business/REDTAPE Business of Mirza International Ltd which is proposed to be de-merged into Redtape Ltd is hereinafter referred to as "the Demerged Business". The proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd is hereinafter referred to as "the proposed Scheme of Arrangement" or "the proposed Scheme".

I was engaged to carry out the valuation exercise and to recommend the share exchange ratio for the Proposed Scheme. In terms of the provisions of section 247 of the Companies Act, 2021, the Board of Directors of RTS Fashions Pvt Ltd in its meeting held on 12<sup>th</sup> November, 2021 and the Audit Committee of Mirza International Ltd in its meeting held on 12<sup>th</sup> November, 2021, passed necessary resolutions for my appointment for the aforesaid purpose. The Resulting Company-Redtape Ltd is recently incorporated for the proposed de-merger and yet to start commercial operations. The Board of Directors of Redtape Ltd in its Meeting held on 9<sup>th</sup> December, 2021, also passed necessary resolution for my appointment for the present valuation exercise.

I, accordingly, report as under:

**1. Objective:** The objective of the present valuation process is to carry out the valuation of shares and to recommend a share swap ratio for the purpose of the proposed Scheme of Arrangement.

**2. Disclosure regarding identity and interest of the Valuer:** The Valuer-Sandeep Kumar Agrawal, having his office at 523, Pocket-E, Mayur Vihar Phase-2, Delhi-110 091, is a Chartered Accountant and Registered Valuer



in respect of Securities or Financial Assets, duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705. The Valuer is hereinafter referred to as "the Registered Valuer".

The Registered Valuer does not have any conflict of interest in the present valuation exercise as he does not hold any share or other pecuniary interest in any of the Companies under the valuation except fee or any other payment received/to be received for carrying out any professional services, if any. The Registered Valuer is not associated with the managements of the Companies, which are subject matter of the present valuation, their promoters or any other group company in any way other than in professional capacity, if any. Accordingly, there is no conflict of interest among the Registered Valuer and the Companies under the valuation exercise or their Management. Prior to accepting this engagement, I have considered my independence.

### **3. Source of Information**

In connection with preparing this Valuation Report, I have received the following information from the Management of the Companies:

- a. Memorandum and Articles of Association of the Companies.
- b. Audited Financial Statements of the Transferor Company and the Transferee Company for the financial years ended 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020 and March 31, 2021.
- c. Un-Audited Financial Statements (subjected to the limited review by the Statutory Auditors) of the Transferee Company for the half year ended 30<sup>th</sup> September, 2021.
- d. Audited Financial Statements of the Transferor Company for the half year ended 30<sup>th</sup> September, 2021.
- e. Audited Financial Statements of the Resulting Company for period ended 9<sup>th</sup> December, 2021.
- f. Un-Audited Proforma Balance Sheet of the Demerged Business and the Remaining Business of the Transferee Company as on 30<sup>th</sup> September, 2021.
- g. Constitution documents and company registration certificates of RTS Fashion Limited, Dubai, United Arab Emirates which is a wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.
- h. Constitution documents and company registration certificates of Mirza (UK) Limited, London, United Kingdom which is a wholly owned subsidiary of RTS Fashion Limited, Dubai, UAE and a step down wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.



- i. Financial Statements of RTS Fashion Limited, Dubai and Mirza (UK) Limited, London for the financial year ended 31<sup>st</sup> March, 2021 and half year ended 30<sup>th</sup> September, 2021.
- j. List of Shareholders of RTS Fashion Limited, Dubai and Mirza (UK) Limited, London.
- k. Management certified projected financial statements of the Transferee Company for financial year ending 31<sup>st</sup> March 2022 to 31<sup>st</sup> March, 2029.
- l. Management certified projected financial statements of Mirza (UK) Limited, London for financial year ending 31<sup>st</sup> March 2022 to 31<sup>st</sup> March, 2029.
- m. Fair Value Certificate dated 4<sup>th</sup> December, 2021, calculating the fair value of shares of Mirza (UK) Limited, London issued by M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom.
- n. The details and proposal including the statement of rationale and justification for the proposed Scheme of Arrangement.
- o. The list of Shareholders of the Transferor Company and the Shareholding Pattern of the Transferee Company as on 30<sup>th</sup> September, 2021.
- p. The list of Shareholders of the Resulting Company as on 9<sup>th</sup> December, 2021.
- q. Other relevant documents and information of the Companies.

During the valuation exercise, I had various discussions with the Management of the Companies on the subject matter. I have also relied on various secondary research, market data and such other analysis, reviews and enquiries, as I considered relevant.

4. **Scope/Limitation:** The Valuation exercise carried out by me does not constitute an audit carried out in accordance with Generally Accepted Accounting Principles/Auditing Standards. Accordingly, I do not express any opinion on the financial statements, assumptions underlying such financial statements and representations of management included in the Valuation Report. I do not provide any assurance that the financial information or assumptions, upon which these have been based, are accurate.

The present exercise is limited to carry out the valuation exercise and to recommend share swap ratio in connection with the proposed Scheme of Arrangement and does not necessarily constitute an enterprise valuation of these Companies. In carrying out the valuation, I have entirely relied upon the financial statements/projected financial statements of the concerned Companies, assumptions and other information, documents & explanations provided by the Companies and their representative (hereinafter referred to as "the Management") and discussions with the



Management from time to time regarding these Companies vis-à-vis the proposed Scheme of Arrangement.

## **5. Caveats, Limitations, and Disclaimers:**

This Report is a private and confidential document prepared under the specific instructions of the client(s). It is for the internal use of the client(s) and their Shareholders/ Creditors and is not meant for external circulation except to any statutory agency or competent authority for the purpose of the Proposed Scheme. Any person making any investment or taking other decision on reliance of this report will be doing so at its/ his sole risk. I shall not be responsible for any decision taken by anybody on reliance of this report other than the aforesaid Scheme of Arrangement.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Companies/ Client. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The valuation of Companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. The object of the present valuation exercise is to determine the share swap ratio for the purpose of the proposed Scheme of Arrangement, we have determined the relative value to derive the share swap ratio.

The ultimate analysis has been tempered by the exercise of judicious discretion by the Registered Valuer and judgment considering the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior



written approval for any purpose other than the purpose for which it is prepared.

- 6. Compliance with the Rules and Standards:** While carrying out the present valuation exercise, I have relied on relevant provisions of the Companies Act, 2013; the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the Institute of Chartered Accountants of India (ICAI); various Guidance Notes on Valuation issued by the ICAI through its publications-Technical Guide on Valuation, Valuation: Professionals' Insight; and other relevant material, to the extent relevant/applicable.

The present Valuation Report complies with the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the ICAI, and other applicable provisions, if any.

## **7. Background of the proposed Scheme of Arrangement**

The following information was made available to me.

- 7.1 Preamble:** Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business:** The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business:** The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business:** The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather



footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

**7.2** The Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd; and
- De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis.

In consideration of the aforesaid amalgamation of the Transferor Company with the Transferee Company, the Transferee Company will issue Equity Share(s) to the Shareholders of the Transferor Company.

Similarly, in consideration of the de-merger of the Demerged Business of the Transferee Company into the Resulting Company; the Resulting Company will issue equity shares to the shareholders of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). The management is proposing that upon the Scheme becoming effective, the Resulting Company should have 100% mirror Equity Shareholding as that of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). To achieve such mirror shareholding, it is proposed that the entire existing Equity Share Capital of the Resulting Company will be replaced by equal value of Compulsorily Redeemable Preference Shares.



### 7.3 Rationale and Justifications:

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business:** The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business:** The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business:** The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.



In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business of Mirza International Ltd into a separate company.

**A. Amalgamation:** Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:

- i. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- ii. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company-Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
- iii. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- vii. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.



**B. De-merger:** Following are some of the specific advantages of the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- i. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- ii. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- iii. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- iv. The proposed de-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- v. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- vi. The proposed de-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- vii. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

## 8. Brief Profile of the Companies:

### 8.1 Transferor Company: RTS Fashions Pvt Ltd

- a. **RTS Fashions Pvt Ltd** [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284] was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited



company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- b. The present registered office of the Transferor Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh.
- c. The present authorized share capital of the Transferor Company is Rs. 8,13,45,000 divided into 81,34,500 Equity Shares of Rs. 10 each.
- d. The present issued, subscribed and paid-up share capital of the Transferor Company is Rs. 8,13,45,000 divided into 81,34,500 Equity Shares of Rs. 10 each.
- e. RTS Fashions Pvt Ltd has objects to be engaged in the business purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather shoes in UK, USA and other European Markets.
- f. The Transferor Company-RTS Fashions Pvt Ltd is the holding company of RTS Fashion Limited, Dubai, UAE. RTS Fashions Pvt Ltd holds 100% shareholding in RTS Fashion Limited, Dubai, UAE.

Whereas RTS Fashion Limited, Dubai, UAE is the holding company of Mirza (UK) Limited, United Kingdom. RTS Fashion Limited, Dubai, UAE holds 100% shareholding in Mirza (UK) Limited, United Kingdom.

Thus, Mirza (UK) Limited is a step down wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.

## 8.2 Transferee Company: Mirza International Ltd

- a. **Mirza International Ltd** [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821] was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6th May, 1994 issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10th August, 2005 issued by the ROC, Kanpur.
- b. The present registered office of the Transferee Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh.



- c. The present authorized share capital of the Transferee Company is Rs. 51,25,00,000 divided into 25,62,50,000 Equity Shares of Rs. 2 each.
- d. The present issued, subscribed and paid-up share capital of the Transferee Company is Rs. 24,06,12,000 divided into 12,03,06,000 Equity Shares of Rs. 2 each.
- e. The Equity Shares of the Transferee Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
- f. The Transferee Company - Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption.

### 8.3 Resulting Company: Redtape Ltd

- a. **Redtape Ltd** [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659] was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- b. The present registered office of the Resulting Company is situated at Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
- c. The present authorized share capital of the Resulting Company is Rs. 1,00,000 divided into 50,000 Equity Shares of Rs. 2 each.
- d. The present issued, subscribed and paid-up share capital of the Resulting Company is Rs. 1,00,000 divided into 50,000 Equity Shares of Rs. 2 each.
- e. The Resulting Company is recently incorporated for the proposed de-merger.

## 9. Valuation approach and methodologies:

### 9.1 The primary objective of the present exercise is

- i. to find out the number of shares to be issued by the Transferee Company to the shareholders of the Transferor Company in consideration of the amalgamation of the Transferor Company with the Transferee Company; and
- ii. to find out the number of shares to be issued by the Resulting Company in consideration of the De-merger of the Demerged Business of the Transferee Company into the Resulting Company.



**9.2** There are a number of techniques/ methods for Valuation of Shares. According to various judicial precedents the valuation of shares is a technical matter, which requires considerable skill and expertise. There are bound to be differences of opinion as to the correct value of the shares of the Company. Simply because it is possible to value the shares in a manner different from the one adopted in a given case, it cannot be said that the valuation agreed upon has been unfair.

**9.3** In the valuation of the shareholders' equity of a subject company, mainly three different approaches may be employed to determine its fair market value: (A) the Income Approach, (B) the Asset Approach and (C) the Market Approach. While each of these approaches is initially considered in the valuation, the nature and the characteristics of the subject company will indicate which approach, or approaches, is most applicable and suitable.

#### **A. Income Approach**

##### **Discounted Cash Flow Method (DCF)**

One methodology in the Income Approach is the discounted cash flow method, which focuses on the expected cash flow of the subject company. In applying this approach, the cash flow available for distribution is calculated for a finite period of years. Cash flow available for distribution is defined, for purposes of this analysis, as the amount of cash that could be distribute as a dividend without impairing the future profitability or operations of the subject company.

The cash flow available for distribution and the terminal value (the value, of the subject company at the end of the estimation period) are discounted to present value to derive an indication of the value of the business enterprise.

Interest bearing debt, if any, is subtracted from the business enterprise value to arrive at an indication of the value of stockholders' equity.

#### **B. Asset Approach**

##### **i. Book Value**

This is a value based upon the account's books of the business. In simple terms, Assets less Liabilities equals the owner's equity, which is the "Book Value" of the business.

##### **ii. Replacement Value**

This is mainly used with asset heavy businesses such as hotels, motels, natural resources. The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the businesses. The replacement cost takes into account the



market value of various assets or the expenditure required to create the infrastructure similar to that of the company being valued.

### **C. Market Approach**

#### **i. Value based on market quotes as available from recognized stock exchange**

In case of valuation of shares of a company, which is listed and traded on the stock exchanges, the market price of such shares is also considered to arrive at the fair value of the shares. Generally, an average market price of the listed shares for a reasonably past period is taken.

As per the SEBI (ICDR) Regulations, 2018 and the SEBI Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, the issuance of shares under schemes in case of allotment of shares by listed companies only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

#### **ii. Price Earning Multiple Value/ Comparable Companies Multiple Method**

The basic of this approach is to find the earning capacity of the business and to capitalize it on the basis of appropriate rate considering the business fundamentals. In this method appropriate multiple can be used with the normalized earnings to arrive at fair estimation of business value (market price per share; MPS).

The multiple is usually taken based at PE Multiple, i.e., MPS/EPS of the Industry, on the rate of return expected by the equity shareholder of the Company.

**9.4** The present exercise primarily involves working out appropriate share exchange ratios for the proposed Scheme of Arrangement.

**9.5** The ICAI Valuation Standards, 2018, provides that in transactions of the nature of merger or amalgamation or arrangement between companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weightages are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weightages.

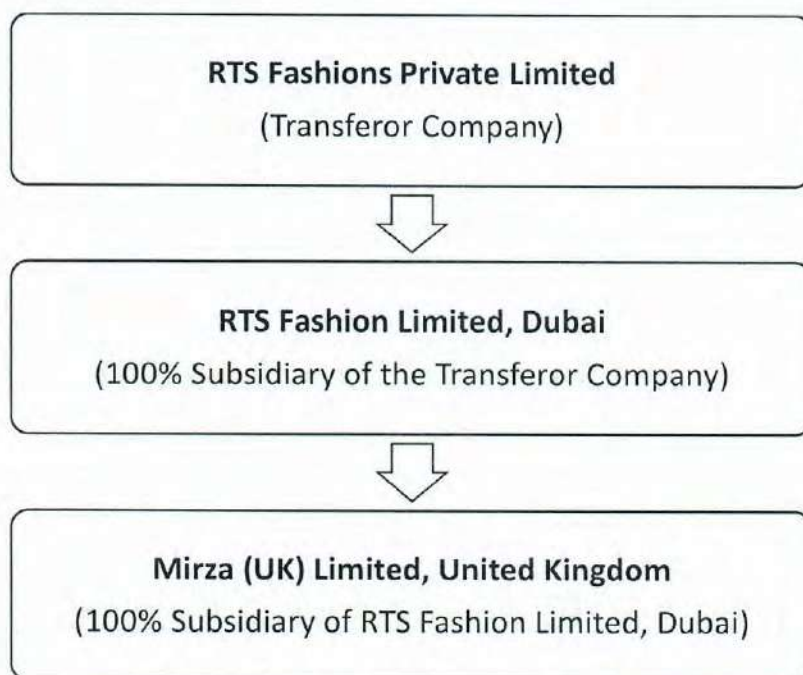


Use of differing methodologies or approaches may be justified in some circumstances, e.g., merger of a listed company and an unlisted company where market price method would be relevant only for the listed company. It further provides that Valuation base selected by a valuer shall be appropriate considering the purpose of engagement and the terms of the engagement. The valuer will use the relevant valuation approach and adhere to other assumptions associated with the valuation bases.

## 9.6 Valuation Approach for amalgamation:

### a. Transferor Company:

As mentioned above, it is proposed to amalgamate RTS Fashions Private Limited with Mirza International Limited. As already mentioned above, Mirza (UK) Limited is a step down wholly owned subsidiary of the Transferor Company - RTS Fashions Pvt Ltd, India.



Transferor Company and its 100% subsidiary company - RTS Fashion Limited, Dubai are mainly holding Company of Mirza (UK) Limited, UK, with no other major assets and independent business activities.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets.

In view of the above holding structure, the value of the Transferor Company is basically derived as the value of its ultimate 100% subsidiary company - Mirza (UK) Limited.

Mirza (UK) Limited is a growing company and has plans to further expand its business in UK, Europe, USA and other foreign countries.



As, the business of the Mirza (UK) Limited are intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza (UK) Limited.

Further, since Mirza (UK) Limited is an unlisted company, market approach of valuation is not quite relevant and applicable for valuation of shares of Mirza (UK) Limited.

Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza (UK) Limited as per Income Approach through the discounted cash flow (DCF) method is used.

Considering the fact that there is no other major assets and liabilities in RTA Fashions Private Limited, India and RTS Fashion Limited, Dubai, apart from 100% holding in Mirza (UK) Limited; I am of the view that the value of the Transferor Company- RTS Fashions Private Limited, India should be basically derived as the underlying value of its ultimate subsidiary - Mirza (UK) Limited.

A Fair Value Certificate dated 4<sup>th</sup> December, 2021, calculating the fair value of shares of Mirza (UK) Limited has been obtained from M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom in this regard. The valuation cut-off date of this Fair Valuation Certificate is the same as of the valuation cut-off date for the purpose of this report. We have also reviewed the valuation of Mirza (UK) Limited including relevant documents and financial data and other information and only after having concurrence with the same; taken the fair value of Mirza (UK) Limited, for the purpose of deriving the fair value of shares of the Transferor Company.

Since the shares of the Transferor Company as well as its subsidiaries are unlisted and unquoted, while deriving the fair value of the shares of the Transferor Company- RTS Fashions Private Limited, I have discounted the total net asset value (adjusted with the value investment in subsidiary) as illiquidity discount, as per the working sheet attached.

**b. Transferee Company:**

The business of the Mirza International Limited is intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza International Limited.

Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza International Limited as per Income Approach through the discounted cash flow (DCF) method is used.



Equity shares of Mirza International Limited is listed on BSE and NSE. Equity shares of Mirza International Limited are frequently traded, in terms of the provisions of the SEBI (ICDR) Regulations, 2018.

As per Regulation 164(1) of the SEBI (ICDR) Regulations, 2018, if the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty-six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- i. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date; or
- ii. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

We have been informed that the meeting of Board of Directors of Mirza Limited for approval of draft Scheme of Arrangement is scheduled on 10<sup>th</sup> December, 2021 and accordingly, in terms of the SEBI Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957; the relevant date for determination of market price shall be 10<sup>th</sup> December, 2021. Trading volume of equity shares of Mirza International Limited during the last 26 weeks was higher on NSE as compared to BSE and accordingly the price data available at NSE has been considered.

Under the Market Price method, average of weekly high and low of the volume weighted average price ('VMAP') of Mirza International Limited on NSE during the twenty-six weeks or two weeks preceding the relevant date, whichever is higher, has been considered.

### **9.7 Valuation Approach for Demerger:**

- i. Unlike merger/amalgamation, there is no prescribed method or guidelines for determining share exchange ratio for de-merger. In fact, several judicial precedents have held that in case of de-merger, no formal Share Valuation is required.
- ii. Section 2(19AA) of the Income Tax Act, 1961, provides that in case of a de-merger, all the assets and liabilities of demerged business have to be transferred to the resulting company. Section 2(19AA) further provides that the resulting company must issue, in consideration of the de-merger, its shares to the shareholders of the demerged company on a proportionate basis.



- iii. In the proposed Scheme, the management is proposing that upon the Scheme becoming effective, the Resulting Company should have 100% mirror Equity Shareholding as that of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). To achieve such mirror shareholding, it is proposed that the entire pre-Scheme Equity Share Capital of the Resulting Company will be replaced by equal value of Compulsorily Redeemable Preference Shares.
- iv. In view of the fact that post de-merger, entire Equity Share Capital of the Resulting Company will be held by the Equity Shareholders of the Transferee Company (post amalgamation of the Transferor Company with the Transferee Company), exactly in the same proportion as they are holding in the Transferee Company, no formal Share Valuation is required. The proposed Share Entitlement Ratio for the De-merger, given in this report is based entirely on the discussions with the management and suggestions made by them.
- v. In view of the above, valuation for the purpose of issue of the equity shares for the purpose of the proposed de-merger is not applicable under Asset Approach, Income Approach or Market Approach.

## 10. Share Exchange Ratio

On the basis of the aforesaid discussion, we recommend the following Share Exchange Ratio:

### i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd.

Valuation Approach	RTS Fashions Pvt Ltd		Mirza International Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	N.A. <sup>1</sup>	100%	N.A. <sup>3</sup>	N.A.
Income Approach	N.A. <sup>1</sup>	N.A.	96.57 <sup>4</sup>	0% <sup>6</sup>
Market Approach	N.A. <sup>2</sup>	N.A.	101.97 <sup>5</sup>	100% <sup>6</sup>
Relative Value per shares	221.29		101.97	
Exchange Ratio (Rounded-off)	22		10	

#### Notes:

- <sup>1</sup> In view of the shareholding structure between the Transferor Company and its subsidiary and ultimate subsidiary company, the value of the Transferor Company is basically derived as the value of its ultimate 100% subsidiary company-Mirza (UK) Limited.

Considering the fact that there is no other major assets and liabilities in RTA Fashions Private Limited, India and RTS Fashion Limited, Dubai, apart from 100% holding in Mirza (UK) Limited; I am of the view that the value of the Transferor Company- RTS Fashions Private



Limited, India should be basically derived as the underlying value of its ultimate subsidiary - Mirza (UK) Limited. [Refer Para 9.6(a) of this Report for details]

So, the Income Approach is not applicable for valuation of Transferor Company. Though, it is clarified that the value of its ultimate subsidiary - Mirza (UK) Limited has derived as per the Income Approach through DCF method. (Refer Para 9.6(a) of this Report for details).

- <sup>2</sup> Since the Transferor Company is unlisted, market approach is also not applicable.
- <sup>3</sup> The business of the Mirza International Limited is intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza International Limited.
- <sup>4</sup> Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza International Limited as per Income Approach through the discounted cash flow (DCF) method is used.
- <sup>5</sup> Equity shares of Mirza International Limited is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Under the Market Price method, average of weekly high and low of the volume weighted average price ('VMAP') of Mirza International Limited on NSE during the twenty-six weeks or two weeks preceding the relevant date, whichever is higher, has been considered.
- <sup>6</sup> As mentioned above, in terms of the proviso to Regulation 158(1)(b) of the SEBI (ICDR) Regulations, 2018, the valuation of shares of a listed company, in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to schemes of arrangement, the value of listed shares, cannot be less than the market price determined in terms of Chapter V of the SEBI (ICDR) Regulations, 2018. Since, the market price as determined is more than the value determined under the Income Approach valuation of shares; the value derived as per Income Approach has been disregarded and 100% weightage has been given to the Market Approach.

**Accordingly, the following proposed Share Exchange Ratio for amalgamation of the Transferor Company with the Transferee Company is recommended:**

***"The Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of Rs. 2/- each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of Rs. 10/- each held in the Transferor Company - RTS Fashions Pvt Ltd."***



ii. **De-merger** of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd

Valuation Approach	Mirza International Ltd		Redtape Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per shares	N.A.		N.A.	
Exchange Ratio (Rounded-off)	1		1	

**Note:**

After the proposed de-merger, the entire Equity Share Capital of the Resulting Company will be held by the Equity Shareholders of the Transferee Company, exactly in the same proportion as they are holding in the Transferee Company. Accordingly, no formal Share Valuation and Share Exchange Ratio is required.

Accordingly, the following proposed Share Exchange Ratio for demerger is based entirely on the discussions with the Companies' management and suggestions made by them:

***"The Resulting Company - Redtape Ltd will issue 1 (one) Equity Share of Rs. 2 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 1 (one) Equity Share of Rs. 2 each held in the Transferee Company - Mirza International Ltd."***

iii. **Re-organisation of pre-Scheme Share Capital of the Resulting Company:**

Valuation Approach	Redtape Limited	
	Value Per Share	Weight
Asset Approach	N.A.	N.A.
Income Approach	N.A.	N.A.
Market Approach	N.A.	N.A.
Relative Value per shares	N.A.	
Exchange Ratio (Rounded-off)	1:1	

**Note:**

Present issued and paid-up share capital of the Resulting Company is Rs. 1,00,000/- divided into 50,000 Equity Shares of Rs. 2/- each, which is held by the Transferee Company. It is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity



Shareholding as that of the Transferee Company. Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company, which consists of 50,000 Equity Shares of Rs. 2/- each aggregating Rs. 1,00,000/-, will be cancelled; and 50,000 9% Compulsorily Redeemable Preference Shares of Rs. 2/- each aggregating Rs. 1,00,000/- will be created in place of such cancelled equity share capital.

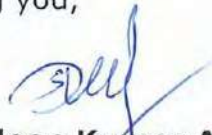
The Resulting Company was recently incorporated for the purpose of the proposed Scheme and it has not started any business. Further on cancellation of pre-Scheme Equity Share Capital, equivalent value of CRPS are proposed to be issued. Hence, no separate valuation of the Resulting Company, through Asset Approach, Income there or Market Approach is required or applicable.

***"The Resulting Company – Redtape Limited will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of Rs. 2/- each, credited as fully paid-up, for in lieu of every 1 (one) Equity Share of Rs. 2/- each held in the Resulting Company – Redtape Limited."***

Entire Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of Rs. 2 each aggregating Rs. 1,00,000, will stand cancelled.

9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Compulsorily Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.

Thanking you,



**CA Sandeep Kumar Agrawal**

FCA, ICAI Membership No.: 088699

Registered Valuer in respect of Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2019/10705



**Date: 10<sup>th</sup> December, 2021**

**Place: New Delhi**

**UDIN: 21088699 AAAABJ 1910**

Encl.: Valuation Workings

## **Mirza International Limited**

### **Calculation of DCF Value:**

			F.Y 2022	F.Y 2023	F.Y 2024	F.Y 2025	F.Y 2026	F.Y 2027	F.Y 2028	F.Y 2029	Rs. In lakhs
<b>FREE CASH FLOW TO THE COMPANY</b>			4,509.52	10,570.46	13,843.83	18,094.90	16,493.02	19,402.23	21,906.72	24,960.44	
Discounting Rate	12.67%										
Discounting Factor			0.94	0.84	0.74	0.66	0.58	0.52	0.46	0.41	
Forecast year			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	
Present Value			4,248	8,839	10,275	11,920	9,643	10,069	10,090	10,204	
No. of Outstanding shares			1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06

	Rs. In Lakhs
Value during explicit forecast period	75,287.35
Terminal Value	80,555.43
Discounted Terminal Value	32,931.81
Total Firm Value	1,08,219.16
Less: Term Loan	1,599.34
Add: Cash & Bank	9,553.81
<b>Equity Value</b>	<b>1,16,173.63</b>
Number of Equity Shares	120306000
<b>Value Per Equity Shares</b>	<b>96.57</b>



## Mirza International Limited

### Annexure: Pricing Certificate

Calculation of minimum issue price as prescribed under Chapter V of the SEBI (ICDR) Regulations, 2018

Relevant Date	Friday, 10 December, 2021
---------------	---------------------------

A. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the equity shares of MIRZA INTERNATIONAL LIMITED quoted on National Stock Exchange of India Limited (NSE) during the last twenty six weeks preceding the Relevant Date

Weeks	From	To	VWAP High	VWAP Low	Average
1	11-Jun-21	17-Jun-21	59.63	56.22	57.93
2	18-Jun-21	24-Jun-21	59.16	57.34	58.25
3	25-Jun-21	01-Jul-21	57.47	53.77	55.62
4	02-Jul-21	08-Jul-21	56.55	54.05	55.30
5	09-Jul-21	15-Jul-21	55.69	54.63	55.16
6	16-Jul-21	22-Jul-21	58.23	55.67	56.95
7	23-Jul-21	29-Jul-21	66.70	62.16	64.43
8	30-Jul-21	05-Aug-21	64.85	60.27	62.56
9	06-Aug-21	12-Aug-21	63.35	55.36	59.36
10	13-Aug-21	19-Aug-21	59.16	57.86	58.51
11	20-Aug-21	26-Aug-21	55.48	54.95	55.22
12	27-Aug-21	02-Sep-21	58.72	55.32	57.02
13	03-Sep-21	09-Sep-21	61.01	57.98	59.50
14	10-Sep-21	16-Sep-21	59.82	59.34	59.58
15	17-Sep-21	23-Sep-21	60.49	57.70	59.10
16	24-Sep-21	30-Sep-21	59.98	58.50	59.24
17	01-Oct-21	07-Oct-21	62.79	59.82	61.31
18	08-Oct-21	14-Oct-21	66.80	64.65	65.73
19	15-Oct-21	21-Oct-21	65.12	63.36	64.24
20	22-Oct-21	28-Oct-21	64.27	61.09	62.68
21	29-Oct-21	04-Nov-21	70.35	59.95	65.15
22	05-Nov-21	11-Nov-21	84.36	80.04	82.20
23	12-Nov-21	18-Nov-21	90.56	83.73	87.15
24	19-Nov-21	25-Nov-21	92.15	81.44	86.80
25	26-Nov-21	02-Dec-21	104.69	85.80	95.25
26	03-Dec-21	09-Dec-21	114.74	102.65	108.70
<b>Average Price (Rs.)</b>					<b>65.88</b>

B. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the equity shares of MIRZA INTERNATIONAL LIMITED quoted on National Stock Exchange of India Limited (NSE) during the last two weeks preceding the Relevant Date

Weeks	From	To	High	Low	Average
1	26-Nov-21	02-Dec-21	104.69	85.80	95.25
2	03-Dec-21	09-Dec-21	114.74	102.65	108.70
<b>Average Price (Rs.)</b>					<b>101.97</b>

A]. Average of 26 Weeks High Low of Volume Weighted Average Price	65.88
B]. Average of 2 Weeks High Low of Volume Weighted Average Price	101.97
Applicable Minimum Price [Higher of A or B]	<b>101.97</b>



**RTS Fashions Pvt Ltd (Transferor Company)**

**Calculation of Net Asset Value  
(As on 30<sup>th</sup> September, 2021)**

<b>Particulars</b>	<b>Amount (Rs. in Lakhs)</b>
Fair Value of Investment in 40,00,000 shares of RTS Fashion Limited, Dubai (i.e., 100% shares in RTS Fashion Limited, Dubai)	21,163.51
Other Assets	113.45
<b>Total Assets (A)</b>	<b>21,276.96</b>
Less:	
Non-Current Liabilities	1.57
Current Liabilities	98.36
<b>Total Liabilities (B)</b>	<b>99.93</b>
<b>Net Asset Value (NAV) [A-B]</b>	<b>21,177.03</b>
Number of Equity Shares (Face Value Rs. 10 each)	81,34,500
<b>NAV per Equity Share (Rs.)</b>	<b>260.34</b>
<b>Less: Discount (15%)</b>	<b>39.05</b>
<b>Fair Value Per Shares (Rs.)</b>	<b>221.29</b>



**RTS Fashion Limited, Dubai**

**Calculation of Net Asset Value  
(As on 30th September, 2021)**

<b>Particulars</b>	<b>Amount (UAE Dirham)</b>
Fair Value of Investment in 1100 ordinary shares of Mirza (UK) Limited, London, United Kingdom) (i.e., 100% shares in Mirza (UK) Limited, London, United Kingdom)	10,26,18,297
Other Assets	20,37,654
<b>Total Assets (A)</b>	<b>10,46,55,951</b>
Less:	
Total Liabilities	16,123
<b>Total Liabilities (B)</b>	<b>16,123</b>
<b>Net Asset Value (NAV) [A-B]</b>	<b>10,46,39,828</b>

<b>Total Equity Value (UAE Dirham)</b>	<b>10,46,39,828</b>
<b>Exchange Rate (UAE Dirham:INR as on 30th September, 2021)</b>	<b>20.2251</b>
<b>Total Equity Value (Indian Rupees)</b>	<b>2,11,63,50,992</b>

**Calculation of Fair Value of Equity of Mirza (UK)  
Limited  
(As on 30th September, 2021)**

<b>Total Equity Value (British Pound)</b>	<b>2,07,43,541</b>
<b>Exchange Rate (British Pound: UAE Dirham as on 30<sup>th</sup> September, 2021)</b>	<b>4.947</b>
<b>Total Equity Value (UAE Dirham)</b>	<b>10,26,18,297</b>



**Mirza (UK) Limited, London, United Kingdom**

**Calculation of DCF Value:**

Particulars	(Amount in British Pound)							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
FCFF	1,55,601	7,87,239	7,76,195	8,76,372	9,72,913	10,59,784	11,42,385	12,29,546
Discounted Period	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5
PV of FCFF	1,51,764	7,30,427	6,85,101	7,35,844	7,77,115	8,05,271	8,25,754	8,45,467
Terminal value								1,65,12,198
Sum of Pv of FCF		55,56,743.90						
Pv of TV		1,13,54,206.51						
Less: Debt (Long Term)		17,85,521						
Cash & Bank		22,56,996						
Equity Value		1,73,82,425.42						
Add: Value (Book Value) of Asset not related to operation								
1) Loan given to group companies		4,03,028.00						
a) RTS Fashion LLC	3,03,208							
b) RTS Fashion FZE	1,00,000							
2) Investment in property		13,00,000.00						
3) Investment in Resorts- Genesis Riverview		6,26,658.00						
4) Loan to Genesis riverview resorts pvt ltd.		10,31,430.00						
<b>Total Equity Value (British Pound)</b>		<b>2,07,43,541.42</b>						



# SANDEEP KUMAR AGRAWAL

F.C.A., LL.B., M.B.A. (Finance), DISA (ICAI),  
FAFD (ICAI), INSOLVENCY PROFESSIONAL  
**REGISTERED VALUER (Securities or Financial Assets)**  
Registration No. IBBI/RV/06/2019/10705



**To,**  
**Mirza International Ltd**  
14/6, Civil Lines  
Kanpur 208 001  
Uttar Pradesh

**RTS Fashions Pvt Ltd**  
14/6, Civil Lines  
Kanpur 208 001  
Uttar Pradesh

**Redtape Limited**  
Plot No. 08, Sector-90,  
Noida-201 301  
Uttar Pradesh

**Sub: Addendum to the Report on Valuation of Shares and Share Exchange Ratio dated December 10, 2021, for the purpose of the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd**

**Dear Sirs,**

I, Sandeep Kumar Agrawal, a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets, duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/ 2019/10705, have been engaged by RTS Fashions Pvt Ltd ("the Transferor Company"), Mirza International Ltd ("the Transferee Company") and Redtape Ltd ("the Resulting Company") to carry out the valuation exercise and to recommend the share exchange ratio for the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd ("the Proposed Scheme"). In this regard, I have issued my Report on Valuation of Shares and Share Exchange Ratio dated December 10, 2021 ("the Valuation Report"), for the purpose of the Proposed Scheme.

Further to the Valuation Report, I have been requested to clarify certain point. In this regard, please note the following:

- The period of financials used in the Valuation Report for the Unlisted Transferor Company – RTS Fashions Pvt Ltd as well as its wholly owned subsidiary - RTS Fashion Limited, Dubai and its step-down wholly owned subsidiary - Mirza (UK) Limited, United Kingdom, is the period ended September 30, 2021. It is further that the said financial statements of RTS Fashions Pvt Ltd, RTS Fashion Limited, Dubai and Mirza (UK) Limited for the period ended September 30, 2021 are Audited.
- In the table at Para No. 10(i), in the table row "Asset Approach"; in respect of RTS Fashions Private Limited, the Value Per Shares be read as "221.29" instead of "N.A.". The corrected table is as below:

Valuation Approach	RTS Fashions Pvt Ltd		Mirza International Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	221.29 <sup>1</sup>	100%	N.A. <sup>3</sup>	N.A.
Income Approach	N.A. <sup>1</sup>	N.A.	96.57 <sup>4</sup>	0% <sup>6</sup>
Market Approach	N.A. <sup>2</sup>	N.A.	101.97 <sup>5</sup>	100% <sup>6</sup>
Relative Value per shares	221.29		101.97	
Exchange Ratio (Rounded-off)	22		10	

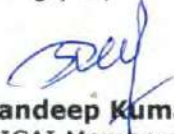
All the Notes to the aforesaid table shall remain same as per the Valuation Report dated December 10, 2021.



It is confirmed that the aforesaid clarification/ typo correction does not have any impact on the valuation and share exchanged ratio, as mentioned in the Valuation Report dated December 10, 2021.

This addendum letter shall be read in conjunction with the Valuation Report dated December 10, 2021. All other terms and conditions & other contents mentioned in the Valuation Report shall remain unchanged and would apply to this clarification to the Valuation Report as well.

Thanking you,



**CA Sandeep Kumar Agrawal**

FCA, ICAI Membership No.: 088699

Registered Valuer in respect of Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2019/10705

**Date: 17<sup>th</sup> January, 2022**

**Place: New Delhi**

UDIN: 22088699AAAAAB2715





December 10, 2021

Ref: TCA/FO- MIL/ Fairness Opinion/21-22

To,  
**Board of Directors**  
**Mirza International Limited**  
A-7, Mohan Cooperative Industrial Estate  
Mathura Road, New Delhi -110044

Dear Sirs,

**Subject: Fairness Opinion on Share Exchange Ratio for the purpose of proposed Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst RTS Fashions Private Limited, Mirza International Ltd and Redtape Limited**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with the Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 14/6, Civil Lines, Kanpur- 208001, Uttar Pradesh -and corporate office at A-7, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044 ("**MIL**" or "**Transferee Company**" or "**Demerged Company**") to provide a fairness opinion on share exchange ratio recommended by CA Sandeep Kumar Agrawal, Registered Valuer in respect of Securities or Financial Assets (IBBI Registration No.: IBBI/RV/06/2019/10705) ("hereinafter referred to as "**Valuer**"), who is the appointed valuer under a proposed composite scheme of arrangement ("**scheme**" or "**proposed scheme**") for the purpose of the following:

- A. Proposed amalgamation of RTS Fashions Private Limited ("**RFPL**" or "**Transferor Company**") with ("**MIL**" or "**Transferee Company**") [**Part 2 of the Proposed Scheme/ "Proposed Amalgamation"**]; and
- B. Proposed Demerger of Branded Business/Redtape Business of Mirza International Limited as defined in the proposed scheme ("hereinafter referred to as "**Demerged Undertaking**") from Mirza International Limited ("**MIL**" or "**Transferee Company**" or "**Demerged Company**") and its consequent vesting into Redtape Limited ("**Redtape Ltd.**" or "**Resulting Company**") [post





**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

amalgamation as mentioned in point A above) [**Part 3 of the Proposed Scheme/ “Proposed Demerger”**].

Transferor Company, Resulting Company and Transferee Company shall hereinafter collectively be referred to as “Companies”.

## 2. Brief Background about the Companies:

A. **Mirza International Limited (“MIL” or “Transferee Company” or “Demerged Company”)** is an existing company incorporated on September 05, 1979 under the provisions of the Companies Act, 1956. The present registered office of MIL is situated at 14/6, Civil Lines, Kanpur, Uttar Pradesh -208001. The CIN of MIL is L19129UP1979PLC004821.

Presently, MIL is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. MIL also owns and operates a leather tannery for captive consumption. As on date, MIL has the following business verticals:

- ✦ **Private Label/White Label Business:** Under this business vertical, MIL is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom (UK), United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ✦ **Branded Business/Redtape Business:** Under this business vertical, MIL is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under ‘REDTAPE’ brand and other Brands owned by MIL. ‘REDTAPE’ is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- ✦ **Leather Tannery Business:** MIL owns and operates of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

The Equity Shares of MIL are listed at BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).





**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

**B. RTS Fashions Private Limited (“RFPL” or “Transferor Company”)** is an existing company incorporated on August 19, 2019 under the provisions of the Companies Act, 2013. The present registered office of RFPL is situated at 14/6, Civil Lines, Kanpur, Uttar Pradesh -208001. The CIN of RFPL is U19120UP2019PTC120284.

Presently, RFPL is engaged in the business of purchase, sale and trading of soiling and packing material and other related activities. RFPL, through its step down wholly owned subsidiary-Mirza UK Ltd (“**Mirza UK**”), is engaged in design, development, marketing and distribution of leather shoes in UK, USA and other European Markets.

As on date, the equity Shares of RFPL are not listed on any recognized stock exchange in India.

**C. Redtape Limited (“Redtape Ltd.” or “Resulting Company”)** is an existing company incorporated on December 08, 2021 under the provisions of the Companies Act, 2013. The present registered office of Redtape Ltd. is situated at Plot No. 08, Sector-90, Noida, Uttar Pradesh-201301. The CIN of Redtape Ltd. is U52609UP2021PLC156659.

Redtape Ltd. has been incorporated for the purpose of the proposed Scheme of Arrangement. After demerger becoming effective, Redtape Ltd. will continue the Branded Business/Redtape Business of MIL.

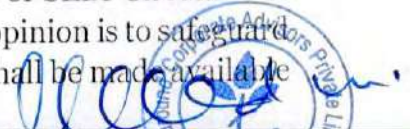
As on date, the equity Shares of Redtape Ltd. are not listed on any recognized stock exchange in India.

### **3. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

### **4. Scope and Purpose of the Opinion**

This Fairness Opinion is being issued in terms of the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The purpose of the opinion is to safeguard the interest of the shareholders of the Companies and this opinion shall be made available



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

CIN: U74140DL2015PTC278474 SEBI Registration No.: MB/INM000012290

Corporate & Registered Office: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

Tel: +91-11-45510390, 41395590 Email: info@tcagroup.in Website: www.tcagroup.in



**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

to the Boards of Directors and Shareholders of the Companies at the time of their respective meetings to pass the necessary resolutions for the approving and adopting the proposed scheme and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or governmental authorities, in connection with the proposed scheme.

**This opinion is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

#### 5. Sources of the Information

We have received the following information from the management of MIL for the purpose of our opinion:

- Draft Proposed Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst MIL, RFPL and Redtape Ltd. & their respective Shareholders and Creditors.
- Report on share exchange ratio by CA Sandeep Kumar Agrawal, Registered Valuer, dated December 10, 2021 along with supporting workings.

In addition to the above, we have also obtained explanations and other information as considered necessary by us for our exercise from the management of MIL.

#### 6. Fairness Opinion

We have reviewed the methodologies and important factors considered by the Valuer for the purpose of providing his recommendation on the Share Exchange Ratio for the purpose of proposed amalgamation and proposed demerger. A brief summary of some of the important factors considered by the Valuer are as follows:

##### A. **With respect to Proposed Amalgamation:**

- RFPL owns 100% equity stake of RTS Fashion Limited ("RTS Dubai") which in turn owns 100% equity stake of Mirza (UK) Limited, United Kingdom ("Mirza UK"). Therefore, Mirza UK is wholly owned step-down subsidiary of RFPL. RFPL does not have any major assets and business except investment in 100% equity stake of Mirza UK (through RTS Dubai). Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets.

Page 4 of 8



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

CIN: U74140DL2015PTC278474 SEBI Registration No.: MB/INM000012290

Corporate & Registered Office: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

Tel: +91-11-45510390, 41395590 Email: info@tcagroup.in Website: www.tcagroup.in



**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

- ii. In view of the above holding structure, the value of RFPL is basically derived as the value of its ultimate/step down wholly owned subsidiary– Mirza UK and accordingly to arrive the fair valuation of Equity Shares of RFPL, fair valuation of Mirza UK has been considered.
- iii. W.r.t fair valuation of Mirza UK, the Valuer has considered the Fair Valuation report dated December 04, 2021 issued by M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom for valuation of shares (using DCF Method) of Mirza UK. The Valuer has reviewed the valuation workings of Mirza UK including relevant documents and financial data and other information and only after having concurrence with the same; taken the fair value of Mirza UK, for the purpose of deriving the fair value of shares of the RFPL.
- iv. Accordingly, fair valuation of RFPL has been determined by the Valuer using Adjusted Net Asset Value Method (“**Adjusted NAV Method**”) where book value of investment has been replaced by fair value of such investments determined as above. Further, Valuer has also provided illiquidity discount to arrive the final value of RFPL considering RFPL as well as its subsidiaries are unlisted.
- v. For the purpose of arriving the fair valuation of Equity Shares of MIL, Valuer has applied DCF Method and Market Price Method (considering Equity Shares of MIL are listed on BSE and NSE).

**B. With respect to Proposed Demerger**

- i. The management of MIL has proposed that, in consideration of proposed demerger of the Branded Business/Redtape Business, all equity shareholders of MIL (after giving effect to the amalgamation of RFPL into MIL) shall hold same percentage of shareholding of Redtape Ltd. as they were holding in MIL prior to the proposed demerger to create a mirror image of their equity shareholding of MIL in Redtape Ltd.

To maintain the mirror image of equity shareholding of Redtape Ltd., it is proposed that, entire existing pre-scheme paid up share capital of Redtape Ltd. which consists of 50,000 Equity Shares of Rs. 02 each aggregating to Rs. 1,00,000 will be replaced by equal number of 9% Non-cumulative Compulsorily Redeemable Preference Shares (CRPS) i.e 50,000 CRPS of Rs. 02 each aggregating to Rs. 1,00,000.

Major terms & conditions of CRPS proposed to be issued under this scheme are as follows:



# TURNAROUND

A SEBI Registered Category-I Merchant Banker

Name of the Instrument	Non-cumulative Compulsory Redeemable Preference Shares (CRPS)
Face Value (Rs.)	Rs. 02 per CRPS
Coupon Rate	9.00% per annum
Convertible/Non-Convertible	Non-Convertible
Cumulative/ Non-Cumulative	Non-Cumulative
Tenure	Maximum 5 years with call option available to the Issuer Company and Shareholders for early redemption
Redemption Value (Rs.)	At par i.e Rs. 02 per CRPS

*Any reference to CRPS in this fairness opinion report shall have above mentioned terms of issuance.*

- ii. Since, after the proposed demerger, the entire Equity Share Capital to be issued by Redtape Ltd. will be held by the Equity Shareholders of MIL exactly in the same proportion as they are holding in MIL prior to demerger, no formal Share Valuation and Share Swap Ratio is required.
- iii. In view of the above, valuation for the purpose of issue of the equity shares upon de-merger is not applicable under Asset Approach, Income Approach or Market Approach.

**As stated in the Share Exchange Ratio Report, Valuer has recommended the following share exchange ratio:**

#### **A. For the purpose of Proposed Amalgamation**

- i. *22 Equity Shares of face value Rs. 02 each of MIL credited as fully paid up to the Equity Shareholders of RFPL for every 10 Equity Shares of face value of Rs. 10/- each held in RFPL.*

#### **B. For the purpose of Proposed Demerger**

*01 Equity Share of face value Rs. 02 each of Redtape Ltd. credited as fully paid up to the Equity Shareholders of MIL (post giving effect to amalgamation proposed in the Scheme) for 01 Equity Share of face value of Rs. 02/- each held in MIL.*

- C. **Re-organization of existing pre-scheme equity shares (i.e. 50,000 Equity Shares of Rs. 02 each aggregating to Rs. 1,00,000) of Redtape Ltd.**





**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

*01 CRPS of face value Rs. 02 each of Redtape Ltd. credited as fully paid up to Equity Shareholders of Redtape Ltd. for 01 Equity Share of face value of Rs. 02/- each held in Redtape Ltd.*

In other words, entire existing pre-scheme paid up share capital of Redtape Ltd. which consists of 50,000 Equity Shares of Rs. 02 each will stand cancelled pursuant to the Proposed Scheme and 50,000 CRPS of Rs. 02 each will be issued by Redtape Ltd., in place of such cancelled equity shares.

**Based on the information and data made available to us including the Share Exchange Ratio Report and the proposed composite scheme of arrangement and subject to disclaimers as mentioned in this report, we are of the opinion that, the Share exchange ratio, as suggested by CA Sandeep Kumar Agrawal, Registered Valuer, is fair and reasonable.**

#### **7. Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of the Companies.
- Carrying out a market survey / financial feasibility for the Business of the Companies.
- Financial and Legal due diligence of Companies.

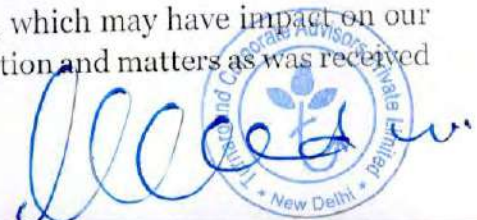
It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of MIL.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

We do not assume any obligation to update, revise or reaffirm our Opinion because of events or transactions occurring subsequent to the date of this report.

We understand that the management of MIL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from the management of MIL.





# TURNAROUND

A SEBI Registered Category-I Merchant Banker

The fee for our services is not contingent upon the result of the proposed demerger. TCA's appointment was formalized via engagement letter dated December 04, 2021.

The management of Companies or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Turnaround Corporate Advisors Private Limited

  
(HEEMADRI MUKERJIA)  
Managing Director

## 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

24<sup>th</sup> February, 2022

**The General Manager**  
**Department of Corporate Services**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sir /Madam,

**Sub.: Report on Complaints in terms of SEBI Master Circular No. SEBI / HO / CFD / DILI / CIR / P / 2021 / 0000000665 dated November 23, 2021**

**Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the proposed Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited**

This is with reference to the captioned subject, the Report on Complaints indicating NIL Complaints for the period commencing from 31<sup>st</sup> January, 2022 to 21<sup>st</sup> February, 2022 is enclosed herewith.

We request you to take the above on record.

Thanking you.

Yours Faithfully,

For **Mirza International Limited**


**Priyanka Pahuja**  
**Company Secretary & Compliance Officer**

Encl.: As above.

## 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

### Report on Complaints

#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total number of complaints / comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.		N.A.	
2.			
3.			

For Mirza International Limited


Priyanka Pahuja  
Company Secretary & Compliance Officer

## 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

25<sup>th</sup> February, 2022

**The General Manager,**  
**Department of Corporate Services,**  
**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai 400 051

Dear Sir /Madam,

**Sub.: Report on Complaints in terms of SEBI Master Circular No. SEBI / HO / CFD / DIL1 / CIR / P / 2021 / 0000000665 dated November 23, 2021**

**Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the proposed Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited**

This is with reference to the captioned subject, the Report on Complaints indicating NIL Complaints for the period commencing from 3<sup>rd</sup> February, 2022 to 24<sup>th</sup> February, 2022 is enclosed herewith.

We request you to take the above on record.

Thanking you.

Yours Faithfully,

For **Mirza International Limited**



**Priyanka Pahuja**  
**Company Secretary & Compliance Officer**

Encl.: As above.

## 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

### Report on Complaints

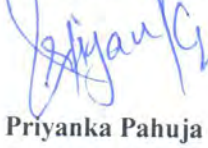
#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total number of complaints / comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.		N.A.	
2.			
3.			

For Mirza International Limited

  
Priyanka Pahuja



Company Secretary & Compliance Officer

DCS/AMAL/TL/IP/2331/2022-23

“E-Letter”

May 17, 2022

The Company Secretary,  
**MIRZA INTERNATIONAL LTD.**  
14/6, Civil Lines, Kanpur,  
Uttar Pradesh, 208001

Dear Sir,

**Sub: Observation letter regarding the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd and their respective Shareholders and Creditors**

We are in receipt of the Draft Composite Scheme of Arrangement of Mirza International Ltd as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 17, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall ensure compliance with the said circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the company is obliged to bring the observations to the notice of Hon’ble NCLT.”
- “It is to be noted that the petitions are filed by the company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Redtape Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Redtape Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Redtape Limited is at the discretion of the Exchange. In addition to the above, the listing of Redtape Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Redtape Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all information about Redtape Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Redtape Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - I. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - II. "There shall be no change in the shareholding pattern of Redtape Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,  
Sd/-

**Prasad Bhide**  
Manager

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/29638

May 20, 2022

The Company Secretary  
Mirza International Ltd  
A-7 Mohan Coop. Indl Estate,  
Mathura Road, New Delhi- 110044

**Kind Attn.: Ms. Priyanka Pahuja**

Dear Madam,

**Sub: Observation Letter for Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd (Resulting Company) and their respective Shareholders and Creditors.**

We are in receipt of Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd (Resulting Company) and their respective Shareholders and Creditors vide application dated January 08, 2022.

Based on our letter reference no. NSE/LIST/29638 dated March 28, 2022, submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017(as amended), kindly find following comments on the draft scheme:

- a. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*
- b. The entities involved in the scheme shall duly comply with various provisions of the said Circular.*
- c. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- d. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Redtape Limited is at the discretion of the Exchange.

The listing of Redtape Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Redtape Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

***“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.”***

2. To publish an advertisement in the newspapers containing all the information about Redtape Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Redtape Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
  - (b) “There shall be no change in the shareholding pattern or control in Redtape Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities. The validity of this “Observation Letter” shall be six months from May 20, 2022, within which the scheme shall be submitted to NCLT.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Priya Iyer  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:  
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



**INDEPENDENT AUDITOR'S REPORT**

To the Members of **RTS FASHIONS PRIVATE LIMITED**

**Report on the Audit of the Financial Statements**

**1. Opinion**

We have audited the financial statements of RTS FASHIONS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and Profit, and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

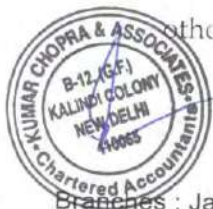
**3. Information other than the financial statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including its Annexure, but does not include the financial statements and our auditor's report thereon.

The Board's Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

#### **4. Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing on the effectiveness of the company' internal control.
  - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv. 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 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.
  - v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement 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.

## 6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- II. As required by Section 197(16) of the Act, we report that the company being a private limited company, section 197 on payment of remuneration to its directors is not applicable to the company.
- III. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The para relating to adequacy of the internal financial controls is not applicable to the company as turnover/borrowings are less than the limits specified in MCA notification dated 13.06.2017.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 16.9 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 16.9 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies),



including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of clause iv contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

Place of signature: New Delhi  
Date: 26.05.2022

For Kumar Chopra & Associates  
Chartered Accountants  
(FRN: 000131N)



*K. Aggarwal*  
K. Aggarwal  
Partner  
(M. No 081510)

UDIN:

22081510AJZWKX6010

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RTS FASHIONS PRIVATE LIMITED for the year ended 31 March 2022)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. i. The Company do not have any Property, Plant and Equipment.
  - ii. The Company is maintaining proper records showing full particulars of intangible assets.
  - b. As company do not have any Property, Plant and Equipment, therefore reporting requirement under clauses 3(i) (b), (c) and (d) of the Order is not applicable.
  - c. No proceedings have been initiated during the year or are pending against the Company as at year end for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year.
4. The company has not made any loans, investments, guarantees and securities covered under the provisions of section 185 and 186 of Company Act, 2013. The investment in wholly subsidiary is given exemption under proviso to section 186(3) of the Act.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits.
6. The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act for the products/services of the Company.
7. a. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues, as applicable to it, with the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

There are no statutory dues which have not been deposited on account of any dispute.



8. During the course of audit, we did not come across any transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
  - (c) According to the information and explanation given to us, the Company has not availed any term loans.
  - (d) On an overall examination of the books of accounts of the Company, in our opinion, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) According to the information and explanation given to us and on an overall examination of the financial statements, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The company do not have any associate or joint ventures.
  - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
11. (a) According to the information and explanation given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
  - (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanation given to us, no whistle blower complaints were received by the Company during the year by the company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with provisions of section 188 of the Companies Act, 2013 and adequate disclosures have been made in the financial statements as required by the applicable accounting standards. The company being a private company, section 177 is not applicable.
14. a. In our Opinion and based on our examination, the Company has adequate Internal audit system commensurate with the size and nature of its business though not mandated under section 138 of the Act. The company is not required to appoint internal auditor under section 138 of the Act.



- b. As appointment of internal auditor is not mandated, reporting under clause xiv(b) of the Order is not applicable.
15. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
b. The company has not conducted any Non-Banking Financial or Housing Finance activities.  
c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
d. Clause (xii) on CIC of the Order is not applicable.
17. The Company has not incurred cash losses in the current financial year. The cash loss of Rs. 0.91 thousand were incurred in previous financial year.
18. There has been no resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The provisions of Section 135 of the Act on spending on social corporate activities are not applicable to the Company hence reporting under clause 3(xx) of the Order is not applicable.
21. The provisions of the Act on consolidation of financial statements are not applicable to the company; hence reporting under clause 3(xxi) of the Order is not applicable.

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



  
(R.K. AGGARWAL)  
Partner  
(M. No 081510)

Place: New Delhi  
Date: 26.05.2022

UDIN:

22081510AJZWKX6010

RTS Fashions Private Limited

Audited Financial Statements for  
March 31, 2022

RTS FASHIONS PRIVATE LIMITED  
CIN- U19120UP2019PTC120284  
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

(' in Thousands)

Particulars	Note No.	Year ended at 31st March, 2022	Year ended at 31st March, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	81,345	81,345
(b) Reserves and surplus	2	-572	-1,498
<b>2 Non-current liabilities</b>			
(a) Long term liabilities		-	-
(b) Deffered tax liabilities(Net)	3	55	112
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	1,600	1,600
(b) Trade payables			
(i) total outstanding dues to micro enterprises and small enterprises		-	-
(ii) total outstanding dues to other than micro enterprises and small enterprises	5	31,043	25
(c) Other current liabilities	6	30	53
(d) Short-term provisions	6 (i)	35	-
<b>TOTAL</b>		<b>1,13,535</b>	<b>81,638</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
Property plant and equipment and			
(a) Intangible Assets			
(i) Property, Plant and Equipment		-	-
(ii) Intangible assets	7	1,086	1,892
(b) Non-current investments	8	78,256	78,256
<b>2 Current assets</b>			
(a) Trade receivable	9	31,379	971
(b) Cash and cash equivalents	10	2,431	63
(c) Other current assets	11	383	456
<b>TOTAL</b>		<b>1,13,535</b>	<b>81,638</b>

Significant Accounting Policies 14

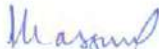
The accompanying notes form part an integral part of the financial statements. 1-16

AS per our report of even date

For Kumar Chopra & Associates

Chartered Accountants

FRN-000131N



R. K. Aggarwal

Partner

M.No: 081510



For RTS Fashions Private Limited



Tauseef Ahmad Mirza

(Director)

DIN:00049037



Tasneef Ahmad Mirza

(Director)

DIN: 00049066

Place: New Delhi

Date: 26 MAY 2022

STANDALONE STATEMENT OF PROFIT AND LOSS AS FOR THE YEAR ENDING 31ST MARCH 2022

(` in Thousands)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I.	Revenue from operations		48,077	12,538
	Sale of products-Soling and Packing material		-	-
			-	-
II.	Other income- credit balance w/back		15	12
III.	<b>Total revenue</b>		<b>48,092</b>	<b>12,550</b>
IV.	Expenses:			
	Purchase of stock in trade-Soling and packing Material		46,209	12,047
	Employee benefits expense		-	-
	Depreciation and amortization expense	7	806	605
	Other expenses	12	173	594
	<b>Total expenses</b>		<b>47,188</b>	<b>13,246</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>904</b>	<b>-696</b>
VI.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>904</b>	<b>-696</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>904</b>	<b>-696</b>
X.	Tax expense:			
	(1) Current tax		35	-
	(2) Deferred tax		-57	45
XI.	<b>Profit (Loss) after tax for the period (IX-X)</b>		<b>926</b>	<b>-741</b>

Significant Accounting Policies

14

The accompanying notes form part an integral part of the financial statements.

1-16

AS per our report of even date

For Kumar Chopra & Associates

Chartered Accountants

FRN-000131N

R. K. Aggarwal  
Partner

M.No: 081510



For RTS Fashions Private Limited

Tauseef Ahmad Mirza

(Director)

DIN:00049037

Tasneef Ahmad Mirza

(Director)

DIN:00049066

Place: New Delhi

Date:

26 MAY 2022

STANDALONE CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2022

(` in Thousands)

	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(A)	<b>CASH FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax & extra-ordinary items	904	-696
	Adjustments For		
	Add :		
	Depreciation	806	605
	Interest	-	-
	Add:- Transfer to reserve	-	-
	Less:- Provision for tax	35	-
		1,675	-91
	Less :		
	Interest Income	-	-
	Operating Profit before working capital changes	1,675	-91
	Adjustments For		
	Trade & other receivables	-30,408	5,052
	Inventory	-	-
	Trade payables	31,017	-5,766
	Other Current Assets	108	-142
	Net Cash generated from operating activity	2,392	-947
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Issue of share capital	-	-
	Purchase of fixed assets	-	-694
	Investment	-	-
	Adjustments For		
	Other non current assets & liabilities	-23	-165
	Net cash used in investing activities	-23	-859
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Long term liability	-	-
	Long term borrowings	-	-
	Short term borrowing	-	1,600
	Net cash generated in financing activities	-	-
	Net increase/(decrease) in cash & equivalents	2,369	-206
	Cash & equivalents opening balance (refer note no.10)	63	269
	Cash & equivalents closing balance (refer note no. 10)	2,431	63

Cash Flows are reported using indirect method, as per accounting standard AS-3


The accompanying notes form part an integral part of the financial statements.


AS per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
FRN-000131N

  
R. K. Aggarwal  
Partner  
M.No: 081510



For RTS Fashions Private Limited

  
Tauseef Ahmad Mirza  
(Director)  
DIN:00049037

  
Tasneef Ahmad Mirza  
(Director)  
DIN NO.00049066

Place: New Delhi  
Date: 26 MAY 2022

RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 1 SHARE CAPITAL

(` in Thousands)

Share Capital	31st March, 2022		31st March, 2021	
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	8134500	81,345	8134500	81,345
	8134500	81,345	8134500	81,345
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up	8134500	81,345	8134500	81,345
<b>Total</b>	<b>8134500</b>	<b>81,345</b>	<b>8134500</b>	<b>81,345</b>

Note 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(` in Thousands)

Particulars	Equity Shares 2022		Equity Shares 2021	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the period/subscribed capital	8134500	81345	8134500	81345
Shares Issued during the period	0	0	0	0
Shares bought back during the period	0	0	0	0
Shares outstanding at the end of the period	8134500	81345	8134500	81345

Note 1.2 The details of Shareholders holding more than 5% shares

Name of Shareholder	31st March, 2022		31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Irshad Mirza	1244100	15.29	1244100	15.29
Rashid Ahmed Mirza	2235900	27.49	2235900	27.49
Shahid Ahmad Mirza	1635600	20.11	1635600	20.11
Tauseef Ahmad Mirza	1635600	20.11	1635600	20.11
Tasneef Ahmad Mirza	1383300	17.00	1383300	17.00

Note 1.3 Details of shares held by promoters

As at 31st March, 2022

Name of the promoter	Number of shares as at 01.04.2021	Number of shares as at 31.3.2022	% Holding as at year end	% Change during the year
Irshad Mirza	12,44,100	12,44,100	15.29	0.00%
Rashid Ahmed Mirza	22,35,900	22,35,900	27.49	0.00%
Shahid Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tauseef Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tasneef Ahmad Mirza	13,83,300	13,83,300	17.01	0.00%

As at 31st March, 2021

Name of the promoter	Number of shares as at 01.04.2020	Number of shares as at 31.3.2021	% Holding	% Change during the year
Irshad Mirza	12,44,100	12,44,100	15.29	0.00%
Rashid Ahmed Mirza	22,35,900	22,35,900	27.49	0.00%
Shahid Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tauseef Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tasneef Ahmad Mirza	13,83,300	13,83,300	17.01	0.00%

Note 2 RESERVES AND SURPLUS

(` in Thousands)

Reserves & Surplus	31st March, 2022	31st March, 2021
<b>a. Surplus (i.e. balance in the statement of Profit and Loss)</b>		
Opening balance	-1,498	-757
Add: Profit /loss for the year	926	-741
Closing Balance	-572	-1,498
<b>Total</b>	<b>-572</b>	<b>-1,498</b>



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

(` in Thousands)

Note 3	DEFERRED TAX LIABILITY (NET)	31st March, 2022	31st March, 2021
	Deferred Tax Liability on account of difference in depreciation on fixed assets	55	112
	Less: Deferred Tax Assets	-	-
	<b>Total</b>	<b>55</b>	<b>112</b>

Note 4 **SHORT TERM BORROWINGS**

(` in Thousands)

Short Term Borrowings	31st March, 2022	31st March, 2021
Unsecured Loans from related parties-Directors and their relatives		
Irshad Mirza	245	245
Rashid Ahmed Mirza	440	440
Shahid Ahmed Mirza	322	322
Tauseef Ahmad Mirza	322	322
Tasneef Ahmad Mirza	272	272
<b>Total</b>	<b>1,600</b>	<b>1,600</b>

Note 5 **TRADE PAYABLE**

(` in Thousands)

Trade Payable	31st March, 2022	31st March, 2021
Micro, Small and Medium Enterprises *	-	-
Others	31,043	25
<b>Total</b>	<b>31,043</b>	<b>25</b>

\* MSME identified to the extent information available with the company

Notes 5.1 Trade Payables due for payment ageing schedule (current year)

(` in Thousands)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	-	31,043
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>31,043</b>

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

Trade Payables due for payment ageing schedule (previous year)

(` in Thousands)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	-	21.72
1-2 years	-	3.66
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>25</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 6 **OTHER CURRENT LIABILITIES**

(` in Thousands)

Other Current Liabilities	31st March, 2022	31st March, 2021
Audit Fees payable	27	28
Expenses payable	-	15
TDS payable	3	2
TCS on sale of any goods	-	8
<b>Total</b>	<b>30</b>	<b>53</b>

6 (i) **SHORT TERM PROVISIONS**

(` in Thousands)

Short Term Provisions	31st March, 2022	31st March, 2021
Provision for Income tax	35	-
	-	-
<b>Total</b>	<b>35</b>	<b>-</b>



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note-7 Property Plant & Equipment

	Dep. Rate	Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 1 Apr, 2021	Additions/ (Disposals)	(Disposals)	Balance as at 31 March, 2022	Balance as at 1 Apr, 2021	Depreciation charge for the year	On disposals	Balance as at 31 March, 2022	Balance as at 31 March 2021
<b>Intangible Assets</b>										
1	31.67%	2,546	-	-	2,546	654	806	-	1,460	1,086
		-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>2,546</b>	<b>-</b>	<b>-</b>	<b>2,546</b>	<b>654</b>	<b>806</b>	<b>-</b>	<b>1,460</b>	<b>1,086</b>
Previous Year		1,852	694	-	2,546	49	605	-	654	1,892



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 8 **Non-current investments** (₹ in Thousands)

	31st March, 2022	31st March, 2021
Long Term, non-Trade, at cost (unquoted) Investment in foreign subsidiaries 4000000 shares of RTS Fashion Ltd, Dubai of AED 1 each fully paid up.(extent of holding 100%)	78,256	78,256
Total	78,256	78,256

Note 9 **Trade Receivable** (unsecured considered good) (₹ in Thousands)

	31st March, 2022	31st March, 2021
Outstanding for a period exceeding 6 months from due date	371	-
Others	31,008	971
Total	31,379	971

Notes 9.1 Debts due from Euro Footwear Pvt Ltd, a company in which directors are directors

Notes 9.2 Trade Receivable outstanding ageing schedule (FY 2021-22)

(₹ in Thousands)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	30,753	-
6 Months - 1 Year	264	-
1-2 years	363	-
2-3 years	-	-
More than 3 years	-	-
Total	31,379	-

\*There are no disputed trade receivables

Trade Receivable outstanding ageing schedule (FY 2020-21)

(₹ in Thousands)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	8	-
6 Months - 1 Year	-	-
1-2 years	963	-
2-3 years	-	-
More than 3 years	-	-
Total	971	-

\*There are no disputed trade receivables

Note 10 **Cash and cash equivalents**

(₹ in Thousands)

Particulars	31st March, 2022	31st March, 2021
Balances with banks in current accounts	2,426	58
Cash in hand	5	5
Total	2,431	63

Note 11 **Other Current Assets**

(₹ in Thousands)

Particulars	31st March, 2022	31st March, 2021
GST receivable	375	443
TDS paid in advance	-	5
TCS receivable	8	8
Total	383	456



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 12 OTHER EXPENSES

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
Interest & Bank Charges	9	1
Interest on TDS	0	1
Audit fees	30	30
Rates & Taxes	15	6
Professional fees	119	67
Repair & Maintenance	-	490
<b>Total</b>	<b>173</b>	<b>594</b>

Note 12.1 Payment to Auditor

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
Payment to Auditor		
a) Audit Fee	30	30
b) For Fema Matters	50	-
c) For certification	69	-
<b>Total</b>	<b>149</b>	<b>30</b>

Note 13 EARNINGS PER SHARE (EPS)

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
(I) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	926	-741
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	8,135	8,135
(iii) Basic Earnings per share ( in rupees)	0.11	-0.09
(iv) Face Value per equity share (in rupees)	10	10



## RTS FASHONS PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2022

### NOTES 14:

#### COMPANY INFORMATION

The company was incorporated on 21<sup>st</sup> August 2019. The company is in the business of trading in Soling material and packing material of shoes.

#### 12. SIGNIFICANT ACCOUNTING POLICIES:

- I. Basis of preparation of financial statements-The financial statements are prepared on a going concern basis in accordance with the generally accepted accounting principles in India (Indian GAAP) and the applicable Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The Figures are rounded off to nearest thousands.
- II. Use of Estimates- The preparation of financial statements in conformity with the significant accounting policies requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ from those estimates. Differences between actual results and estimates are recognized in the period in which they materialize.
- III. Revenue Recognition: Sales are net of returns and GST and are recognized on dispatch of goods and is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- IV. The inventories are valued at lower of cost or net realizable value. Cost is computed on FIFO basis. GST is excluded from cost when the input credit is available to be utilized for output GST liability.
- V. Property, Plant and Equipment are stated at cost along with expenses directly attributable to bring the asset in working condition.
- VI. Depreciation and Amortization: Depreciation on tangible assets is provided on straight line method as per Schedule II of the Companies Act, 2013. Intangible Assets are amortized on straight line method over a period of 3 years.
- VII. Investments: Investments are categorized as current and non current depending on its nature and intention to hold. Non current investments are valued at cost and current investments are valued at lower of cost and fair value. Provision for diminution in value is made when there is a permanent fall in value of Non current investment.
- VIII. Purchases are net of returns and discounts.
- IX. Impairment of assets-Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (Tangible and intangible) may be impaired. If any such indication exists, an estimate of recoverable amount is made and appropriate adjustments made in the accounts.



- X. Foreign Currency Transactions-
- i) Income and Expense on account of foreign currency transactions are recorded at the exchange rate as of the date of the respective transactions. Exchange differences are recorded in the statement of profit and loss when the amount actually received on invoices are converted into Indian Rupees.
  - ii) Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is recorded in the statement of profit and loss.
- XI. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- XII. Employee Benefits
- i) Short Term Employee Benefits-All employee benefits falling due wholly within twelve months of rendering the service are classified as short- term employee benefits. The benefits like salaries, wages, short term compensated absences etc. are recognized in the period in which the employee renders the related service.
  - ii) Post-Employment Benefits- Defined Contribution Plans: Contributions payable to recognized provident funds which is a defined contribution schemes, is charged to the statement of profit and loss. Eligible employees receive benefits from a provident fund, aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment.
- XIII. Leases-Assets taken on lease under which lessor effectively retains all significant risks & rewards of ownership have been classified as operating lease. Lease payments made under operating lease are recognized as expense in the statement of profit and loss in accordance with the terms of lease agreement.
- XIV. Taxation- The current charge for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax act, 1961. Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- XV. Provisions and Contingencies- Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.



RTS FASHONS PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2022

NOTES 15: Contingent Liabilities – Nil

NOTES 16: Other Explanatory information-

16.1 Borrowing costs capitalized during the year – Nil

16.1.1 In the opinion of the management there are no indications of impairment of any asset covered under Accounting Standard AS 28.

16.2 Disclosures under AS-19 Leases- in respect of operating leases: Nil.

16.3 EMPLOYEES BENEFITS- There was no employee during the year.

16.4 RELATED PARTIES DISCLOSURE:

i. Related parties (as identified by the management

A) **Key Management Personnel** having control of voting power & composition of Board of Directors:

Rashid Ahmed Mirza	Director
Shahid Ahmad Mirza	Director
Tauseef Amhad Mirza	Director
Tasneef Ahmad Mirza	Director

B) **Relatives of Directors**-Mr. Irshad Mirza, Mrs. Yasmin Mirza, Mrs. Fauzia Mirza, Mrs. Iram Mirza, Mr. Shuja Mirza, Mr. Faraz Mirza, Mr. Mustafa Mirza, Mr. Farzan Mirza, Mr. Amaan Mirza, Mrs. Sabiha Husain, Mrs. Maria Khan, Mrs. Wasi Urooj Khan

C) **Subsidiary:** RTS Fashion Limited UAE

D) **Subsidiary to Subsidiary:** Mirza (UK) Limited, UK

E) **Subsidiary to Subsidiary-level 2:** Redtape Direct Limited, UK

F) **Enterprises over which KMP have significant influence:**

- a. Shoemax Engineering Private Limited
- b. Shoemac Leather Tech Engineers Limited
- c. Mirza Charitable Hospital Limited
- d. Euro Footwear Private Limited
- e. EMGEE Projects Private Limited
- f. Genesisriverview Resorts Private Limited
- g. Genesis Infra Projects Private Limited
- h. Granule Infra India Private Limited
- i. Aarem Heights Private Limited
- j. Mirza Investment Private Limited
- k. Mirza International Limited
- l. RTS Fashion LLC
- m. Achee Shoes LLP
- n. Red Tape International LLP
- o. Mirza Holdings LLP



- p. Mirza Projects
- q. Gempack Enterprises
- r. Mars International
- s. Waves International
- t. Mirza Foundation
- u. Kilkari Charitable Trust
- v. Redtape Limited

ii. Details of transactions with Related Parties –

a. Sales –

(in ₹)

Sl. No.	Sale	Volume of Transactions	Outstanding as on March2022
1.	Euro Footwear Private Limited	NIL (1,25,37,970/-)	3,71,043/- (9,71,043/-)

b. Investment

Sl. No.	Investment	Volume of Transactions	Outstanding as on March2022
1.	RTS Fashions Limited, Dubai- investment made in	Nil (NIL)	78255979 Dr (78255979Dr)

c. Unsecured Loan taken

Sl. No.	Name of the related party	Loan taken during the year	Balance Outstanding as on March 2022
1.	Irshad Mirza relative	NIL (2,44,706/-)	2,44,706/- (2,44,706/-)
2.	Rashid Ahmad Mirza director	NIL (4,39,787/-)	4,39,787/- (4,39,787/-)
3.	Shahid Ahmad Mirza director	NIL (4,39,787/-)	3,21,711/- (3,21,711/-)
4.	Tasneef Ahmad Mirza director	NIL (2,72,085/-)	2,72,085/- (2,72,085/-)
5.	Tauseef Ahmad Mirza director	NIL (3,21,711/-)	3,21,711/- (3,21,711/-)

Note: Figures in bracket are for previous year.

16.5 The Company has made investment in RTS Fashions Ltd. Dubai of AED 40,00,000 of AED 1 each equivalent of INR 782.55 lakhs representing 100% holding making it 100% owned subsidiary company. As company has investment in subsidiary Company



incorporated outside India only and in view of the exemption given in 3<sup>rd</sup> proviso to rule 6 of the Companies Accounts Rules no consolidated financial statements was required to be prepared.

16.6 Provisions of Section 135 of Companies Act on CSR is not applicable to the Company.

16.7 Company has not traded or invested in Crypto or Virtual currency during the financial year.

16.8 No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made thereunder.

16.9 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries."

16.10 Following are the analytical ratios for the year ended March 31 2022 and March 31 2021

S. No.	Ratio Type	Numerator	Denominator	2021-22	2020-21	Variation (In %)	Reason for variation by more than 25%
1	Current Ratio (Times)	Current Assets	Current Liabilities	1.05	0.89	15.13%	
2	Debt-equity ratio (Times)	Debt	Equity	0.02	0.02	-	
3	Debt service coverage ratio (Times)	Earnings available for debt service*	Debt Service**	NA	NA	NA	
4	Return on equity ratio(%)	Net Profit after taxes	Equity Shareholder funds	0.01	-0.01	180.99%	Due to Profit in Current Year as compared to Losses in last year
5	Inventory turnover ratio (Times)	Revenue	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio (Times)	Sales	Average Accounts Receivables	2.97	3.59	-20.63%	
7	Trade payables turnover ratio (Times)	Purchases	Average Accounts Payables	2.97	4.14	-39.25%	Due to increase in Trade Payables



8	Net capital turnover ratio (Times)	Revenue	Net Assets	32.35	-66.26	304.81%	Due to net assets being in positive this year as compared to negative in last year
9	Net profit ratio(%)	Net Profit after taxes	Revenue	0.02	-0.06	406.99%	Due to Profit in Current Year as compared to Losses in last year
10	Return on capital employed(%)	Earning before interest and taxes	Capital Employed***	0.01	-0.01	177.87%	Due to Profit in Current Year as compared to Losses in last year
11	Return on investment(%)	Return/ Profit/ Earnings	Investment	Nil	Nil	-	

\*Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments

\*\*Interest payments for the current year

\*\*\*Total Assets less current liabilities

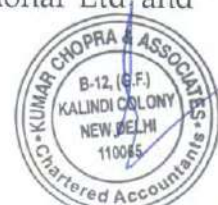
#### 16.11 Note on Financial Stability

The spread of Covid-19 has severely affected the businesses around the globe in many countries including India. The company has analyzed Covid-19 impact on results post Balance sheet date. The company's financial assets mainly consist of investments and receivable. The company has made assessment of its financial assets due to Covid-19 impact and is of opinion there is no impact. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has also made detailed assessment of its liquidity position for the next few months and of the recoverability and carrying values of its assets comprising investment and Trade Receivables as at the Balance sheet date and based on the internal and external information up to the date of approval of these financial statements including economic forecasts has concluded that no material adjustments are required to be made in the financial results.

In assessing the recoverability of receivables and investments the Company has considered internal and external information up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions the Company expects to recover the carrying amount of these assets. The Company on the basis of its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by any factor including COVID-19. The Company has also considered the effect of changes if any in expected credit loss and is of the view that there shall be no impact. The management believes that it has considered all the possible impact of known events arising in the preparation of financial results. Further company is of the opinion that there is certainty that company will be able to meet its all-financial commitments in next one year.

16.12 Amalgamation of the company- The Board of Directors of the Company in its meeting held on 10th 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. On Amalgamation, the Transferee Company-Mirza International Ltd will issue 22 Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company-RTS Fashions Pvt Ltd. for every 10 Equity Shares of ₹10 each held. The appointed date for the Scheme will be 1st 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.

Previous year's figures have been regrouped / re-arranged wherever required.

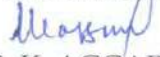
Signatures to notes 1 to 16

AS PER OUR REPORT OF EVEN DATE

FOR KUMAR CHOPRA & ASSOCIATES

CHARTERED ACCOUNTANTS

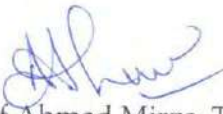
FRN: 000131N



R. K. AGGARWAL  
(PARTNER)

M. NO. 081510





Tauseef Ahmad Mirza  
(DIRECTOR)

DIN-00049037



Ahmad Mirza  
(DIRECTOR)

DIN-00049066

PLACE: NEW DELHI

DATE: 26 MAY 2022



**D R A & CO.**

**CHARTERED ACCOUNTANTS**

**H.O. : 35, Bunglow Road, New Delhi-110007**

**Email id: dracoaudit@gmail.com**

## **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><b>Net Realisable Value of Inventories of Finished Goods</b></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**

1. 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.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper financial statements adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) 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.
  - (d) 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.
  - (e) 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.

- (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 B". 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 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: 30-05-2022**

**Place: New Delhi**

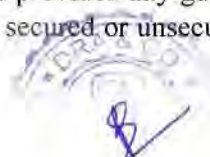
**UDIN: 22429735AJWSN08377**

### **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 Rs. 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 Rs.36.77 Lacs out of which Rs. 0.72 Lacs recovered from the employees and Rs. 25.49 Lacs has been provided for in the books of accounts, whereas Rs.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: DRA & Co.**  
**Chartered Accountants**  
**FRN: 006476N**



**Priyanka Rai**  
**Partner**  
**M.no.: 429735**  
**Date: 30-05-2022**

**Place: New Delhi**  
**UDIN: 22429735AJWSNQ8377**

**Annexure “B” to the Independent Auditor’s Report on Standalone Financial Statements of Mirza International Limited for the year ended 31<sup>st</sup> 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 these 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**  
**M.No. 429735**  
**Date: 30-05-2022**



**Place: New Delhi**  
**UDIN: 22429735AJWSN@8377**

**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzaknp@redtapeindia.com  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022**  
 CIN - L19129UP1979PLC004821

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Financial Assets</b>			
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
<b>Financial Assets</b>			
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:

Place : Noida  
 Date : May 30, 2022



For & on behalf of the board of Directors

RASHID AHMED MIRZA  
 Rashid Ahmed Mirza  
 (Chairman and Managing Director)  
 DIN: 00049009

V.T. Cheriaan  
 (Chief Financial Officer)

Tauseef Ahmad Mirza  
 (Whole Time Director)  
 DIN: 00049037

Priyanka Pahuja  
 (Company Secretary)

**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzakap@redtapeindia.com  
**STANDLONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2022**  
 CIN- L19129UP1979PLC004821

(₹ 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>			
i. Items that will not be reclassified to Statement of Profit and Loss	19 (i)	(10)	227
Income tax relating to items that will not be reclassified to Profit and Loss		3	(59)
ii. Items that will be reclassified to Statement of Profit and Loss	19(ii)	527	(75)
Income Tax on above		(177)	20
<b>Other Comprehensive Income for the year</b>		<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		
Basic (in ₹)		9.18	0.61
Diluted (in ₹)		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 statement of Profit and Loss referred to in our report of even date attached.

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

CA. Priyanka Rai  
 Partner  
 M.No. 429735  
 UDIN:

Place : Noida  
 Date : May 30, 2022



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

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

V.T Cherian  
 (Chief Financial Officer)

**Tauseef Ahmad Mirza**  
 Tauseef Ahmad Mirza  
 (Whole Time Director)  
 DIN: 0049037  
**Priyanka Pahuja**  
 (Company Secretary)

Standalone Statement of changes in Equity for the year ended March 31, 2022

(A) Equity Share Capital	(Rs. in Lakh)			
As at March 31, 2020		9A		2406
Changes in equity share capital		9A		2406
As at March 31, 2021		9A		2406
Changes in equity share capital		9A		2406
As at March 31, 2022		9A		2406

(B) Other Equity	(Rs. in Lakh)					
	General Reserve	Reserves & surplus Securities Premium	Retained Earnings	Other Comprehensive Income DLS Subsidy Reserve (Note 2)	Hedging Reserves (Note 3)	Total equity
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		(38)	168
Less: Change in Fair Value of Hedging instruments net of taxes						(38)
Less: Income Tax Adjustment (Net)			88			88
Less: Distribution of Shareholders			0			0
Less: Dividend Tax			0	(23)		(23)
Less: Transferred from Profit & Loss Account			0			0
Balance as at March 31, 2021	11753	5	49437	173	(55)	61313
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
Add: Income Tax Adjustment (Net)			(0)			(0)
Less: Distribution of Shareholders			0			0
Less: Dividend Tax			0	(22)		(22)
Less: Transferred from Profit & Loss Account			0			0
Balance as at March 31, 2022	11753	5	60474	151	705	73088

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



RAJESH KUMAR  
RASHID AHMED MIRZA  
RASHID AHMED MIRZA  
RASHID AHMED MIRZA  
(Chairman and Managing Director)  
DIN: 00049009

V.T. Chetkan  
(Chief Financial Officer)

RASHID AHMED MIRZA  
RASHID AHMED MIRZA  
RASHID AHMED MIRZA  
(Whole Time Director)  
DIN: 00049037  
Priyanka Rai  
(Company Secretary)

Place: Noida  
Date: May 30, 2022

For & on behalf of the board of Directors

**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzaknp@redtapeindia.com  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022**  
 CIN- L19129UP1979PLC004821

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
	8667	10808
Less :		
Interest Income	96	80
Income from Govt. Grant	22	23
Ceasing of Lease Liability	453	
Operating Profit before Working Capital Changes	23038	11751
Adjustments For		
Trade & other Receivables	(10672)	6084
Inventory	(9965)	(1304)
Trade Payables	19564	1856
Others	350	5109
Cash Generated from Operations	22315	23496
Direct Taxes Paid	(3564)	(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
Net Cash used in Investing Activities	(8049)	(3911)
<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)
Net cash used in financing activities	(10226)	(20065)
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
<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	-	-
	1485	1005
Less: Fixed deposits with original maturity of between 3 months and 12 months	0	0
Total cash and cash equivalents (note 10 A)	1485	1005

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:

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: 0049037

Priyanka Rai  
 (Company Secretary)

**Note 1 PROPERTY, PLANT & EQUIPMENT**

	At 01.04.2021		Gross Block		Accumulated Depreciation				Net Block		
	₹ in Lakh	₹ in Lakh	Additions	Deductions	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
			₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<b>A</b>											
Property, plant and equipment											
Land	918	918	0	-	918	-	-	-	-	918	918
Land Freehold	3555	3555	0	-	3555	493	43	0	0	3019	3062
Land Leasehold	21916	24187	2271	0	24187	5735	691	0	0	17761	16181
Buildings											
Plant & Machinery	28591	29650	2036	977	29650	15230	1673	64	807	13490	13361
Machinery	1194	1194	0	-	1194	507	73	0	0	614	687
Effluent Treatment Plant	3611	3896	518	233	3896	3437	397	0	247	309	174
Tools & Shoe Laths	11217	13189	2017	45	13189	4183	1045	0	2	7963	7034
Furniture Fixtures, Office Equipments & Electrical Installation											
Vehicles	1924	1978	547	493	1978	887	208	0	394	701	1037
Computers	1229	1340	112	1	1340	1127	58	0	1	1184	102
<b>Total</b>	<b>74155</b>	<b>79907</b>	<b>7601</b>	<b>1749</b>	<b>79907</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>45507</b>	<b>42546</b>
Capital Work in Progress											
Capital work-in-progress of properties, plant & equipment											
Capital work-in-progress of intangible assets											
<b>Total</b>	<b>74155</b>	<b>79907</b>	<b>7601</b>	<b>1749</b>	<b>79907</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>47617</b>	<b>43679</b>
<b>1A</b>											
Previous Year : Property Plant & Equipment	(73202)	(74155)	(4771)	(3818)	(74155)	(30414)	(4157)	(12)	(2985)	(42557)	(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				Balance as at 31st March 2022	
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:						
Unit-2	396	8	0	0	404	
Unit-3	1223				1223	
	1619	8	0	0	1627	

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

Note 1.2 Intangible Assets under Development

Intangible assets under development	Amount in CWIP for a Period of				Balance as at 31st March 2022	
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:						
Projects in progress	148	111	224	0	483	
	148	111	224	0	483	

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

Note 1.3 Intangible Assets under Development

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

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

Note 1B

Right of Use Assets	As at 01.04.2021	Additions	Deductions	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use ( Building)	18670	5700	4044	20326	4911	1747	0	0	13668	13759
<b>Previous Year</b>	<b>(18147)</b>	<b>(522)</b>	<b>(18669)</b>	<b>(2440)</b>	<b>(2470)</b>	<b>(2470)</b>	<b>0</b>	<b>0</b>	<b>(13758)</b>	<b>(15706)</b>

Note 2 INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
Investment in Equity Instruments	297	292
Other non-current investments		
<b>Total</b>	<b>297</b>	<b>292</b>

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

A. Sr. No.	Name of the Body Corporate	Details of Trade Investments					₹ in Lakh				
		(2)	(3)	No. of Shares / Units		(6)	(7)	Amount			
				2022 (4)	2021 (5)			(8) FV	(9) BV	(10) PVT 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	40.4	40.44	-0.04	40.44
3	Industrial Infrastructure Services (India) Ltd.		Structured	240000	240000	Unquoted	Fully Paid	73.4	24.0	49.4	54.7
4	Kanpur Unniso Leather Cluster Development Co. Ltd.		Structured	250000	250000	Unquoted	Fully Paid	106.8	25	81.75	106.75
5	Mirza Charitable Hospital Limited (Sec.25 Co.)		Structured	80000	80000	Unquoted	Fully Paid	8.0	8	0	32.48
6	Senen Mirza Industrial Supply Chain LLP***		Subsidiary	N.A	N.A	Unquoted	Fully Paid	66.0	66	0	56.75
7	J.P. Associates Ltd.		Structured	2000	2000	Quoted	Fully Paid	0.1	0.3	-0.14	0.1
8	Sarp Tannery Ltd.		Structured	500	500	Quoted	Fully Paid	0.0	0.3	-0.31	0.1
9	Super House Ltd.		Structured	150	150	Quoted	Fully Paid	0.3	0.1	0.20	0.2
10	Super Tannery Ltd.		Structured	1000	1000	Quoted	Fully Paid	0.0	1.0	0.00	0.0
11	Redtape Limited***		Subsidiary	50000		Unquoted	Fully Paid	1.0			
	<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

Note 3 OTHER FINANCIAL ASSETS (NON CURRENT)

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<u>Unsecured, considered good</u>				
Security Deposits				
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

OTHER NON CURRENT ASSETS	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<u>Unsecured, considered good</u>				
Advance for Capital Goods		1027		28
<b>Total</b>		<b>1027</b>		<b>28</b>

Note 4 INVENTORIES \*

INVENTORIES *	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Raw Materials and components	8685		4471	
		<b>8685</b>		<b>4471</b>
b. Work-in-progress	3329		2382	
		<b>3329</b>		<b>2382</b>
c. Finished goods	19730		14935	
d. Stock-in-trade	19620		19968	
Goods-in transit	955		607	
		<b>40305</b>		<b>35510</b>
e. Stores and spares	273		264	
		<b>273</b>		<b>264</b>
<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 Rs. 3,492.28 Lakhs which is lower by Rs. 30.26 Lakhs as against the cost determined as per erstwhile method which stood at Rs. 3,522.54 Lakhs.

Note 5 Trade Receivables

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

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

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

Cash and cash equivalents	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
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*				
B. Cash in hand	408		401	202
<b>Total</b>		<b>1486</b>		<b>1005</b>

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

Note 7 OTHER FINANCIAL CURRENT ASSETS

OTHER FINANCIAL CURRENT ASSETS	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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

OTHER CURRENT ASSETS	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
(i) Advances other than Capital Advance		885		353
Advance to related party	-		-	
Suppliers Advance	885		353	
(ii) Others		4,518		2,995
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 31 March 2022		As at 31 March 2021	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
Issued, Subscribed & Paid up Equity Shares of ₹ 2/- each fully paid up	256250000	5125	256250000	256250000
Total	120306000	2406	120306000	2406
	120306000	2406	120306000	2406

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

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

Name of Shareholder	EQUITY SHARES			
	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IRSHAD MIRZA	0	0.00%	0	0.00%
RASHID AHMED MIRZA	13665520	11.36%	13665520	11.36%
SHAHID AHMAD MIRZA	10152053	8.44%	10152053	8.44%
TAUSEEF AHMAD MIRZA	17558453	14.59%	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 01.04.2021	Change during the year	Number of shares as at 31.3.2022	% Holding as at year end	% Change during the year
RASHID AHMED MIRZA	13665520	-	1,36,65,520	11	N.A
SHAHID AHMAD MIRZA	10152053	48,29,412	1,49,81,465	12	0.48
TAUSEEF AHMAD MIRZA	17558453	5,00,000	1,80,58,453	15	0.03
TASNEEF AHMAD MIRZA	14076104	-	1,40,76,104	12	N.A
SHUJA MIRZA	10202099	-	1,02,02,099	8	N.A
FARAZ MIRZA	4798940	-47,98,940	-	-	100
YASMIN MIRZA	5500850	-	55,00,850	5	N.A
FAUSIA MIRZA	3008450	-	30,08,450	3	N.A
HAYA MIRZA	30472	-30,472	-	-	100
MUSTAFA MIRZA	500000	-5,00,000	-	-	100
FARZAN MIRZA	500000	-	5,00,000	0	N.A
AMAAN MIRZA	447000	-	4,47,000	0	N.A
IRAM MIRZA	960500	-	9,60,500	1	N.A
RAMSHA REHMAN	-	2,50,000	2,50,000	0	N.A
FIRDAUS AMIN	-	50,000	50,000	0	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	1366520	-	1,36,65,520	11.36	N.A
SHAHID AHMAD MIRZA	10152053	-	1,01,52,053	8.44	N.A
TAUSEEF AHMAD MIRZA	1758453	-	1,75,58,453	14.59	N.A
TASNEEF AHMAD MIRZA	14076104	-	1,40,76,104	11.70	N.A
SHUJA MIRZA	10201740	-	1,02,01,740	8.48	N.A
FARAZ MIRZA	4798940	-	47,98,940	3.99	N.A
YASMIN MIRZA	5500850	-	55,00,850	4.57	N.A
FAUSIA MIRZA	3008450	-	30,08,450	2.50	N.A
HAYA MIRZA	63	30,409	30,472	0.03	482.68
HUMA MIRZA	3359800	-33,59,800	-	-	100
MUSTAFA MIRZA	500000	-5,00,000	-	-	100
FARZAN MIRZA	500000	-	5,00,000	0.42	N.A
AMAAN MIRZA	447000	-	4,47,000	0.37	N.A
IRAM MIRZA	955500	5,000	9,60,500	0.80	0.01

**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	Hedging Reserves	
<b>Balance as at March 31, 2020</b>	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)
<b>Balance as at March 31, 2021</b>	11753	5	49437	173	(55)	61312
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>	11753	5	60474	151	705	73088

(Rs. in Lakh)

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)	As at 31 March 2022		As at 31 March 2021	
	Non-Current	Current	Non-Current	Current
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<b>Term loans</b>				
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 Rs. 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 Rs. 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 assets 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:

Term Loans from Banks	Payment Type	No. Of Pending Instalment	Instalment Amount	Current			Non Current		
				0-1 Yrs	1-2 Yrs	2-3 Yrs	1-2 Yrs	2-3 Yrs	More than 3 Years
Term Loans				856	500	500	0	0	0
P.N.B. TERM LOAN (19)	Quarterly	2	150	356	0	0	0	0	0
P.N.B. TERM LOAN (18)	Quarterly	12	125	500	500	500	0	0	0
Auto Loans				218	198	206	111	0	0
HDFC BANK AUTO LOAN ( 1 )	Monthly	5	1	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 2 )	Monthly	47	0	2	2	2	2	2	2
HDFC BANK AUTO LOAN ( 3 )	Monthly	11	1	10	0	0	0	0	0
HDFC BANK AUTO LOAN ( 4 )	Monthly	9	0	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 5 )	Monthly	9	0	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 6 )	Monthly	15	1	10	3	0	0	0	0
HDFC BANK AUTO LOAN ( 7 )	Monthly	38	1	11	12	13	2	2	2
HDFC BANK AUTO LOAN ( 8 )	Monthly	39	7	74	79	85	22	22	22
HDFC BANK AUTO LOAN ( 9 )	Monthly	21	1	11	12	13	3	3	3
HDFC BANK AUTO LOAN ( 10 )	Monthly	39	5	42	49	53	18	18	18
HDFC BANK AUTO LOAN ( 11 )	Monthly	60	0	2	2	2	2	2	2
HDFC BANK AUTO LOAN ( 12 )	Monthly	60	1	12	12	13	30	30	30
HDFC BANK AUTO LOAN ( 13 )	Monthly	60	0	2	2	2	2	2	2
AXIS BANK AUTO LOAN ( 14 )	Monthly	48	2	20	22	23	25	25	25
YES BANK LTD AUTO LOAN (15)	Monthly	16	1	9	3	0	0	0	0
YES BANK LTD AUTO (16)	Monthly	1	4	4	0	0	0	0	0
Auto Loans (From other)				18	0	0	0	0	0
BMW India Financial Services Pvt Ltd. (17)	Monthly	5	4	18	0	0	0	0	0
<b>Total</b>				<b>1092</b>	<b>698</b>	<b>706</b>	<b>111</b>	<b>0</b>	<b>0</b>

(₹ in Lakh)

Note 11 PROVISIONS

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

Note 12 Deferred Tax Liabilities(Net)

Particulars	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
<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	(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 puprose on	22	286
(b) Deferred Tax Asset created during the year	22	286
(c) = (b) + (a)	<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)	<b>-3</b>	<b>59</b>
<b>Deferred tax liabilities (gross)</b>		
Deferred tax related to items recognised in equity	177	-20
(e)	<b>177</b>	<b>-20</b>
(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	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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	3802	603
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	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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	-	-
Closing balance of DTA/DTL (net)	1,554	1,463

Note 13 OTHER NON CURRENT LIABILITIES

<u>OTHER NON CURRENT LIABILITIES</u>	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
<u>Others</u>		
Security deposits - from Franchise	9955	6003
Lease Rent Liabilities	13089	13370
<b>Total</b>	<b>23044</b>	<b>19373</b>

Note 14 **BORROWINGS**

BORROWINGS	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
<b>Secured*</b>		
Working capital loans repayable on demand		
From Other banks	4268	8021
From Foreign Bank	900	3668
Current maturities of long-term debt (Refer Note No. 10)		
From Other banks**	1074	1789
From Foreign Bank	18	40
<b>Total</b>	<b>6260</b>	<b>13518</b>

\* (1) PNB Rs. 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 Rs. 2.47 lakh (6472 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 ther company with other banks.

(3) Citi Bank Rs. Rs. 900 lakh (5396 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.

Note 15 **TRADE PAYABLE**

TRADE PAYABLE	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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 31st 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.

**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

**Note 16 OTHER FINANCIAL CURRENT LIABILITIES**

<b>OTHER FINANCIAL CURRENT LIABILITIES</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>(₹ in Lakh)</b>	<b>(₹ in Lakh)</b>
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**

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

**Note 17 PROVISIONS**

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

Note 18 **REVENUE FROM OPERATIONS**

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

Note 19 **OTHER INCOME**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

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

Note 20 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)
<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>

Note 22 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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 23 **FINANCE COST**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
Interest & Bank Charges	2698	4100
<b>Total</b>	<b>2698</b>	<b>4100</b>

Note 24 **DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
Depreciation Expenses	5955	6584
Leasehold Land Amortisation	43	43
<b>Total</b>	<b>5998</b>	<b>6627</b>

Note 25 **OTHER EXPENSES**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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
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 respective 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	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
(I) To Statutory Auditors		
a. For Audit Services	18	17
(ii) To Branch Auditors for Audit Services	0	1
Total	18	18

Note 25.2 Details of Corporate Social Responsibility Expenditure

Corporate Social Responsibilities	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	173
b) Amount spent during the financial year	110	177
Total	110	177

Note 26 EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
(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

**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	1371	1333

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

Particulars	2021-22	2020-21
	(₹ in Lakh)	(₹ 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

Particulars	2021-22	2020-21
	(₹ in Lakh)	(₹ in Lakh)
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	-	-
Closing balance of the present value of defined benefit obligation	1459	1380

	2021-22	2020-21
	(₹ in Lakh)	(₹ in Lakh)
Change in Fair Value of Assets		
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 :

<b>1. Financial Assumptions</b>	<b>2021-22</b>	<b>2020-21</b>
Discount Rate	7.30% p.a.	6.90% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.
<b>2. Demographic Assumptions</b>	<b>2021-22</b>	<b>2020-21</b>
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.

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 31/03/2022	As on 31/03/2021
Defined Benefit Obligation (Base)	1459	1380

Particulars	As on 31/03/2022		As on 31/03/2021	
	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-27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
A <b>BILLS DISCOUNTED</b>	7475	5562
B <b>IMPORT DUTY PAYABLE</b> In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)	-	163
C <b>BANK GUARANTEES / LETTER OF CREDITS</b>	6021	1719
D 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
E 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
F <b>TAXES</b>		
(I) <b>ENTRY TAX</b> - for 1999-2000 liability is pending	4	4
(II) <b>VAT &amp; CST</b>		
(a) <b>UTTAR PRADESH</b> : 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) <b>GUJARAT</b> : 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 Rs. 12.86 lacs	50	50
(c) <b>KERALA</b> : 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) <b>Haryana</b> : Pending against Haryana CST for the F.Y. 2016-17 ₹ 53.50 lacs, due to non submission of Form C	54	54
(III) <b>Income Tax</b> Order Passed u/s 143(3) r.w.s 144C(13) & 144B for FY 2016-17 Rs. 128.33 Lacs. Appeal pending before ITAT	128	0
(IV) <b>GOODS &amp; SERVICE TAX</b>	17	0
(a) <b>Jharkhand</b> :F.Y 2019-20 Rs.4.32 Lacs,Mismatch of Turnover under GSTR-1 & 3B, Company has filed appeals against DRC-07 on Dt.17.01.2022		
(b) <b>Bihar</b> : F.Y 2020-21 Rs. 12.95 Lacs Excess ITC claim in GSTR-3B, Company has filed Appeal against DRC-07 on Dt. 19.05.2022		
(IV) <b>Service Tax</b> - One Case of Service Tax on a matter during the year 2009-10 amounting to Rs. 17.0 Lacs confirmed and reduces to Rs. 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) <b>Trade Mark Case</b> against the company in High Court, Delhi	100	100
G <b>COMMITMENT</b>		
A <b>CAPITAL EXPENDITURE</b> (Net of fund already deployed)	5445	754
B <b>UNCLAIMED DIVIDEND</b>	72	79

**Note 28 Segment Reporting**

Segment Information for the year ended 31st March, 2022

Information about Primary Business Segments

(₹ in Lakh)

	SHOE DIVISION (FOOTWEAR)	TANNERY DIVISION (LEATHER)	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	100211 (61763)	19105 (12719)	55368 (34258)	118 (124)	174802 (108864)
Inter - Segment		7075 (4058)			7075 (4058)
Total Revenue	100211 (61763)	12030 (8661)	55368 (34258)	118 (124)	167726 (104806)
<b>Result</b>					
Segment Result (Profit before Interest & Tax)	11468 (5179)	301 2036	6511 (2843)	118 (124)	18398 (6109)
Less: Interest Expenses				(2698) 4100	(2698) 4100
Unallocated Expenditure net of unallocated income				(759) 963	(759) 963
Profit before Taxation	11468 (5179)	301 2036	6511 (2843)	(3338) 4939	14942 (1046)
Provision for Taxation				(3898) 308	(3898) 308
Net Profit	11468 (5179)	301 2036	6511 (2843)	(7236) 5247	11044 (738)
<b>Other Information</b>					
Segment Assets	80445 (70959)	16214 (17515)	43266 (25692)	1775 (2642)	141700 116808
Segment Liabilities	30694 (27381)	5874 (6954)	28781 (16943)	857 (1812)	66206 (53090)
Capital Expenditure	6427 (3829)	365 (134)	708 (802)	1 (4)	7501 (4769)
Depreciation	3565 (2558)	886 (899)	1472 (493)	75 (163)	5998 (4113)

Information about Secondary Business Segments

(₹ in Lakh)

Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	116137 (71396)	51589 (33286)	167726 (104682)
Inter Segment	- -	- -	- -
Total	116137 (71396)	51589 (33286)	167726 (104682)
Carrying amount of segment assets	141700 (116808)	- -	141700 (116808)
Additions to Fixed Assets	7501 (4769)	- -	7501 (4769)

\* 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.

Note 29 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

S.No.	Particulars	Nature of Relationship	Volume of Transactions (₹ in Lakh)	Outstanding (₹ in Lakh)		Volume of Transactions (₹ in Lakh)	Outstanding (₹ in Lakh)	
For the year ended 31st March 2022			2022	as on March 2022		2021	as on March 2021	
1	<u>Purchase</u>							
	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.
2	<u>Jobwork expenses</u>							
	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	
3	<u>Rent &amp; Maintenance charges Paid</u>							
	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	
4	<u>Sales</u>							
	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.

5	<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	
6	<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	
7	<b>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	
8	<b>Managerial Remuneration</b>						
	Directors Remuneration		859	72 Cr	787	72	Cr.
	Directors Perquisites		19	0	9	0	
9	<b>Directors Sitting Fee</b>		4	0	3	0	Cr
11	<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	-	
12	<b>Export Commission</b>						
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	515	356			
	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			

## 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	2022	2021
	(₹ in Lakh)	(₹ in Lakh)
Salary	936	787
Perquisites	19	9
Sitting Fees	5	3
Guarantee Commission	450	225
Total	1410	1024

**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 10th 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 1st 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
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other Outstanding balance ( to be specified)		

**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)**

	<b>Amount in Lakhs</b>
<b>Balance as on 1 April 2021</b>	<b>13758</b>
Addition for the new leases*	<b>5700</b>
Depreciation charge for the year	<b>(1747)</b>
Deletions for terminated leases	<b>(4044)</b>
<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:

<b>Lease Liability</b>	<b>31/03/2022</b>
<b>Balance as on 1 April 2021</b>	<b>15904</b>
Addition for New leases	<b>1298</b>
Accreditation of Interest	<b>1163</b>
Payment of Lease Liability	<b>(2498)</b>
Deletions for Terminated Leases	<b>-</b>
<b>Balance as on 31 March 2022</b>	<b>15867</b>

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 31st March 2022 on an undiscounted basis:

<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>31/03/2022</b>
Less than one year	<b>2736</b>

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-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.

<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:

	('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.

### 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

		In Lacs	
Credit rating	Particulars	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 31<sup>st</sup> March, 2022

				In Lacs
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	15549			15549
Cash and cash equivalents	1485			1485
Other financial assets	5403			5403

As at 31<sup>st</sup> March, 2021

				In Lacs
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
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.

**(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

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
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
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	In Lacs	
	31 <sup>st</sup> March,2022	31 <sup>st</sup> March,2021
Net Debt*	6290	12950
Total Equity	75494	63718

\*Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

**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:

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		



<b>A</b>	<b>Financial Assets</b>								
<b>a)</b>	<b>Measured at amortised cost</b>								
	Security deposits	1,264	1,264			1,272	1272		
	Trade receivables	15449	15449			7,967	7967		
	Cash and cash equivalent	1485	1485			1,005	1005		
	Incentive Receivable (Export)	704	704			1,317	1317		
	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>20285</b>	<b>20285</b>	<b>-</b>	<b>-</b>	<b>13,058</b>	<b>13,058</b>	<b>-</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)</b>	<b>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</b>	<b>Financial Liabilities</b>								
<b>a)</b>	<b>Measured at amortised cost</b>								
	Term loan from bank	2607	2607			2,266	2266		
	Provision- Gratuity	1459	1459			1,380	1,380		

Security deposits - for franchise	9955	9955			6,003	6,003		
Lease Rent Liabilities (net)	15867	15867			15,904	15,904		
Working Capital Loan from banks	5168	5168			11,689	11,689		
Trade Payable	25204	25204			10,891	10,891		
Unpaid Dividends	72	72			79	79		
Commission Payable on Inland Sales	1405	1405			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	2607	2607			81	81		
<b>Total</b>	<b>64143</b>	<b>64143</b>	-	-	<b>51,440</b>	<b>51,440</b>	-	-

**Notes:**

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- ii) 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.
- iii) 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.

**Note: 43 Fraud**

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

The company has also written off Rs 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 Rs 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.

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:

- (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.

### **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.

#### **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.

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.

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. 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.

#### **(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.

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



CA. Priyanka Rai  
(Partner)  
M No. :429735

Place: NOIDA  
Date: 30.05.2022

For & on behalf of the Board

RASHID  
AHMED  
MIRZA

Digitally signed by  
RASHID AHMED  
MIRZA  
Date: 2022.05.30  
18:37:01 +05'30'

Rashid Ahmed Mirza  
(Chairman and Managing Director)  
(DIN No.00049009)

V. T. Cherian  
(Chief Financial Officer)

Tauseef Ahmad Mirza  
(Whole Time Director)  
(DIN No.00049037)

Priyanka Pahuja  
( Company Secretary)



Ref. No. : GS/Redtape/IAR/2022-23/1

Dated. 25/05/2022

### **Independent Auditor's Report**

To the Members of  
Redtape Limited

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

#### **Opinion**

We have audited the accompanying financial statements of **Redtape Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss and the Statement of Cash Flow for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2022, its loss and its cash flow for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

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 (Holding Company of Redtape Limited) 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. The same has described in brief under note 1 of Financial Statement.

#### **Other Matters**

The comparative financial statement is not applicable to the company as the company was incorporated on 8<sup>th</sup> December, 2021.



### **Information Other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Annexures to the Board's Report but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India,

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of "the Act" for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of 'the Act', we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of 'the Act', we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the statement of Profit and Loss, Statement of Changes in Equity and its cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2022, taken on record by the Board of Directors, none of the directors 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 B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements, if any;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, if any;



- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455



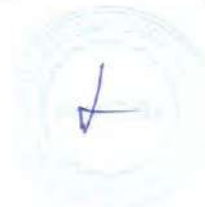
Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**The Annexure A referred to in paragraph 1 of Our Report of even date to the members of Redtape Limited on the accounts of the Company for the period ended 31<sup>st</sup> March, 2022**

On the basis of such checks, as, we considered appropriate, and, according to the information and explanations given to us during the course of our audit, we report that:

1. Since there is no any Property, plant and equipment held by the company during the respective financial year, no comment is required to be made in respect of the matter specified in clause 3(iii) of the order.
2. (a) Since there is no any Inventory held by the company during the respective financial year, no comment is required to be made in respect of the matter specified in clause 3(iii) of the order.
3. Since the company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, no comment is required to be made in respect of the matters specified in clause 3(iii) of the said order.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security, wherever applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Hence, no comment is required to be made in respect of the matters specified in paragraph 3(v) of the Order.
6. In our opinion and according to the information and explanations given to us, specified accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 have not been applicable to company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State



Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the records of the company, no undisputed amount payable in respect of statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute.

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable
9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer or term loans during the period under audit and as such no comment is required to be made in respect of the matters specified in clause 3 (ix) of the said order.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the Company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.
11. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies and have been duly complied.
12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.



13. In our opinion and according to the information and explanation given to us, the company has complied with section 177 and 188 of the Act in respect of the transactions with related parties and details of the same are disclosed under Note of the financial statements.
14. In our opinion and according to the information and explanation given to us, the provision of section 138 of the Act related to Internal Audit not applicable to the company, no comment is required to be made in respect of the matters specified in clause 3 (xiv) of the said order.
15. In our opinion and according to the information and explanations given to us, 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.
16. (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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. 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 CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
17. The Company has not incurred cash losses in the current financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable



19. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. In our opinion and according to the information and explanations given to us, there is no applicability of Section 135 of the Act. Accordingly, clauses 3(xx) of the Order are not applicable.

For Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455

Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**Annexure B [Referred to in paragraph 2(f) of the report issued under the Companies (Auditor's Report) Order 2020 report of even date to the members of Redtape Limited for the period ended 31<sup>st</sup> March, 2022]**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Redtape Limited** ("the company") as of March 31, 2022, in conjunction with our audit of the financial statements of the company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The company's management 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under "the Act".

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting with reference to these financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has maintained, 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 of 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 Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455



Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**REDTAPE LIMITED**  
CIN:U52609UP2021PLC156659  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

		(Amount in Rs.)
Particulars	Note No.	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		-
Other Non Current Assets		-
		-
<b>Current Assets</b>		
Inventories		-
Cash and Cash equivalents	2	63,200
Bank Balances other than above		-
Other Current Assets		-
		-
		63,200
		63,200
<b>TOTAL</b>		
		63,200
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	3	1,00,000
Other Equity		-
Reserve and Surplus		(41,800)
		58,200
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings		-
Trade Payables		-
-Dues to Micro, Small & Medium Enterprises		-
-Dues to entities other than Micro, Small & Medium Enterprises		-
		-
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Other Financial Liabilities		-
Other Current Liabilities		-
Provisions- Short Term		5,000
		5,000
		5,000
<b>TOTAL</b>		
		63,200
<b>Significant Accounting Policies</b>	1	

The accompanying notes are integral part of these financial statement

*As per our report of even date attached*  
For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 220874554JWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

**REDTAPE LIMITED**  
CIN:U52609UP2021PLC156659  
**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

Particulars	Note No.	(Amount in Rs.) Period ended 31 <sup>st</sup> March 2022
<b>INCOME</b>		
Revenue from operations		-
Other income		-
<b>Total Income</b>		-
<b>EXPENSES</b>		
Purchase of Traded Stock		-
Change in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade		-
Other manufacturing, construction and operating expenses		-
Employee Benefits Expenses		-
Finance Costs		-
Depreciation and Amortization Expense		-
Other Expenses	4	41,800
<b>Total Expenses</b>		41,800
<b>Profit/(Loss) before exceptional items and tax</b>		(41,800)
Exceptional Items		
<b>Profit/(Loss) before tax</b>		
<b>Tax Expense:</b>		
Current Tax		-
Deferred Tax		-
<b>Income Tax Expense</b>		-
<b>Profit/(Loss) for the year</b>		(41,800)
<b>Other Comprehensive Income</b>		
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods		
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		
<b>Other Comprehensive Income for the year, net of tax</b>		-
<b>Total Comprehensive Income for the Year</b>		(41,800)
<b>Earnings per equity share of Rs. 2 each</b>		
(1) Basic		(0.84)
(2) Diluted		(0.84)

**Significant Accounting Policies**

1

The accompanying notes are integral part of these financial statement

*As per our report of even date attached*

For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 22087455AJWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

REDTAPE LIMITED  
CIN:U52609UP2021PLC156659

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022  
EQUITY

(A) Equity Share Capital

Particulars	Nos.
Balance As At 31.03.2020	-
Equity share capital issued during the year	-
Balance As At 31.03.2021	-
Equity share capital issued during the year	50,000
Balance As At 31.03.2022	50,000

(Amount in Rs.)

(B) Other Equity

Reserves and surplus

Retained Earnings

As At 31.03.2022

Add: Premium on equity shares issued during the year

Profit/(Loss) for the Year

Other comprehensive for the year net of income tax

Less: Bonus Shares Issued

As At 31.03.2022

Add: Equity shares issued during the year

Profit/(Loss) for the Year

Other comprehensive for the year net of income tax

As At 31.03.2022

Significant Accounting Policies

1

As per our report of even date attached

For and on behalf of

Gulati Sandeep & Co

Firm Registration Number: 008694N

for and on behalf of Redtape Limited

Sandeep Gulati

Partner

Membership No. 087455

UDIN: 22087455AJWTP21693

Shuja Mirza

Director

DIN: 01453110

Arvind Verma

Director

DIN: 09429834

Place: Noida

Dated: 25-05-2022

REDTAPE LIMITED  
CIN:U52609UP2021PLC156659

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022

	Period ended 31st March 2022
<b>(A) Cash flows from operating activities</b>	
Profit/(Loss) for the year	(41,800)
Adjustments for:	
Depreciation	-
<b>Operating profit before working capital changes</b>	(41,800)
Adjustments for :	
(Increase) / decrease in inventories	-
Increase / (decrease) in trade payables	-
(Increase) / decrease in Other Current Assets	-
Increase / (decrease) in other current liabilities	5,000
<b>Cash generated from operations</b>	(36,800)
Income tax refund/ (paid)	-
<b>Net Cash flow generated from operating activities</b>	(36,800)
<b>(B) Cash flow from investing activities</b>	
Additions to PPE and intangible assets (including movement in CWIP)	-
<b>Net cash flows (used in) investing activities</b>	-
<b>(C) Cash flow from financing activities</b>	
Proceeds from issue of share capital	1,00,000
<b>Net cash flows (used in)/ generated from financing activities</b>	1,00,000
<b>Net change in cash and cash equivalents (A+B+C)</b>	63,200
Cash and cash equivalents- opening balance	-
<b>Cash and cash equivalents- closing balance</b>	63,200
<b>Notes to cash flow statement:</b>	
Cash and cash equivalents include :	
Cheques in hand	-
Cash in hand	-
Balances with banks:	63,200
<b>Cash and cash equivalents at the end of the year (Refer Note 2)</b>	63,200

As per our report of even date attached

For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 22087455AJWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

**Note 1 Significant Accounting Policies**

**(A) Period**

These are the first financial statements of Redtape Limited ("the Company") for the period from 8th December 2021, being the date of incorporation of the Company to 31st March 2022.

**(B) Corporate Information**

Redtape Limited was incorporated on 8th December, 2021 vide Corporate Identification Number (CIN) U52609UP2021PLC156659 under the provisions of the Companies Act, 2013, to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities. All the formalities relating to the incorporation of the Company and commencement of business as required under the Companies Act, 2013, have already been completed. However, the Company is yet to start commercial operations.

A Composite Scheme of Arrangement was proposed between RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd. The aforesaid Scheme of Arrangement inter-alia provides for transfer and vesting of the entire Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd by way of de-merger. The appointed date of the Scheme is 1st 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.

**(C) Statement of compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**(D) Basis of Accounting**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), and the relevant provisions of the Companies Act, 2013.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

**(E) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to financial estimates is recognized prospectively in the financial statements when revised.

**(F) Fixed Assets**

Fixed assets of the company are valued at cost which include allocation / apportionment of direct and indirect expenses incurred in relation to such fixed assets. The said cost is not reduced by specific Grants / subsidy received against the assets.

**(G) Depreciation & Amortization**

Depreciation on fixed assets including assets acquired on lease is provided on Straight Line Method at the rates and in the manner prescribed in the Companies Act, 2013.

**(H) Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

**(I) Revenue Recognition :**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. It includes sale of goods, export incentives etc. Revenue arising from the use by others of enterprises resources yielding interest, dividends, are recognized on the following basis :

- a) Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.
- b) Dividend for investment is recognized when right to receive is established.

**(J) Receivables**

Receivables are disclosed at 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 non payment of the same is reflected in the Notes to the Accounts.

**(K) Earnings Per Share:**

Earnings per share is calculated in accordance with the procedure laid out in the relevant Indian Accounting Standard issued by The Institute of Chartered Accountants of India.

**(L) Contingent Losses/ Liabilities:**

Contingent losses & / or consequential contingent liabilities are disclosed in the notes to the accounts, where the company is reasonably assured that no loss / liability will arise but where the possibility of a loss/ liability does exist.

**(M) Events Occurring after the Balance Sheet date:**

It is the Company's Policy to take in to the account the impact of any significant event that occurs after the Balance Sheet date but before the finalization of accounts.

**(N) Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. (Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life)

**(O) Financial Asset**

**(i) Ageing for trade receivables**

There are no trade receivables outstanding on 31<sup>st</sup> March 2022.

**(ii) Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(P) Financial Liabilities**

**(i) Dues of small enterprises and micro enterprises**

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31<sup>st</sup> March 2022.

There are no MSME dues outstanding as on 31<sup>st</sup> March 2022.



(Q) Auditor Remuneration

Auditor's remuneration consists of the following:

Particulars	Year ended 31 <sup>st</sup> March 2022
Auditor	5,000

(R) Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year
Current ratio (in times)	Total current assets	Total current liabilities	0.00%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.00%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	-41.80%

(S) Related Party Details and Transaction

Sr. No.	Name of Related Party	Nature of relationship	Type of the transaction	Amount (in Rs.)
1	Mirza International Limited	Holding Company	Payment of Incorporation Charges	35,000
2	Arvind Verma	Director	Payment of Fees	1,800

(T) Dividend

The Company has not declared dividend for the year ended 31<sup>st</sup> March, 2022.



**REDTAPE LIMITED**  
**CIN:U52609UP2021PLC156659**  
Notes to the Financial Statements for 31st March, 2022

As at 31<sup>st</sup> March 2022

**2. CASH & CASH EQUIVALENTS**

Cash in Hand	-
Cheques in Hand	-
Balances with Scheduled Banks	63,200
-In Current Account	63,200
<b>Total</b>	<b>63,200</b>

As at 31<sup>st</sup> March 2022

**3. EQUITY SHARE CAPITAL**

**Authorised**

50,000 Equity shares (P.Y. N.A.) of Rs. 2/- Each	1,00,000
	<b>1,00,000</b>

**Issued, Subscribed & Paid Up**

a) Fully Paid Equity Shares:

50,000 (PY - Not Applicable) Equity Shares Fully Paid Up of Rs. 2/- Each	1,00,000
	<b>1,00,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	No. of shares	Amount
Number of Shares at the Beginning	-	-
Add:- Shares Issued During the Year	50,000	1,00,000
Add:- Bonus Shares Issued During the Year	-	-
Number of Shares at the End	<b>50,000</b>	<b>1,00,000</b>

**3.1 Details of Shareholding of promoters in the Company**

(Equity Shares of Rs. 2/- each fully paid)

	No. of shares	% Holding
M/s. Mirza International Limited (Holding Company)	49,994	100%
Rashid Ahmed Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Shahid Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Tauseef Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Tasneef Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Shuja Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Fareez Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
	<b>50,000</b>	<b>100%</b>

**3.2 Terms/Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having par value of Rs.2/- each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**4. Other Expenses**

**Particulars**

	As at 31 <sup>st</sup> March 2022
Professional Charges- Incorporation Expenses	30,559
RCC Charges- Incorporation Expenses	6,241
Auditor's Remuneration	5,000
<b>Total</b>	<b>41,800</b>

*As per our report of even date attached*

For and on behalf of

Gulati Sandeep & Co

Firm Registration Number: 008694N



Sandeep Gulati

Partner

Membership No. 087455

U/DIN: 22087455AJWTPX1693

for and on behalf of Redtape Limited



Shuja Mirza

Director

DIN: 01453110



Arvind Verma

Director

DIN: 09429834

Place: Noida

Dated: 25-05-2022

**IN THE NATURE OF ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PRIVATE LIMITED (“TRANSFEROR COMPANY”), MIRZA INTERNATIONAL LIMITED (“TRANSFEEEE COMPANY”) AND REDTAPE LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, IF ANY (HEIRNAFTER REFERRED TO AS THE “SCHEME”).**

**This abridged prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.**

**THIS ABRIDGED PROSPECTUS CONSISTS OF 10 (TEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and in accordance with disclosures in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, to the extent applicable. Mirza International Limited (hereinafter referred to as “MIL” or “Transferee Company”) is listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, BSE and NSE collectively referred to as the “Stock Exchanges”). Pursuant to the Scheme, there is no issue of equity shares to the public at large, except (a) to the Shareholders of the Transferor Company by the Transferee Company; and (b) to the existing shareholders of Transferee Company by Resulting Company. The new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company. The new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on BSE and NSE being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. As there is no issue of equity shares to the public at large, the requirements with respect to General Information Document (GID) is not applicable and this abridged prospectus should be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board of Directors of the Transferor Company vide their resolutions dated December 10, 2021, by the Board of Directors of the Resulting Company vide their resolutions dated December 10, 2021 and by the Board of Directors of the Transferee Company vide their resolutions dated December 10, 2021, a copy of the valuation report issued by M/s. Sandeep Kumar Agrawal, Chartered Accountants (“Registered Valuer”) dated December 10, 2021; and fairness opinion report issued by M/s. Turnaround Corporate Advisors Private Limited dated December 10, 2021, from the websites of BSE and NSE, where the equity shares issued pursuant to the Scheme are proposed to be listed, i.e. [www.bseindia.com](http://www.bseindia.com). and [www.nseindia.com](http://www.nseindia.com). A copy of the Abridged Prospectus shall be submitted to the Securities and Exchange Board of India (“SEBI”).



## RTS FASHIONS PRIVATE LIMITED

CIN: U19120UP2019PTC120284      Date of Incorporation: 19<sup>th</sup> August, 2019

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
14/6, Civil Lines, Kanpur-208001	NA	Harshita Nagar +91-9650484582	<a href="mailto:cherian@redtapeindia.com">cherian@redtapeindia.com</a> +91 512- 2530775	NA

### PROMOTERS OF THE COMPANY:

Mr. Irshad Mirza, Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza

### Details of Offer to Public

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable as there is no fresh issue or offer for sale of shares to the public							

### Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto a maximum of 10 selling shareholders)

Name	Type	No of shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable as there is no offer for sale of shares by Promoter/ Promoter Group/ Other Selling Shareholders							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to the public at large. The Price Band and Minimum Bid Lot Size is not applicable. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from Regulatory Authorities, including NCLT.

### Details of Weighted Average Cost of Acquisition (WACA) of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP



### RISKS IN RELATION TO THE FIRST OFFER

Not Applicable as this is not a public offer. The proposed scheme involves merger of Transferor company with Transferee company and issue of shares by the Transferee company to the shareholders of Transferor company in consideration of the said merger and de-merger of Branded business/Redtape business of Transferee company ("Demerged business") from Transferee company and its consequent vesting into Resulting company.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Transferee Company, including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 09 of this Abridged Prospectus.

### PROCEDURE

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date, in the following ratio:

The Transferee Company-Mirza International Limited will issue 22 (Twenty-Two) Equity Shares of ₹2 (Rupees Two) each, credited as fully paid up, for every 10 (Ten) Equity Shares of ₹10 (Rupees Ten) each held in the Transferor Company-RTS Fashions Private Limited.

Hence, the procedure with respect to General Information Document (GID) may be applicable only to the limited extent as specifically provided.

### PRICE INFORMATION OF LEAD MANAGER

Not Applicable- the present Abridged Prospectus is not being issued as a result of public offer and being issued to the shareholders of Transferor Companies by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

### GENERAL INFORMATION

Name of Merchant Banker	Turnaround Corporate Advisors Private Limited Contact Person: Mr. Adarsh Telephone no.: 011-45510390 Email id: <a href="mailto:info@tcagroup.in">info@tcagroup.in</a>
Name of Syndicate Members	Not Applicable
Name of Registrar to the Issue and contact details (telephone and email id)	Not Applicable



Name of Statutory Auditor	M/s. Kumar Chopra & Associates, Chartered Accountants (FRN: 000131N)
Name of Credit Rating Agency and the rating or granting obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self Certified Syndicate Banks	Not Applicable
Non Syndicate Registered Brokers	Not Applicable
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	Not Applicable

PROMOTERS OF TRANSFEROR COMPANY			
S.No.	Name	Individual/Corporate	Experience & Education Qualification
1.	Mr. Irshad Mirza	Individual	<b>Mr. Irshad Mirza</b> , aged 86 years, is a Promoter of the Company. He is a resident Indian national. He holds degree of Bachelor's in Science and he is Leather Technologist. Mr. Irshad Mirza has been also conferred Padma Shree award in the year 2010 by the then Hon'ble President of India Smt Pratibha Patil for his contribution to Leather sector. He has also been awarded as Doyen of Leather Industry by Council of Leather Export, Govt. of India.
2.	Mr. Rashid Ahmed Mirza	Individual	<b>Mr. Rashid Ahmed Mirza</b> , aged 65 years, is a Promoter & Director of the Company. He is a foreign national. He holds Diploma in Leather Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.
3.	Mr. Shahid Ahmad Mirza	Individual	<b>Mr. Shahid Ahmad Mirza</b> , aged 64 years, Promoter & Director of the Company. He is a resident Indian national. He holds Diploma in Leather Goods Technology from United Kingdom 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 Mirza International Limited and the procuring of local raw materials and equipment.
4.	Mr. Tauseef Ahmad Mirza	Individual	<b>Mr. Tauseef Ahmad Mirza</b> , aged 52 years, Promoter & Director of the Company. He is a resident Indian national. He 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 in Mirza International Limited. Everything from scratch to the end product in women's

			shoes division is overseen and gracefully handled by him.
5.	Mr. Tasneef Ahmad Mirza	Individual	<b>Mr. Tasneef Ahmad Mirza</b> , aged 50 years, Promoter & Director of the Company. He is a foreign national. He holds a Degree in Leather Technology from the renowned Leicester University of U.K. A Leather Technologist having an experience of over two decades, he looks after the overall in-charge of the Tannery Division of Mirza International Limited.

### BUSINESS OVERVIEW AND STRATEGY

**Company Overview:**

RTS Fashions Private Limited (RTS or Transferor Company) is a Private Limited company incorporated under the provisions of the Companies Act, 2013, on August 19, 2019. Mr. Irshad Mirza, Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza were the initial subscribers to the Memorandum of Association and Articles of Association. RTS is a Private Limited Company registered with the Registrar of Companies, Kanpur and holds a valid Certificate of Incorporation vide no. U19120UP2019PTC120284 dated August 21, 2019. Currently, the authorized share capital of the Company is 8,13,45,000 divided into 81,34,500 shares of Rs. 10 each.

**Product/Service Offering:** Purchase, Sale and Trading of Soling and other packing material

**Revenue segmentation by product/service offering:** Total revenue from operations of Rs. 4.81 Crores is earned by trading of shoe soles.

**Geographies Served:** India

**Revenue segmentation by geographies:** Total revenue from operations of Rs. 4.81 Crores is earned within the Country

**Key Performance Indicators (on consolidated basis):**

	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Earnings Per Share	Rs. 5.41	Rs. 2.22	Rs. (12.49)
Return on Net Worth	9.29%	4.34%	(24.84)%
Net Asset Value Per Share	Rs. 69.40	Rs. 62.02	Rs. 61.47

**Client Profile or Industries Served:** Footwear Manufacturers

**Revenue segmentation in terms of top 5/10 clients or Industries:** Our entire revenue is derived from a single customer

**Intellectual Property, if any:** NA

**Market Share:** NA

**Manufacturing plant, if any:** NA

**Employee Strength:** NA

### BOARD OF DIRECTORS

Sr. No.	Name	Designation (Independent/ Whole-Time/Executive /Nominees)	Experience & Educational Qualification	Other Directorships
1.	Mr. Rashid Ahmed Mirza	Promoter, Director	Mr. Rashid Ahmed Mirza, aged 65 years, is Promoter & Director of the Company. He is a Foreign national. He holds Diploma in Leather	<b>Indian Companies:</b> Mirza International Limited  Aarem Heights Private Limited



			Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.	<p>Emgee Projects Private Limited</p> <p>Redtape Limited</p> <p>Genesis Infraprojects Private Limited</p> <p><b>Foreign Companies:</b></p> <p>RTS Fashion FZE</p> <p>Mirza (U.K) Limited</p> <p>RTS Fashion Limited</p> <p>Empire Holding Limited</p>
2.	Mr. Shahid Ahmad Mirza	Promoter, Director	Mr. Shahid Ahmad Mirza, aged 64 years, Promoter & Director of the Company. He is a resident Indian national. He holds Diploma in Leather Goods Technology from United Kingdoms 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 Mirza International Limited and the procuring of local raw materials and equipment.	<p><b>Indian Companies:</b></p> <p>Mirza International Limited</p> <p>Emgee Projects Private Limited</p> <p>Genesis Infraprojects Private Limited</p> <p><b>Foreign Companies:</b></p> <p>Nil</p>
3.	Mr. Tauseef Ahmad Mirza	Promoter, Director	Mr. Tauseef Ahmad Mirza, aged 52 years, Promoter & Director of the Company. He is a resident Indian national. He 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 in Mirza International Limited. Everything from scratch to the end product in women's shoes division is overseen and gracefully handled by him.	<p><b>Indian Companies:</b></p> <p>Mirza International Limited</p> <p>Mirza Investment Private Limited</p> <p>Olive Shoes Private Limited</p> <p>Emgee Projects Private Limited</p> <p>Genesisriverview Resorts Private Limited</p> <p>Genesis Infraprojects Private Limited</p> <p>Mirza Charitable Hospital Limited</p> <p><b>Foreign Companies:</b></p> <p>Marigold Holdings Limited</p> <p>Mirza (U.K) Limited</p>



4.	Mr. Tasneef Ahmad Mirza	Promoter, Director	Mr. Tasneef Ahmad Mirza, aged 50 years, Promoter & Director of the Company. He holds a Degree in Leather Technology from the renowned Leicester University of U.K. A Leather Technologist having an experience of over two decades, he looks after the overall in-charge of the Tannery Division of Mirza International Limited.	<p><b>Indian Companies:</b>  Mirza International Limited  Shoemax Engineering Private Limited  Shoemac Leather Tech Engineers Limited  Olive Shoes Private Limited  Emgee Projects Private Limited  Industrial Infrastructure Services(India)  Genesis Infraprojects Private Limited</p> <p><b>Foreign Companies:</b>  Nil</p>
----	-------------------------	--------------------	--	--

#### OBJECTS OF THE ISSUE

**Details of means of finance- Not Applicable**

**Object-** Amalgamation of Transferor Company with and into the Transferee Company.

On amalgamation, the Transferee Company-Mirza International Limited will issue 22 (twenty-two) Equity Shares of Rs. 2 each, credited as fully paid up, for every 10 Equity Shares of Rs. 10 each held in the Transferor Company-RTS Fashions Private Limited.

**Rationale and Benefits of the Scheme:**

The circumstances which justify and/or necessitate the proposed Amalgamation of RTS Fashions Private Limited with Mirza International Limited are, inter alia, as follows:

- a. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- b. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Private Limited and its step down wholly owned subsidiary- Mirza (UK) Limited with and into the Transferee Company-Mirza International Limited. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Limited to leverage the expertise and resources of Mirza (UK) Limited and strengthen its sales and distribution in overseas markets.
- c. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- d. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.



- e. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- f. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- g. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not Applicable.

**Name of monitoring agency, if any:** Not Applicable

**Terms of Issuance of Convertible Security, if any:** Not Applicable

SHAREHOLDING PATTERN			
Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	81,34,500	100
2.	Public	0	0
	<b>Total</b>	<b>81,34,500</b>	<b>100</b>

**Number / amount of equity shares to be sold by selling shareholders –** Not Applicable

( Rs. In INR, except where specifically stated )

Particulars	For the year ended March 31		
	March 31, 2022	March 31, 2021	March 31, 2020
Total income from operations ( net ) (Note 1)	1,60,74,57,580	1,22,35,78,737	2,24,00,38,103
Net Profit/(Loss) before tax and extraordinary items (Note 2)	6,37,16,780	1,19,76,422	(7,55,41,254)
Net Profit/(Loss) after tax and extraordinary items (Note 2)	4,39,71,526	1,80,69,565	(10,16,19,806)
Equity Share Capital	8,13,45,000	8,13,45,000	8,13,45,000
Reserve and Surplus (Note 3)	39,19,78,172	33,52,57,359	32,77,90,676
Net worth (as per computation attached in Annexure 4)	47,33,23,172	41,66,02,359	40,91,35,676
Basic earnings per share ( Rs.)	5.41	2.22	(12.49)
Diluted Earnings per share ( Rs.)	5.41	2.22	(12.49)
Return on net worth ( % )	9.29%	4.34%	(24.84)%
Net Asset value per share (as per computation attached in Annexure 5)	69.40	62.02	61.47

Notes:

- Total income from operations represents Revenue from Operations
- Excluded items related to Other Comprehensive Income
- Includes Retained earnings only and excludes Foreign Currency Translation Reserve, Revaluation Reserve and Capital Redemption Reserve
- The holding company was incorporated on 19.08.2019. Its wholly-owned subsidiary RTS Fashion Ltd, Dubai was incorporated on 05.09.2019. The subsidiary company acquired the 100% shareholding of Mirza UK Ltd. on 17-Nov-19. The financial figures of Mirza UK Limited for the whole of FY 19-20 are included in the combined financial statements of RTS Fashion Limited, Dubai

**INTERNAL RISK FACTORS**

1. 100% of our revenues is dependent upon one single client. The loss of this major clients would have a material adverse effect on our business operations and profitability.
2. Our Company may have potential Conflicts of interest with Companies engaged in similar line of business in which our Promoters have substantial interest.
3. We face competition in our business from presence of well established players in the market who are operating in the same segment as our Company.
4. We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, or technological improvements, we may not be able to effectively implement our business and growth strategies and achieve future growth.
5. Our business and results of operations may be adversely affected by many factors outside of our control, including changes in national, state and local education funding, general economic conditions, changes in the educational procurement process and changes to the syllabus and curriculum standard.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION****A. Total number of outstanding litigations against the company and amount involved**

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

**B. Brief Details of top 5 material outstanding litigations against the company and amount involved: Nil**


**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchange against Promoters in last 5 financial years including outstanding action, if any: Nil**

**D. Details of outstanding criminal proceedings against promoters: Nil**

### DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For RTS Fashions Private Limited



Name: Tauseef Ahmad Mirza

Designation: Director

Date: June 29, 2022

Place: Delhi



June 29, 2022

Ref: TCA/RTS/AP/22-23

The Board of Directors  
RTS Fashions Private Limited  
14/6, Civil Lines, Kanpur-208001

Dear Sirs,

**Sub: Certificate on adequacy and accuracy of disclosure of information in the Abridged Prospectus of RTS Fashions Private Limited in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 for the purpose of proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited having its registered office at 14/6, Civil Lines, Kanpur-208001 (“MIL” or “Transferee Company”) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in the Abridged Prospectus of RTS Fashions Private Limited (“RTS” or “Transferor Company”) in connection with the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).



## **2. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**” or “**our**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

## **3. Scope and Purpose of the Certificate:**

SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“**SEBI Circular**”) inter-alia prescribed that the listed entity (in the present case “**MIL**”) shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme (in the present certificate, “**RTS**”), in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. The SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

**This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

## **4. Certification:**

We state and confirm as follows:



1. We have examined various documents and other materials made available to us by the management of MIL/RTS in connection with finalization of Abridged Prospectus dated June 29, 2022 pertaining to RTS which will be circulated to the members of RTS and MIL at the time of seeking their consent to the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” Or “Transferee Company”) and Redtape Limited (“Redtape” Or “Resulting Company”), as a part of the explanatory statement to the notice.
2. On the basis of such examination and the discussions with the management of MIL/RTS, we confirm that:
  - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to RTS.
  - B. The Abridged Prospectus contains applicable information pertaining to RTS as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Proposed Scheme of Arrangement.

## 5. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of RTS.
- Carrying out a market survey / financial feasibility for the Business of RTS.
- Financial and Legal due diligence of RTS.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.



We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of RTS.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of MIL/RTS during our discussions with them would have drawn our attention to all such information and matters, which may have an impact on our Certificate.

The fee for our services is not contingent upon the result of the proposed Scheme of Arrangement.

The management of MIL and RTS or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate. Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

Under any circumstances whatsoever, TCA's overall liability will not be in excess of the total fee paid by RTS under this engagement.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.



# TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

A SEBI Registered Category-I Merchant Banker

Thanking You

For **Turnaround Corporate Advisors Private Limited**

**HEEMADRI** Digitally signed by  
HEEMADRI MUKERJEA

**MUKERJEA** Date: 2022.06.29  
17:38:18 +05'30'

**(HEEMADRI MUKERJEA)**

**Managing Director**



**IN THE NATURE OF ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PRIVATE LIMITED (“TRANSFEROR COMPANY”), MIRZA INTERNATIONAL LIMITED (“TRANSFEEE COMPANY”) AND REDTAPE LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, IF ANY (HEIRNAFTER REFERRED TO AS THE “SCHEME”).**

**This abridged prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.**

**THIS ABRIDGED PROSPECTUS CONSISTS OF 08 (EIGHT) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and in accordance with disclosures in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, to the extent applicable. Mirza International Limited (hereinafter referred to as “MIL” or “Transferee Company”) is listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, BSE and NSE collectively referred to as the “Stock Exchanges”). Pursuant to the Scheme, there is no issue of equity shares to the public at large, except (a) to the existing shareholders of Transferee Company by Resulting Company; and (b) to the Shareholders of the Transferor Company by the Transferee Company. The new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company. The new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on BSE and NSE being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. As there is no issue of equity shares to the public at large, the requirements with respect to General Information Document (GID) is not applicable and this abridged prospectus should be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board of Directors of the Transferor Company vide their resolutions dated December 10, 2021, by the Board of Directors of the Resulting Company vide their resolutions dated December 10, 2021 and by the Board of Directors of the Transferee Company vide their resolutions dated December 10, 2021, a copy of the valuation report issued by M/s. Sandeep Kumar Agrawal, Chartered Accountants (“Registered Valuer”) dated December 10, 2021; and the fairness opinion report issued by M/s. Turnaround Corporate Advisors Private Limited dated December 10, 2021, from the websites of BSE and NSE, where the equity shares issued pursuant to the Scheme are proposed to be listed, i.e. [www.bseindia.com](http://www.bseindia.com). and [www.nseindia.com](http://www.nseindia.com). A copy of the Abridged Prospectus shall be submitted to the Securities and Exchange Board of India (“SEBI”).



# REDTAPE LIMITED

CIN: U52609UP2021PLC156659 Date of Incorporation: 8<sup>th</sup> December, 2021

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Plot No.-08, Sector -90, Noida, Uttar Pradesh-201301	Plot No.-08, Sector -90, Noida, Uttar Pradesh-201301	Priyanka Pahuja +91-9654793025	<a href="mailto:shuja@redtapeindia.com">shuja@redtapeindia.com</a> 011-40959500	NA

## PROMOTERS OF THE COMPANY:

Mirza International Limited

### Details of Offer to Public

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable as there is no fresh issue or offer for sale of shares to the public							

### Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto a maximum of 10 selling shareholders)

Name	Type	No of shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable as there is no offer for sale of shares by Promoter/ Promoter Group/ Other Selling Shareholders							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to the public at large. The Price Band and Minimum Bid Lot Size is not applicable. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from Regulatory Authorities, including NCLT.

### Details of Weighted Average Cost of Acquisition (WACA) of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP

### RISKS IN RELATION TO THE FIRST OFFER

Not Applicable as this is not a public offer. The proposed scheme involves merger of Transferor company with Transferee company and de-merger of Branded business/Redtape business of Transferee company ("Demerged



business”) from Transferee company and its consequent vesting into Resulting company and issue of shares by the Resulting company to the shareholders of Transferee company in consideration of the said de-merger.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Transferee Company, including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” on page 07 of this Abridged Prospectus.

#### PROCEDURE

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities related to Demerged Business of the Transferee Company into the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferee Company, whose names appear in the Register of Members as on the Record Date, in the following ratio:

The Resulting Company-REDTAPE Limited will issue 1 (one) Equity Share of ₹2 (Rupees Two) each, credited as fully paid up, for every 1 (one) Equity Share of ₹2 (Rupees Two) each held in the Transferee Company–Mirza International Limited.

Hence, the procedure with respect to General Information Document (GID) may be applicable only to the limited extent as specifically provided.

#### PRICE INFORMATION OF LEAD MANAGER

Not Applicable- the present Abridged Prospectus is not being issued as a result of public offer and being issued to the shareholders of Transferor Companies by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

#### GENERAL INFORMATION

Name of Merchant Banker	Turnaround Corporate Advisors Private Limited Contact Person: Mr. Adarsh Telephone no.: 011-45510390 Email id: <a href="mailto:info@tcagroup.in">info@tcagroup.in</a>
Name of Syndicate Members	Not Applicable
Name of Registrar to the Issue and contact details (telephone and email id)	Not Applicable
Name of Statutory Auditor	M/s Gulati Sandeep & Co., Chartered Accountants (FRN: 008694N)
Name of Credit Rating Agency and the rating or granting obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self Certified Syndicate Banks	Not Applicable
Non Syndicate Registered Brokers	Not Applicable
Details regarding website address(es)/ link(s) from which the investor can obtain list of	Not Applicable

registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	
--	--

PROMOTERS OF RESULTING COMPANY			
S.No.	Name	Individual/Corporate	Experience & Education Qualification
1)	Mirza International Limited	Corporate	<b>Mirza International Limited</b> , holding Company, is a Promoter of the Company. Mirza International Limited is a Public Listed Company incorporated on September 5, 1979 under the Companies Act, 1956 vide Corporate Identification Number L19129UP1979PLC004821. It is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption.

BUSINESS OVERVIEW AND STRATEGY
<b>Company Overview:</b> REDTAPE Limited (REDTAPE or Resulting Company) is a Public Limited company incorporated under the provisions of the Companies Act, 2013 on December 8, 2021. Mirza International Limited, Mr. Rashid Ahmed Mirza <sup>^</sup> , Mr. Shahid Ahmad Mirza <sup>^</sup> , Mr. Tauseef Ahmad Mirza <sup>^</sup> , Mr. Tasneef Ahmad Mizra <sup>^</sup> , Mr. Shuja Mirza <sup>^</sup> and Mr. Faraz Mirza <sup>^</sup> were the initial subscribers to the Memorandum and Articles of Associations. REDTAPE is a Public Limited Company registered with the Registrar of Companies, Kanpur and holds a valid Certificate of Incorporation vide no. U52609UP2021PLC156659 dated December 8, 2021. REDTAPE is the wholly-owned subsidiary of Mirza International Limited (Transferee company). Currently, the authorized share capital of the Company is Rs. 1,00,000 (Rupees One Lakh Only) divided into 50,000 shares of Rs. 2 each.
<b>Product/Service Offering: NA*</b> <b>Revenue segmentation by product/service offering</b>
<b>Geographies Served: NA*</b> <b>Revenue segmentation by geographies</b>
<b>Key Performance Indicators: NA*</b>
<b>Client Profile or Industries Served: NA*</b> <b>Revenue segmentation in terms of top 5/10 clients or Industries:</b>
<b>Intellectual Property, if any: NA*</b>
<b>Market Share: NA*</b>
<b>Manufacturing plant, if any: NA*</b>
<b>Employee Strength: NA*</b>

\*REDTAPE Limited has been incorporated vide certificate dated 8<sup>th</sup> December, 2021 to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities. Currently, the Company has not commenced any business. The prospectus is being issued with the object of De-merger of Branded Business\ REDTAPE Business of Mirza International Limited into REDTAPE Limited. Branded Business is pre-dominantly domestic retail business. Therefore, in accordance with the scheme all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Limited, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business will be demerged in REDTAPE Limited.

<sup>^</sup>Initial Subscribers, being the Nominee Shareholders of Mirza International Limited.

**BOARD OF DIRECTORS**

Sr. No.	Name	Designation (Independent/ Whole-Time/Executive /Nominees)	Experience & Educational Qualification	Other Directorships
1.	Mr. Rashid Ahmed Mirza	Executive Director	Mr. Rashid Ahmed Mirza, aged 65 years, is an Executive Director of the Company. He is a Foreign national. He holds Diploma in Leather Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.	<p><b>Indian Companies:</b>                      Mirza International Limited                      Aarem Heights Private Limited                      Emgee Projects Private Limited                      Genesis Infraprojects Private Limited                      RTS Fashions Private Limited</p> <p><b>Foreign Companies:</b>                      RTS Fashion FZE                      Mirza (U.K) Limited                      RTS Fashions Limited                      Empire Holding Limited</p>
2.	Mr. Shuja Mirza	Executive Director	Mr. Shuja Mirza, aged 41 years, is an Executive Director of the Company. He is a Foreign national, resident of India. He is graduated in Science (Computer Information System and telecommunication) from USA. having vast knowledge and rich experience of over 15 years. Mr. Shuja Mirza has got core expertise in the designing, development and marketing arena and has played vital role in scripting the success story of Mirza International Limited.	<p><b>Indian Companies:</b>                      Mirza International Limited                      Aarem Heights Private Limited                      Genesisriverview Resorts Private Limited                      Granule Infra India Private Limited</p> <p><b>Foreign Companies:</b>                      Nil</p>
3.	Mr. Arvind Verma	Executive Director	Mr. Arvind Verma, aged 48 years, Executive Director of the Company. He is a resident Indian national. Mr Arvind Verma has a vast experience of Sales & Marketing of over 27 years in the Fashion Industry and has been associated with the brand RedTape for almost 23 years now. He has been instrumental in ensuring that the brand is always held in high esteem in the market & is fully involved at the micro level & day to day operations. He	<p><b>Indian Companies:</b>                      Nil</p> <p><b>Foreign Companies:</b>                      Nil</p>



			has now been tasked with ensuring the same growth & presence of the brand RedTape in International Markets.	
4.	Mr. Sanjay Bhalla	Independent Director	Mr. Sanjay Bhalla, aged 62 years, Independent Director of the Company. He is a resident Indian national. He is B.Tech in Chemical. having rich & varied industrial experience of more than 31 years.	<b>Indian Companies:</b> Mirza International Limited  Silver Spark Private Limited  Kasi 1981 Alumni Foundation  <b>Foreign Companies:</b> Nil

#### OBJECTS OF THE ISSUE

#### Details of means of finance- Not Applicable

**Object-** De-merger of Branded Business\ REDTAPE Business of the Transferee Company into the Resulting Company.

On De-merger, the Resulting Company-REDTAPE Limited will issue 1 (one) Equity Share of Rs. 2 (Rupees Two) each, credited as fully paid up to the Shareholders of the Transferee Company, for every 1 (one) Equity Share of Rs. 2 (Rupees Two) each held by them in the Transferee Company–Mirza International Limited.

#### Rationale and Benefits of the Scheme:

The circumstances which justify and/or necessitate the proposed De-merger of Mirza International Limited into REDTAPE Limited are, inter alia, as follows:

- a. Mirza International Limited has two distinct business (a) Private Label/White Label Business which is predominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- b. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- c. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- d. The proposed De-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- e. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- f. The proposed De-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.



- g. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not Applicable.

**Name of monitoring agency, if any:** Not Applicable

**Terms of Issuance of Convertible Security, if any:** Not Applicable

SHAREHOLDING PATTERN			
Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	50,000	100
2.	Public	0	0
	<b>Total</b>	<b>50,000</b>	<b>100</b>

**Number / amount of equity shares to be sold by selling shareholders –** Not Applicable

STANDALONE AUDITED FINANCIALS	
(Rs. in INR , except where specifically stated)	
Standalone	For the year ended March 31 2022
Total income from operations (net)	0.00
Net Profit / (Loss) before tax and extraordinary items	(41,800)
Net Profit / (Loss) after tax and extraordinary items	(41,800)
Equity Share Capital	1,00,000
Reserve and Surplus	(41,800)
Net worth	58,200
Basic earnings per share (Rs.)	(0.84)
Diluted earnings per share (Rs.)	(0.84)
Return on net worth (%)	-71.8 %
Net asset value per share (Rs.)	1.164

INTERNAL RISK FACTORS
1. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.
2. Our Company may have potential Conflicts of interest with Companies engaged in similar line of business in which our Promoters have substantial interest.
3. We face competition in our business from presence of well established players in the market who are operating in the same segment as our Company.
4. We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, or technological improvements, we may not be able to effectively implement our business and growth strategies and achieve future growth.
5. Our business and results of operations may be adversely affected by many factors outside of our control, including changes in national, state and local education funding, general economic conditions, changes in the educational procurement process and changes to the syllabus and curriculum standard.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION****A. Total number of outstanding litigations against the company and amount involved**

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

**B. Brief Details of top 5 material outstanding litigations against the company and amount involved: Nil**

**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchange against Promoters in last 5 financial years including outstanding action, if any: Nil**

**D. Details of outstanding criminal proceedings against promoters: Nil**

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For REDTAPE Limited



**Name: Arvind Verma**

**Designation: Director**

**Date: June 29, 2022**

**Place: Noida**



June 29, 2022

Ref: TCA/REDTAPE/AP/22-23

The Board of Directors  
Redtape Limited  
Plot No.-08, Sector -90,  
Noida, Uttar Pradesh-201301

Dear Sirs,

**Sub: Certificate on adequacy and accuracy of disclosure of information in the Abridged Prospectus of Redtape Limited in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 for the purpose of proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited having its registered office at 14/6, Civil Lines, Kanpur-208001 (“MIL” or “Transferee Company”) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in the Abridged Prospectus of Redtape Limited (“RTS” or “Transferor Company”) in connection with the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” Or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).



## **2. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**” or “**our**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

## **3. Scope and Purpose of the Certificate:**

SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“**SEBI Circular**”) inter-alia prescribed that the listed entity (in the present case “**MIL**”) shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme (in the present certificate, “**Redtape**”), in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. The SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

**This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

## **4. Certification:**

We state and confirm as follows:

1. We have examined various documents and other materials made available to us by the management of MIL/Redtape in connection with finalization of Abridged Prospectus dated



June 29, 2022 pertaining to Redtape which will be circulated to the members of Redtape and MIL at the time of seeking their consent to the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”), as a part of the explanatory statement to the notice.

2. On the basis of such examination and the discussions with the management of MIL/ Redtape, we confirm that:

A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to Redtape.

B. The Abridged Prospectus contains applicable information pertaining to Redtape as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Proposed Scheme of Arrangement.

## 5. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of Redtape.
- Carrying out a market survey / financial feasibility for the Business of Redtape.
- Financial and Legal due diligence of Redtape.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of Redtape.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.



# TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

A SEBI Registered Category-I Merchant Banker

We understand that the management of MIL/Redtape during our discussions with them would have drawn our attention to all such information and matters, which may have an impact on our Certificate.

The fee for our services is not contingent upon the result of the proposed Scheme of Arrangement.

The management of MIL and Redtape or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate. Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

Under any circumstances whatsoever, TCA's overall liability will not be in excess of the total fee paid by Redtape under this engagement.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Turnaround Corporate Advisors Private Limited

Digitally signed  
HEEMADRI by HEEMADRI  
MUKERJEA  
Date: 2022.06.29  
17:37:18 +05'30'

**(HEEMADRI MUKERJEA)**

**Managing Director**

## 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


### COMPLIANCE REPORT

It is hereby certified that the draft Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited; does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars	Status
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied
<b>Requirements of this circular*</b>			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Complied
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities would be complied	Complied
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Complied
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Complied
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Complied

\* SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021.

#### For Mirza International Limited



**Priyanka Pahuja**  
Company Secretary  
& Compliance Officer



**Rashid Ahmed Mirza**  
Managing Director

Certified that the transactions / accounting treatment provided in the draft Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited are in compliance with all the Accounting Standards applicable to a listed entity.

#### For Mirza International Limited



**Vadakke Elukkalyil Thomas Cherian**  
Chief Financial Officer



**Rashid Ahmed Mirza**  
Managing Director

Date: 13<sup>th</sup> December, 2021  
Place: New Delhi

**Mirza International Ltd**

[CIN: L 19129 UP 1979 PLC 004821]

Registered Office: 14/6, Civil Lines Kanpur 208 001, Uttar Pradesh

E-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com)

Website: [www.mirza.co.in](http://www.mirza.co.in)

**Meeting of Un-secured Creditors of Mirza International Ltd scheduled to be held through Video Conferencing with facility of remote e-voting under the supervision of the Hon'ble National Company Law Tribunal**

<b>Day</b>	Saturday
<b>Date</b>	6 <sup>th</sup> August, 2022
<b>Time</b>	1:00 P.M.
<b>Venue</b>	Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable

**Schedule of remote e-voting facility which will be available before the date of meeting**

<b>Commencement of remote e-voting</b>	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
<b>End of remote e-voting</b>	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

**List of Documents**

<b>Sl. No.</b>	<b>Contents</b>
<b>1.</b>	<b>Notice of the Meeting</b> along with Instructions for attending the meeting through Video Conferencing; and for voting through remote e-voting process
<b>2.</b>	<b>Explanatory Statement</b>
<b>3.</b>	<b>Composite Scheme of Arrangement</b> of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors
<b>4.</b>	<b>Pre-Scheme and post-Scheme Equity Shareholding Patterns</b> of the Companies involved in the Scheme of Arrangement
<b>5.</b>	<b>Report on Valuation of Shares &amp; Share Exchange Ratio</b> by Mr Sandeep Kumar Agrawal, Chartered Accountant and the IBBI Registered Valuer
<b>6.</b>	<b>Fairness Opinion</b> by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category I Merchant Banker on the Report on Valuation of Shares & Share Exchange Ratio of the Registered Valuer
<b>7.</b>	<b>Complaints Reports</b> filed by Mirza International Ltd with BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE)
<b>8.</b>	<b>No Objection/Observation Letters of BSE and NSE</b> for the proposed Scheme of Arrangement

<b>9.</b>	<b>Audited Financial Statements</b> of RTS Fashions Pvt Ltd (the Transferor Company), Mirza International Ltd (the Transferee Company) and Redtape Ltd (the Resulting Company) for the year ended 31 <sup>st</sup> March, 2022
<b>10.</b>	<b>Abridged Prospectus</b> of the un-listed Transferor Company and the Resulting Company along with the <b>Due Diligence Report</b> issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category I Merchant Banker
<b>11.</b>	<b>Compliance Report</b> in terms of the SEBI Scheme Master Circular

**In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:**

<b>Name</b>	<b>Contact Detail</b>
Mr Sharwan Mangla General Manager Mas Services Ltd	011-26387281-83 <a href="mailto:sm@masserv.com">sm@masserv.com</a>
Ms Harshita Nagar Company Secretary & Compliance Officer Mirza International Ltd	011-4095 9500 <a href="mailto:compliance@mirzaindia.com">compliance@mirzaindia.com</a>

Sd/-  
**Santosh Kumari, Advocate**  
Chairperson of the meeting

Through

Sd/-  
Kartikeya Goel, Advocate  
**For Rajeev Goel & Associates**  
Counsel for the Applicants  
785, Pocket-E, Mayur Vihar-II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 88005 15597  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)

**Date:** 29<sup>th</sup> June, 2022

**Place:** New Delhi

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, ALLAHABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. CA (CAA) 11/ALD OF 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AND

IN THE MATTER OF

RTS FASHIONS PVT LTD

APPLICANT NO. 1/TRANSFEROR COMPANY

MIRZA INTERNATIONAL LTD

APPLICANT NO. 2/TRANSFeree COMPANY

AND

REDTAPE LTD

APPLICANT NO. 3/RESULTING COMPANY

### **NOTICE CONVENING MEETING**

**To**  
**The Un-secured Creditors of**  
**Mirza International Ltd**

**Take Notice** that the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad vide its Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), inter alia, directed for convening of a meeting of Un-secured Creditors of Mirza International Ltd (the Transferee Company) through Video Conferencing for the purpose of considering and, if thought fit, approving, the proposed Composite Scheme of Arrangement of RTS

Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors, and other connected matters, if any. The following Special Business will be transacted in the said meeting:

To consider and, if thought fit, to pass the following resolution with specific majority as provided under Sections 230 & 232 of the Companies Act, 2013, and other applicable provisions, if any:

***"Resolved that*** pursuant to 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, and subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, consent of the meeting be and is hereby accorded for the proposed (a) Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with Mirza International Ltd (the Transferee Company); (b) De-merger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company/the Demerged Company) into Redtape Ltd (the Resulting Company); and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and Demerger.

***Resolved further that*** the Report on Valuation of Shares & Share Exchange Ratio issued by Mr Sandeep Kumar Agrawal, Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705; and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by Turnaround Corporate Advisors Pvt Ltd, a SEBI Registered Category I Merchant Banker, placed before the meeting, be and are hereby received, considered and taken on record. The share exchange ratio as recommended by the Registered Valuer for the proposed amalgamation and demerger, etc., being fair and reasonable to the Shareholders and other stakeholders of all the Companies, be and is hereby considered, accepted and approved.

***Resolved further that*** the salient features/terms and conditions of the proposed Amalgamation and Demerger, etc., as set out in the draft Composite Scheme of Arrangement placed before the meeting, which, inter-alia, include the following:

- i. On Amalgamation, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt Ltd will be transferred to and vest in Mirza International Ltd.*
- ii. On Demerger, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd will be transferred to and vest in Redtape Ltd on going concern basis.*
- iii. On Amalgamation, all the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.*
- iv. On Demerger, all the employees of the Transferee Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, shall become the employees of the Resulting Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those applicable to them in the Demerged Business of the Transferee Company, on the Effective Date.*
- v. 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.*
- vi. Share Exchange Ratio for Amalgamation will be as follows:*
  - 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.*

*Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the*

eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

**vii.** Share Exchange Ratio for Demerger will be as follows:

➤ 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.

**viii.** Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

**ix.** BSE Ltd will act as the Designated Stock Exchange for the purposes of the Scheme of Arrangement.

be and are hereby approved in specific.

**Resolved further that** subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors, as placed before the meeting, be and is hereby approved.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to take necessary steps to obtain necessary approval(s) for the aforesaid Scheme and for effective implementation of the same, including but not limited to, to agree to such conditions or modifications [including the appointed date(s) and share exchange ratio, etc.,] that may be imposed, required or suggested by the Hon'ble National Company Law Tribunal or any other authorities or that may otherwise be deemed fit or proper by the Board and to do all other acts, deeds or things which may be ancillary or incidental to the above mentioned matter or which may otherwise be required for the aforesaid Scheme.”

**Take Further Notice** that in pursuance of the said order, a meeting of **the Un-secured Creditors of Mirza International Ltd is scheduled to be held through Video Conferencing on Saturday, 6<sup>th</sup> August, 2022, at 1:00 P.M.**, when you are requested to attend.

**Facility of remote e-voting will be available during the prescribed time period before the meeting. Accordingly, Un-secured Creditors can vote through remote electronic means (without attending the meeting) instead of voting in the Un-secured Creditors' meeting.**

The Hon'ble Tribunal has appointed Mrs Santosh Kumari, Advocate, as the Chairperson and Mr Anil Kumar Mittal, as the Scrutinizer of the aforesaid meeting.

A copy each of the Explanatory Statement [under Sections 230 & 232 of the Companies Act, 2013 read with Sections 66 and 102 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any], the proposed Scheme of Arrangement and other documents, if any, are enclosed. The proposed Scheme of Arrangement, if approved in the meeting, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad.

Dated this 29<sup>th</sup> day of June, 2022

Sd/-  
**Santosh Kumari, Advocate**  
Chairperson of the meeting

Through

Sd/-  
Kartikeya Goel, Advocate  
**For Rajeev Goel & Associates**  
Counsel for the Applicants  
785, Pocket-E, Mayur Vihar-II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 88005 15597  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)

**Notes:**

1. In view of COVID-19 pandemic, the present meeting is proposed to be convened through Video Conferencing in terms of the Order passed by the Hon'ble National Company Law Tribunal, the Guidelines issued by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013, if any. Facility of remote e-voting will be available during the prescribed time period before the meeting and through e-voting platform which will be available during the meeting.
2. National Securities Depository Limited (NSDL) is appointed to provide remote e-voting facility before the meeting; and to provide e-voting platform during the meeting, in a secured manner. Whereas Mas Services Ltd, a SEBI registered Registrar and Transfer Agent (RTA) is appointed to provide platform for convening the meeting through Video Conferencing; to handle and supervise the entire process of holding the meeting through Video Conferencing, e-voting and processing of data relating to the meeting and voting, etc.
3. **Notice of the meeting is being sent to all the Un-secured Creditors as per the list as at 31<sup>st</sup> March, 2022, filed in NCLT.**
4. **Un-secured Creditors who have not registered their e-mail id, can get the same registered by sending the request to the Company Secretary and the Compliance Officer of the Company at [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com).**
5. **In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:**

Name	Contact Detail
Mr Sharwan Mangla General Manager Mas Services Ltd	011-26387281-83 <a href="mailto:sm@masserv.com">sm@masserv.com</a>
Ms Harshita Nagar Company Secretary & Compliance Officer Mirza International Ltd	011-4095 9500 <a href="mailto:compliance@mirzaindia.com">compliance@mirzaindia.com</a>

6. Only Un-secured Creditors of the Company may attend the meeting of Un-secured Creditors through Video Conferencing and vote through e-voting system.
7. Institutional/Corporate Un-secured Creditors (i.e., other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation, etc., authorising its representative to attend the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at: [mittalanil.ubi@gmail.com](mailto:mittalanil.ubi@gmail.com).
8. **Please take note that since the meeting is proposed to be held through Video Conferencing, option of attending the meeting through proxy is not applicable/available.**
9. **Instructions for attending the meeting through Video Conferencing; and for voting through remote e-voting process are given at the end of this notice.**
10. Voting may be made through remote e-voting (without attending the meeting) which will be available during the prescribed time period before the meeting (as given below); or through e-voting platform which will be available during the meeting:

<b>Commencement of remote e-voting</b>	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
<b>End of remote e-voting</b>	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

11. All the Un-secured Creditors will be entitled to attend the meeting through Video Conferencing. However, the Un-secured Creditors who have already voted through the remote e-voting process before the meeting, will not be entitled to vote at the meeting.
12. Un-secured Creditors attending the meeting through video conferencing shall be counted for the purposes of reckoning the quorum.

- 13.** Notice of the meeting, Explanatory Statement and other documents are also being placed on the following website(s):

<b>Particulars</b>	<b>Website</b>
Mirza International Ltd	<a href="http://www.mirza.co.in">www.mirza.co.in</a>
BSE Ltd	<a href="http://www.bseindia.com">www.bseindia.com</a>
National Stock Exchange of India Ltd	<a href="http://www.nseindia.com">www.nseindia.com</a>

Encl.: As above

## **Instructions:**

### **INSTRUCTIONS FOR Un-secured Creditors FOR REMOTE E-VOTING AND JOINING THE MEETING ARE AS UNDER:**

The remote e-voting period begins on Tuesday, 2<sup>nd</sup> August, 2022 at 9:00 A.M. IST and ends on Friday, 5<sup>th</sup> August, 2022 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The stakeholders, whose names appear in the concerned register(s) as on (cut-off date), i.e., 31<sup>st</sup> March, 2022, may cast their vote electronically. The voting right of Un-secured Creditors shall be in proportion to their respective amount.

### **LOGIN METHOD FOR UN-SECURED CREDITORS:**

- 1.** Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2.** Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- 3.** A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- 4.** Enter user ID as given in email
- 5.** Enter password as given in email
- 6.** Enter Captcha
- 7.** After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8.** Now you will have to click on "Login" button
- 9.** After successful login you will be able to see EVEN of Company
- 10.** Select EVEN of company to cast your vote
- 11.** Now you are ready for e-voting as the voting page open
- 12.** Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to

cast your vote and click on "Submit" and also "Confirm" when prompted

13. Upon confirmation the message "Vote cast successfully" will be displayed.
14. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
15. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**INSTRUCTIONS FOR UN-SECURED CREDITORS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

1. Un-secured Creditors will be provided with a facility to attend the NCLT meeting through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting System. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against Company Name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed.
2. After click on link system will be re-direct at Cisco website
3. Enter your first name
4. Enter your last name
5. Enter your email id
6. Click on join now
7. If Cisco driver is not available in your system, please click on run temporary driver.
8. Un-secured Creditors are encouraged to join the Meeting through Laptops for better experience.

- 9.** Further, Un-secured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 10.** Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 11.** Un-secured Creditors who would like to express their views/have questions may send their questions in advance mentioning their name, email-id, mobile number at [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com). The same will be replied by the Company, suitably.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, ALLAHABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. CA (CAA) 11/ALD OF 2022

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AND

IN THE MATTER OF

RTS FASHIONS PVT LTD

APPLICANT NO. 1/TRANSFEROR COMPANY

MIRZA INTERNATIONAL LTD

APPLICANT NO. 2/TRANSFeree COMPANY

AND

REDTAPE LTD

APPLICANT NO. 3/RESULTING COMPANY

Explanatory Statement

[Under Sections 230 & 232 of the Companies Act, 2013, read with Sections 66 and 102 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any]

1. A joint Application being CA (CAA) 11/ALD of 2022, was filed before the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad (hereinafter referred to as "the Tribunal/NCLT") 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, in connection with the proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd; and their respective Shareholders and Creditors (hereinafter referred to as "the Scheme of Arrangement" or "this Scheme or "the Scheme") and other connected matters, if any.
2. Pursuant to the Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), passed by the Hon'ble Tribunal, in the above referred joint Company Application, separate meetings of the Equity Shareholders and Un-secured Creditors of Mirza International Ltd are scheduled to be convened and held through Video Conferencing with facility of remote e-voting, on Saturday, 6<sup>th</sup> August, 2022, as per the following schedule, for the purpose of considering and, if thought fit, approving

the proposed Scheme of Arrangement, at which time the said stakeholders are requested to attend:

Meetings	Time
Equity Shareholders of Mirza International Ltd	11:00 A.M.
Un-secured Creditors of Mirza International Ltd	1:00 P.M.

Voting may be made through remote e-voting which will be available during the prescribed period before the meetings (as given below); and through e-voting platform which will be available during the meetings:

Commencement of remote e-voting	Tuesday, 2 <sup>nd</sup> August, 2022 at 9:00 A.M. IST
End of remote e-voting	Friday, 5 <sup>th</sup> August, 2022 at 5:00 P.M. IST

3. The Composite Scheme of Arrangement provides for:

- a. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd;
- b. Demerger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd; and
- c. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and Demerger.

A copy of the Scheme of Arrangement setting out the terms and conditions of the proposed Amalgamation, Demerger and other matters connected, is enclosed with this Explanatory Statement.

4. Companies to the Scheme and their Background

4.1 The Applicant No. 1/the Transferor Company-RTS Fashions Pvt Ltd:

- i. The Transferor Company-RTS Fashions Pvt Ltd [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284; Income Tax Permanent Account No. (PAN): AAJ CR 7652 R] (hereinafter referred to as "the Transferor Company/the Company") was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- ii. Presently, the Registered Office of the Applicant Transferor Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com).
- iii. The detailed objects of the Transferor Company are set out in the Memorandum of Association and are briefly stated as below:
  1. *To carry on in India or elsewhere the business as manufacturers, importers, exporters, distributors, dealers, trader and stockists of fashionable footwear of all types and*

styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other fashionable leather products and their by-products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.

2. To carry on in India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all shapes, sizes, variables, specifications, descriptions, applications, modalities, fashions and uses of fashionable garments for men, women, and children including footwear, sportswear, active wears, daily wears, fashion wears, party wears, wearing apparels, underwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale's exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and things necessary for the attainment of above objects.
3. To carry on India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all kinds and classes of paper, board and pulp processed from any suitable raw material including waste board, cardboard, strawboard, pulp board, leather board, mill board, corrugated board, liner board, duplex and triple boards, hard board ply-wood board, writing paper, printing paper, newsprint paper, absorbent paper, wrapping paper, tissue paper, blotting paper, filter paper, art paper, bank or bond paper, grease proof paper, gummed paper, parchment paper, drawing paper, kraft paper, envelope paper, tracing paper, waterproof paper, carbon paper, photographic paper, post cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp, semi-chemical pulp and all kinds of articles in the manufacture of which in any form paper board or pulp is used, and also to deal in or manufacture of which in any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

4. *To undertake and carry on the business of providing all kinds of information technology based and enabled services in India and internationally, electric, electronic remote processing services, e- services including but not limited to providing financial and related services of all kinds and description including billing services, services, database services, data entry business marketing services, business information and management services, training and consultancy services to businesses, organizations, concerns, firms, corporations, trusts local bodies, State government and other entities, to establish and operate service processing centers for providing services for back office and processing requirements, marketing sales, credit collection services for companies engaged in the business of remote processing and IT enabled services from a place of business in India or elsewhere, contacting and communicating to and on behalf of overseas customers by voice, data image, letters, using dedicated international private lines and to handle business process management, remote help desk management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/fax based communication, knowledge, storage and management, data management, warehousing, search, integration and analysis for financial and non-financial and systems.*
- iv. The Transferor Company is engaged in purchase, sale and trading of soiling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets. Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets. Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.
- v. Present Authorised Share Capital of the Transferor Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each.
- vi. Detail of the present Board of Directors of the Transferor Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Director
2.	Shahid Ahmad Mirza 00048990 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Director
3.	Tauseef Ahmad Mirza 00049037 G-1, Maharani Bagh New Delhi-110 065	Director
4.	Tasneef Ahmad Mirza 00049066 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Director

4.2 The Applicant No. 2/Transferee Company-Mirza International Ltd:

- i. The Transferee Company-Mirza International Ltd [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821; Income Tax Permanent Account No. (PAN): AAE CM 3626 M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6<sup>th</sup> May, 1994 issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10<sup>th</sup> August, 2005 issued by the ROC, Kanpur.
- ii. Presently, the Registered Office of the Transferee Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [compliance@mirzaindia.com](mailto:compliance@mirzaindia.com); website: [www.mirza.co.in](http://www.mirza.co.in).
- iii. The detailed objects of the Transferee Company are set out in the Memorandum of Association and are briefly stated as below:
  1. *To carry on the business as manufactures, tanners, exporters, importers, and distributors of and dealers and stockists in all classes of hides, skins and other materials required for converting hides and skins into leather and to carry on all or any of the business of tanners, curriers, hide and skin merchants, or any other business of allied nature whether manufacturing or otherwise any other business of*

allied nature, all kinds of industrial leathers, travel goods including bags, suitcases, brief cases, beddings vanity bags, saddles & horse ridings equipments, belts, caps, gloves, purses, synthetic rubber, synthetic leather, as sole proprietor and/or as partners in a partnership firm and as member of an association of persons or body of individuals or in any other manner authorised by law for the time being or as agents, bankers, contractors, etc.

2. To carry on the business as manufacturers, importers, exporters, distributors, dealers and stockists of footwear of all types and styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other leather products and their by products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.
3. To carry on the business as consultants and advisers on various applications of the products and bye-products of the Company for the same for clients and prospectus clients.
4. To carry on the business of Constructional Engineers, Architects, Colonizers, Site Developers, Builders, Contractors, Promoters and Developer and to build township, acquire, develop, construct, erect, alter, buy, sell any movable or immovable property including land, real estate, multi-storyed buildings, sheds, dwelling offices, shops, stores, public utility buildings, residential and commercial complexes, multiplexes, shopping malls and rent, lease, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain or control works and conveniences of all kinds of infrastructure including roadways, freightways, tramways, dams, flyovers, bridges, aerodromes, docks, ports, jetties, piers, wharves, canals, reservoirs, drainage aqueducts and any other related business activities.
5. To generate electrical power by conventional methods including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, hydal, geo-hydal, wind and tidal waves and to promote, own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, contract, take on hire/ lease power plants, co-generation power plants, energy conservation projects, power houses, transmission, and distribution system for the generation, distribution, transmission and supply of electrical energy for industrial, commercial, agriculture, household or captive consumption and to buy, sell, supply, exchange, market, function as a licensee to the State Electrical Boards, State

Government, Appropriate Authorities in India and elsewhere in any area, as may be specified by the State Government, Central Government, Local Authority, State Electrical Boards and any other competent authority in accordance with the provisions of applicable electricity law and rules and/or regulations made thereunder.

6. To carry on in India or elsewhere the business to manufacture, produce, process, crush, extract, reclaim, convert, commercialise, control, compound, develop, distribute, derive, treat, grade, release, manipulate, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaires, consultant, collaborator, job worker, export house or otherwise to deal in all varieties, colors, dimensions, descriptions, characteristics of sugar including cane sugar, beet sugar, maple sugar, khandsari sugar, gur, rab, etc. in the form of powder, granules, cubes and lumps and its products, bye-products including glucose, sucrose, fructose, lactose, maltose, molasses, alcohol, spirits, ethanol and in connection therewith to acquire, construct and operate mills, factories, distilleries, refineries and other establishments.
7. To carry on in India or elsewhere the business to manufacture, produce, process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, re-pack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, representative, consultant, collaborator, adatia, stockists, liasioner, middleman, export house, job-worker or otherwise to deal in all kinds of grains, cereals, seeds, pulses, oils, spices, dry fruits, consumer food items, their bye-products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, mineral water, juices, jams, jellies, squashes, honeys, pickles, sausages, concentrates, extracts, essences, flavours, syrups, sarbats, flavoured drinks, health and diet drinks, extruded foods, preserved foods, dehydrated foods, pre-cooked foods, canned foods, preserved foods, health foods, fast foods, cream, cheese, butter and other dairy products, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, namkeen, protein foods, dietic products, strained baby foods, instant foods, cereal products, table delicacies and all other whether natural, artificial or synthetic of a character similar or analogous to the foregoing or connected therewith.
8. To carry on in India or elsewhere the business as manufactures, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design,

cut, sort and grade or otherwise to deal in all shapes, sizes, variables, specifications, descriptions, applications, modalities, fashions and uses of garments for men, women, and children including footwear, sportswear, activewears, daily wears, fashion wears, party wears, wearing apparels, underwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale's exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and things necessary for the attainment of above objects.

9. (a) To undertake and carry on the business of providing all kinds of information technology based and enabled services in India and internationally, electric, electronic remote processing services, eservices including but not limited to providing financial and related services of all kinds and description including billing services, processing services, database services, data entry business marketing services, business information and management services, training and consultancy services to businesses, organizations, concerns, firms, corporations, trusts local bodies, State government and other entities, to establish and operate service processing centers for providing services for back office and processing requirements, marketing sales, credit collection services for companies engaged in the business of remote processing and IT enabled services from a place of business in India or elsewhere, contacting and communicating to and on behalf of overseas customers by voice, data image, letters, using dedicated international private lines and to handle business process management, remote help desk management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/fax based communication, knowledge, storage and management, data management, warehousing, search, integration and analysis for financial and non-financial and systems.

(b) To carry on the business as internet service provider and undertake any and all kinds of internet/web-based activities and transactions, to design, develop, sell, provide, market, buy, import, export, sell and license computer software, hardware, computer system and program products, services and to give out computer machine time and to carry on the business of collecting, collating, storing, devising other system including software programs and systems.

- iv. The Transferee Company is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- a. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is predominantly export wholesale made-to-order (MTO) business.
  - b. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by the Company. 'REDTAPE' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
  - c. Leather Tannery Business: The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- v. Present Authorised Share Capital of the Transferee Company is ₹51,25,00,000 divided into 25,62,50,000 Equity Shares of ₹2 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹24,06,12,000 divided into 12,03,06,000 Equity Shares of ₹2 each.
  - vi. Detail of the present Board of Directors of the Transferee Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Managing Director
2.	Shahid Ahmad Mirza 00048990 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Whole-time Director
3.	Tauseef Ahmad Mirza 00049037 G-1, Maharani Bagh New Delhi-110 065	Whole-time Director
4.	Tasneef Ahmad Mirza 00049066 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh	Whole-time Director
5.	Shuja Mirza 01453110 65, Friends Colony East	Whole-time Director

	New Delhi-110 065	
6.	Narendra Prasad Upadhyaya 00049196 302, Concord Apartment Swaroop Nagar Kanpur-208 002 Uttar Pradesh	Whole-time Director
7.	Sudhindra Kumar Jain 00189602 113/233, Swaroop Nagar Kanpur-208 002 Uttar Pradesh	Independent Director
8.	Yashvir Singh 00049360 A-53, Sector-26 Noida-201 301 Uttar Pradesh	Independent Director
9.	Qazi Noorus Salam 00051645 39/82, Majeed Ahmed Road Kanpur-208 001 Uttar Pradesh	Independent Director
10.	Sanjay Bhalla 00699901 A-8, Nizamuddin West New Delhi-110 013	Independent Director
11.	Sanjiv Gupta 02240256 B-63, Safdarjung Enclave New Delhi-110 029	Independent Director
12.	Saumya Srivastava 08206547 Flat 003, Tower K, Amrapali Silicon City Sec 76, Noida-201 301 Uttar Pradesh	Independent Director

4.3 The Applicant No. 3/Resulting Company-Redtape Ltd:

- i. The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- ii. Presently, the Registered Office of the Resulting Company is situated at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com).
- iii. The detailed objects of the Resulting Company are set out in the Memorandum of Association and are briefly stated as below:

1. To carry on the business as importers, traders, distributors, dealers and stockists of footwear of all types and styles including men's/ladies shoes/sandles, boots, heeled shoes, formal shoes etc. and all other leather products and their by-products and articles made of leather, plastics, oils, paints, chemicals, waterproof appliances and any preparations or solutions capable of being applied for waterproofing and other similar purpose and all other articles produced or used by tanners and curriers and manufacturers of and dealers in appliances for the above trades or any of them as sole proprietors and/or as partners or in a partnership firm and/or as a members of an association of person or body of individuals or in any other manner authorised by law being or as agents, brokers, contractors etc.
  2. To carry on the business as consultants and advisers on various applications of the products and bye-products of the Company for the same for clients and prospectus clients.
  3. To carry on in India or elsewhere the business as importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, exchangers, traders, buyers, sellers, job-workers, stockist and to market, promote, organize, design, cut, sort and grade or otherwise to deal in all shapes, sizes, vaiables, specifications, descriptions, applications, modalities, fashions and uses of garments or men, women and children including footwear, sportswear, active wears, daily wears, fashion wears, party wears, wearing apparels, innerwears, purses, belts, wallets and other allied goods made from cotton, silk, sythetics, jute, velvet, woollen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sale exhibitions, seminars, fashion shows or any other sales promotion scheme and to do all incidental acts and thigs necessary for the attainment of above objects.
  4. To carry on any other business which may seem to the Company capable of being conveniently carried on and to deal in all kinds of goods and merchandise, machinery, apparatus and materials.
- iv. The Resulting Company is recently incorporated to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities.
  - v. Present Authorised Share Capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each.

- vi. Detail of the present Board of Directors of the Resulting Company is given below:

Sl. No.	Name, DIN & Address	Designation
1.	Rashid Ahmed Mirza 00049009 Villa-122, Parkways Dubai Hills Dubai, UAE	Director
2.	Shuja Mirza 01453110 65, Friends Colony East New Delhi-110 065	Director
3.	Arvind Verma 09429834 A-602, Stellar Greens Apartment Plot No. D-6, Sector-44 Noida-201301	Director
4.	Sanjay Bhalla 00699901 A-8, Nizamuddin West New Delhi-110013	Director

5. Detail of the Promoters: The Transferor Company is a family owned, closely held private limited company. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE Ltd and National Stock Exchange of India Ltd. The Resulting Company is a wholly owned subsidiary of the Transferee Company. Entire issued and paid-up Equity Share Capital of the Resulting Company is beneficially owned by the Transferee Company.

- A. Present Promotors of the Transferor Company:

Sl. No.	Name and Address
1.	Rashid Ahmed Mirza Villa-122, Parkways Dubai Hills Dubai, UAE
2.	Shahid Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
3.	Tauseef Ahmad Mirza G-1, Maharani Bagh New Delhi-110 065
4.	Tasneef Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
5.	Irshad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh

B. Present Promotors of the Transferee Company:

Sl. No.	Name and Address
1.	Rashid Ahmed Mirza Villa-122, Parkways Dubai Hills Dubai, UAE
2.	Shahid Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
3.	Tauseef Ahmad Mirza G-1, Maharani Bagh New Delhi-110 065
4.	Tasneef Ahmad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh
5.	Irshad Mirza 14/6, Civil Lines Kanpur-208 001 Uttar Pradesh

C. Present Promotors of the Resulting Company:

Sl. No.	Name and Address
1.	Mirza International Ltd 14/6, Civil Lines, Kanpur 208 001 Uttar Pradesh

6. The proposed Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd, will be affected by the arrangement embodied in the Scheme of Arrangement framed under 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, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any.

7. Rationale and Benefits of the Scheme:

The circumstances which justify and/or necessitate the proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd are, inter alia, as follows:

7.1 Preamble

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- a. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- b. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by the Company. 'REDTAPE' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- c. Leather Tannery Business: The Company owns and operates one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza (UK) Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza (UK) Ltd is a London based company formed under the laws of United Kingdom. Mirza (UK) Ltd [Mirza UK] is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

The present Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company); and

- Demerger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company) into Redtape Ltd (the Resulting Company) on going concern basis.

7.2 Amalgamation: Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:

- i. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- ii. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company- RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company- Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
- iii. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv. The proposed Scheme of Arrangement will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- vii. The proposed Scheme of Arrangement will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

7.3 Demerger: Following are some of the specific advantages of the proposed Demerger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- i. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- ii. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third-party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- iii. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon Demerger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- iv. The proposed Demerger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- v. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- vi. The proposed Demerger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- vii. The proposed Demerger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

7.4 The circumstances which justify and/or necessitate the proposed Re-organisation of pre-Scheme Share Capital of the Resulting Company-Redtape Ltd are, inter alia, as follows:

- i. Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of the Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee

Company. In other words, post Demerger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date.

- ii. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- iii. It is clarified that the aforesaid re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Company is not proposing any buy-back of shares from its shareholders.
- iv. It is further clarified that no creditor of the Company will be adversely affected by the proposed re-organisation of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

7.5 The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

## 8. Salient features of the Scheme of Arrangement

- i. On Amalgamation, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt Ltd will be transferred to and vest in Mirza International Ltd.
- ii. On Demerger, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd will be transferred to and vest in Redtape Ltd on going concern basis.
- iii. On Amalgamation, all the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
- iv. On Demerger, all the employees of the Transferee Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, shall become the employees of the Resulting Company on and from such date without any break or interruption in service and upon terms and conditions not less

favorable than those applicable to them in the Demerged Business of the Transferee Company, on the Effective Date.

- v. 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.
- vi. Share Exchange Ratio for Amalgamation will be as follows:
  - 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.

Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

- vii. Share Exchange Ratio for Demerger will be as follows:
  - 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.
- viii. Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- ix. BSE Ltd will act as the Designated Stock Exchange for the purposes of the Scheme of Arrangement.

- 9. Extracts of the Scheme: Extracts of the selected clauses of the Scheme are reproduced below in italics (*points/clauses referred to in this part are of the Scheme of Arrangement*):

#### A. DEFINITIONS

*In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under: and*

- 1.1 "Act" means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-

enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.

- 1.2 "Amalgamation" means amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company) in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 "Applicable Law(s)" means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 "Appointed Date" means commencement of business on 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.
- 1.5 "Board" or "Board of Directors" means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.6 "Demerged Business" means the Branded Business/REDTAPE Business of Mirza International Ltd, which is proposed to be Demerged into Redtape Ltd. Demerged Business means all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Ltd, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business and shall include (without limitation):
  - a. Design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under 'REDTAPE' and other Brands owned by Mirza International Ltd; and other related activities being carried on by Mirza International Ltd [Branded Business/REDTAPE Business].
  - b. Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd wherever situated pertaining thereto, including but not limited to the following:
    - i. Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh.
    - ii. Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh.

- iii. Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand.
  - iv. New Corporate Office (being the registered office of Redtape Ltd): Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
  - v. Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka.
  - vi. All Stores: Self rented & Franchise stores.
  - vii. All the vehicles being used for Redtape Business.
  - viii. Shareholding/ownership rights in Mirza Bangla Ltd, Bangladesh.
- c. Trademark and Tradename-REDTAPE and all other trademarks and Intellectual Property Rights which are being used in the Branded Business/REDTAPE Business including those listed in Schedule-1.
- d. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- e. Without prejudice to the generality of the above, Demerged Business shall include in particular:
- i. Land and building, plant and machinery and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights along with copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger.

- iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relatable to the Demerged Business.
  - v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.
  - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business, which shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- f. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.
  - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- g. All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- h. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Transferee Company.

Brief description of the free hold land, lease hold land, trademarks and other IPR, etc., of the Demerged Business of the Transferee Company is set out in Schedule-1.

- 1.7 "De-merger" means transfer and vesting of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd, on going-concern basis, by way of de-merger into Redtape Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.8 "Effective Date" means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law

Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.

- 1.9 "Encumbrance" means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.
- 1.10 "FEMA" means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.11 "Intellectual Property Rights" means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company or the Transferee Company, as the case may be, or in the nature of common law rights of the Transferor Company or the Transferee Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- 1.12 "IT Act" means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 National Company Law Tribunal means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/ "NCLT".
- 1.14 "Record Date-1" means the date to be fixed by the Board of Directors of the Transferor Company or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the

Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.

- 1.15 "Record Date-2" means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares to the Shareholders of the Transferor Company pursuant to amalgamation of the Transferor Company with the Transferee Company.
- 1.16 "Record Date" means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.17 "Registrar of Companies" means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.18 "Remaining Business of the Transferee Company" means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business. Without prejudice to the generality of this clause, the remaining business of the Transferee Company will include the following:
- i. Private Label/White Label Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Private Label/White Label Business.
  - ii. Tannery Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Tannery Business.
  - iii. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property rights being used by Mirza International Ltd for its remaining business.
- 1.19 Re-organisation of Share Capital means Re-organisation of pre-Scheme Share Capital of Redtape Ltd (the Resulting Company) whereby the entire pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000 will be cancelled and equal number of 9% Compulsorily Redeemable Preference Shares will be created in place of such cancelled equity share capital.
- 1.20 "Resulting Company" means Redtape Ltd being a company incorporated under the provisions of the Companies Act, 2013, and

having its registered office at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [shuja@redtapeindia.com](mailto:shuja@redtapeindia.com).

The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- 1.21 "Scheme" means the present 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; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

## AMALGAMATION OF RTS FASHIONS PVT LTD WITH MIRZA INTERNATIONAL LTD

### 2.1 TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject

to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.
- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately

preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

### 2.3 LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

### 2.7 ISSUE OF SHARES BY TRANSFEREE COMPANY

- 2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:
- a. 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.
- 2.7.2 Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional

entitlement, within a period of seven days of compensating the shareholders.

- 2.7.3 New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank *pari passu* in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.4 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5 In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each equity shareholders of the Transferor Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the New Equity Share(s) of the Transferee Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Transferee Company in respect of any equity shareholder, the New Equity Shares of the Transferee Company shall be issued to such shareholders in physical form.
- 2.7.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferor Company pursuant to Clause 2.7.1 above.
- 2.7.7 Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Transferee Company.
- 2.7.8 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

- 2.7.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Transferee Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.
- 2.7.10 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 2.7.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The Transferee Company will comply with the applicable provisions in this regard.
- 2.7.12 It is clarified that in the event of any change in the capital structure of the Transferee Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 2.7.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Transferee Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company.

#### DE-MERGER OF BRANDED BUSINESS/REDTAPE BUSINESS OF MIRZA INTERNATIONAL LTD INTO REDTAPE LTD

#### 3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in

relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.6' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1 The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in Sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3 All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4 All the investments made by the Transferee Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Business, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of sections 230 & 232 of the Act.
- 3.1.5 The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the

Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.

- 3.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 3.1.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.8 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company, if any.
- 3.1.9 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.10 Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.11 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be

available to and vest in the Resulting Company from the Appointed Date.

- 3.1.12 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Transferee Company, which are being operated exclusively in relation to or in connection with the Demerged Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferee Company, in relation to or in connection with the Demerged Business in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 3.1.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, in the name of the Transferee Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Transferee Company, in relation to or in connection with the Demerged Business, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Transferee Company for such time as may be determined to be necessary by the Resulting Company for presentation and, deposition of cheques and pay orders that have been issued in the name of the Transferee Company, in relation to or in connection with the Demerged Business. It is hereby expressly clarified that any legal proceedings by or against the Transferee Company, in relation to or in connection with the Demerged Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferee Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

## 3.2 LEGAL PROCEEDINGS

- 3.2.1 All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the

same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.

3.2.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.

3.2.3 The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

a. the filing, approval and implementation of the actions contemplated in this Scheme, or

b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### 3.9 Issue of Shares by the Resulting Company

3.9.1 Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- 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.

3.9.2 New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank *pari passu* in all respects, including dividend, with the existing Equity Shares of the Resulting Company.

- 3.9.3 The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.4 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors (FPIs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company, equivalent to the percentage holding allowed in the Transferee Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the RBI and comply with such other requirements as mandated by the extant Foreign Exchange Regulations relating thereto.
- 3.9.5 In respect of the equity shares in the Transferee Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu hereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferee Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferee Company to the Resulting Company on or before the Record Date-2. In respect of the equity shares of the Transferee Company held in physical form, each equity shareholders of the Transferee Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date-2, to receive the New Equity Share(s) of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. If such notice has not been received by the Resulting Company in respect of any equity shareholder, the New Equity Shares of the Resulting Company shall be issued to such shareholders in physical form.
- 3.9.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record Date-2, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.
- 3.9.7 Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.

- 3.9.8 It is, however, clarified that provisions of this Scheme regarding issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.
- 3.9.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company.
- 3.9.10 In case any Promoters' holding in the Resulting Company and/or new Shares to be issued in the Resulting Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 3.9.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The concerned Company will comply with the applicable provisions in this regard.
- 3.10 Re-organisation/Reduction of Capital of the Resulting Company and other matters
- 3.10.1 Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of

50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

- 3.10.2 Accordingly, upon the Scheme coming into effect, the Resulting Company will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹2 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4 It is clarified that the aforesaid Re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.
- 3.10.5 It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed Re-organisation of Share Capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

#### 4.1 OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

#### 4.6 IMPLEMENTATION OF THE SCHEME:

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Scheme of Arrangement will be implemented in that order:

- i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd as provided in Part-2 of this Scheme; and issue of shares by

the Transferee Company to the Shareholders of the Transferor Company, as on Record Date-1, pursuant to such amalgamation.

- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd as provided in Part-3 of this Scheme; and issue of shares by the Resulting Company to the Shareholders of the Transferee Company, as on Record Date-2, pursuant to such de-merger. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

Re-organisation/reduction of Share Capital of Redtape Ltd, as provided in Part-3 of this Scheme will be implemented simultaneously with the De-merger.

The aforesaid are the salient features/selected extracts of the Scheme of Arrangement. Please read the entire text of the Scheme of Arrangement to get acquainted with the complete provisions of the Scheme.

10. The proposed Scheme of Arrangement is for the benefit of all the Companies, their Shareholders and other stakeholders. It is fair and reasonable and is not detrimental to the interest of the public. It is not prejudicial to any person.
11. Valuation exercise has been carried out to determine the share swap ratio for the proposed Scheme of Arrangement. Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), has prepared the Report on Valuation of Shares and Share Exchange Ratio.

A complete set of the Report on Valuation of Shares & Share Exchange Ratio of Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), giving basis of valuation, valuation methodology and calculations, etc., is enclosed herewith.

12. In terms of the provisions of the SEBI Regulations, Fairness Opinion Report was obtained from Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers, on the Share Valuation Report of Mr Sandeep Kumar Agrawal, and the proposed Share Exchange Ratio. Opinion expressed by the aforesaid Merchant Banker is reproduced below:

*"Based on the information and data made available to us including the Share Exchange Ratio Report and the proposed composite scheme of arrangement and subject to disclaimers as mentioned in this report, we are of the opinion that the Share Exchange Ratio, as suggested by CA Sandeep Kumar Agrawal, Registered Valuer, is fair and reasonable."*

A copy of the Fairness Opinion issued by Turnaround Corporate Advisors Pvt Ltd is enclosed herewith.

13. The Audit Committee of the Transferee Company in the meeting held on 10<sup>th</sup> December, 2021, reviewed the Share Valuation Report and proposed Share Exchange Ratio, Fairness Opinion, Rationale of the Scheme; and recommended the proposed Scheme of Arrangement for favourable consideration by the Board of Directors of the Company, the Stock Exchange(s), SEBI and other applicable regulatory authorities.
14. The Committee of Independent Directors of the Transferee Company in the meeting held on 10<sup>th</sup> December, 2021, also reviewed and unanimously recommended the proposed Scheme of Arrangement to the Board of Directors, the Stock Exchanges, SEBI and other applicable regulatory authorities for its approval.
15. The Report on Valuation of Shares & Share Exchange Ratio issued by Mr Sandeep Kumar Agrawal, a Chartered Accountant and the IBBI Registered Valuer in respect of Securities or Financial Assets, and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers have been unanimously accepted by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company, based on the Report on Valuation of Shares & Share Exchange Ratio and on the basis of their independent evaluation and judgment, concluded that the proposed exchange ratio is fair and reasonable to the Shareholders and other stakeholders of all the Companies.

The proposed Scheme of Arrangement has been unanimously approved by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company in their respective meetings held on 10<sup>th</sup> December, 2021. None of the Directors voted against or abstained from voting on the resolution for approving the Scheme of Arrangement in the aforesaid meetings.

Further, the notices of the aforesaid meetings scheduled to be convened and held under the supervisions of the Hon'ble National Company Law Tribunal, the Explanatory Statement and other papers of the meetings have also been approved unanimously, by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company. None of the Directors voted against or abstained from voting on the resolution for approving the notice and other papers of the meetings.

16. In terms of the provisions of the SEBI Regulations, the Transferee Company has filed the requisite application(s) along with the draft Scheme of Arrangement and other documents with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) to obtain No Objection to the proposed Scheme of Arrangement.
17. As required by the SEBI Regulations, the Transferee Company filed Complaint Reports (indicating Nil Complaints) with BSE and NSE. After filing of Complaint Reports, the Transferee Company has not received any complaint from any investors.

Copies of the aforesaid Complaint Reports are enclosed herewith.

18. The Transferee Company has received no-objection/observation to the Scheme of Arrangement from BSE Limited vide its Letter No. DCS/AMAL/TL/IP/2331/2022-23 dated 17<sup>th</sup> May, 2022, and National Stock Exchange of India Limited vide its observation Letter No. NSE/LIST/29638 dated 20<sup>th</sup> May, 2022.

a. Relevant extracts from the Observation Letter issued by BSE are reproduced below:

*"We are in receipt of the Draft Composite Scheme of Arrangement of Mirza International Ltd as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 17, 2022, has, inter alia, given the following comment(s) on the draft Scheme of Arrangement:*

- *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed Company and the Stock Exchanges.*
- *Company shall ensure compliance with the said Circular.*
- *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of the Hon'ble NCLT.*
- *It is to be noted that the Petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/observations/representations.*

*In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the Scheme with Hon'ble NCLT.*

*Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017."*

b. Relevant extracts from the Observation Letter issued by NSE are reproduced below:

*"We are in receipt of the Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd*

(Resulting Company) and their respective Shareholders and Creditors vide Application dated January 08, 2022.

Based on our letter reference no. NSE/LIST/29638 dated March 28, 2022, submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended), kindly find following comments on the draft Scheme:

- a. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter is displayed on the websites of the listed Company and the Stock Exchanges.
- b. The Entities involved in the Scheme shall duly comply with various provisions of the said Circular.
- c. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of the Hon'ble NCLT.
- d. It is to be noted that the Petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchanges. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT."

19. Copies of the Observation Letters received from BSE and NSE are enclosed herewith.
20. The present Scheme of Arrangement, if approved in the aforesaid meetings, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad. No specific approval is required to be obtained from any other government authority for the present Scheme of Arrangement.
21. No proceedings for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, are pending against the Transferor Company, the Transferee Company and the Resulting Company.

22. Effect of the Scheme on the Promoters, Directors, Key Managerial Personnel, Shareholders, etc.:

- a. Promoters and/or Directors of the Transferor Company, the Transferee Company and the Resulting Company are deemed to be interested in the proposed Scheme of Arrangement to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies. Similarly, Key Managerial Personnel (KMP) of the Transferor Company, the Transferee Company and the Resulting Company may also be deemed to be interested in the proposed Scheme to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies.
- b. The proposed Scheme of Arrangement would not have any effect on the material interest of the Promoters, Directors and Key Managerial Personnel of the Transferor Company, the Transferee Company and the Resulting Company different from that of the interest of other shareholders, creditors and employees of these Companies.
- c. The proposed Scheme of Arrangement does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of any of the Transferor Company, the Transferee Company or the Resulting Company towards their respective creditors. The proposed Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Transferor Company, the Transferee Company or the Resulting Company in any manner whatsoever.
- d. The proposed Scheme of Arrangement will not have any adverse effect on the Secured Creditors, Un-Secured Creditors, Employees and other stakeholders, if any, of the Transferor Company, the Transferee Company or of the Resulting Company.

23. Shareholding of the Directors and Key Managerial Personnel

- A. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferor Company in the Transferor Company, Transferee Company and the Resulting Company either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Transferor Company	Transferee Company	Resulting Company
1.	Rashid Ahmed Mirza Director	22,35,900	1,36,65,520	1*
2.	Shahid Ahmad Mirza Director	18,61,800	1,49,81,465	1*
3.	Tauseef Ahmad Mirza Director	18,61,800	1,80,58,453	1*
4.	Tasneef Ahmad Mirza Director	16,09,500	1,40,76,104	1*

\* As nominee on behalf of Mirza International Limited

B. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferee Company in the Transferee Company, the Transferor Company and in the Resulting Company, either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Transferee Company	Transferor Company	Resulting Company
1.	Rashid Ahmed Mirza Managing Director	1,36,65,520	22,35,900	1*
2.	Shahid Ahmad Mirza Whole Time Director	1,49,81,465	18,61,800	1*
3.	Tauseef Ahmad Mirza Whole Time Director	1,80,58,453	18,61,800	1*
4.	Tasneef Ahmad Mirza Whole Time Director	1,40,76,104	16,09,500	1*
5.	Shuja Mirza Whole Time Director	1,02,02,099	3,39,300	1*
6.	Narendra Prasad Upadhyaya Whole Time Director	-	-	-
7.	Sudhindra Kumar Jain Independent Director	-	-	-
8.	Yashvir Singh Independent Director	-	-	-
9.	Qazi Noorus Salam Independent Director	-	-	-
10.	Sanjiv Gupta Independent Director	-	-	-
11.	Sanjay Bhalla Independent Director	-	-	-
12.	Saumya Srivastava Independent Director	-	-	-
13.	V. T. Cherian Chief Financial Officer	2,100	-	-
14.	Harshita Nagar Company Secretary & Compliance Officer	-	-	-

\* As nominee on behalf of Mirza International Limited

C. Detail of present Shareholding of the Directors and Key Managerial Personnel of the Resulting Company in the Resulting Company, the Transferor Company and the Transferee Company, either singly or jointly or as nominee, is as under:

Sl. No.	Name of Directors & KMP and their Designation	No. of Shares held as on 31.3.2022		
		Resulting Company	Transferor Company	Transferee Company
1.	Rashid Ahmed Mirza Director	1*	22,35,900	1,36,65,520
2.	Shuja Mirza Director	1*	3,39,300	1,02,02,099
3.	Arvind Verma Director	-	-	-
4.	Sanjay Bhalla Director	-	-	-

\* As nominee on behalf of Mirza International Limited

#### 24. Pre-Scheme Share Capital Structure

- i. Pre-Scheme Share Capital Structure of the Transferor Company is given below:

Particulars	No. of Shares (of ₹10 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	81,34,500	8,13,45,000

- ii. Pre-Scheme Share Capital Structure of the Transferee Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	12,03,06,000	24,06,12,000

- iii. Pre-Scheme Share Capital Structure of the Resulting Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Present Issued, Subscribed and Paid-up Equity Share Capital	50,000	1,00,000

#### 25. Post-Scheme Share Capital Structure

- A. In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.
- B. Post-Scheme Share Capital Structure of the Transferee Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Post-Scheme Issued, Subscribed and Paid-up Equity Share Capital	13,82,01,900	27,64,03,800

- C. Post-Scheme Share Capital Structure of the Resulting Company is given below:

Particulars	No. of Shares (of ₹2 each)	Amount (₹)
Post-Scheme Issued, Subscribed and Paid-up Equity Share Capital	13,82,01,900	27,64,03,800
Post-Scheme Issued, Subscribed and Paid-up 9% Compulsorily Redeemable Preference Share Capital	50,000	1,00,000

## 26. Pre and Post Scheme Shareholding Pattern

A. Pre-Scheme Equity Shareholding Pattern of the Transferor Company is given below:

Sl. No.	Category	Pre-Scheme	
		No. of fully paid-up Equity Shares of ₹10 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	81,34,500	100.00
	Total Shareholding of Promoters & Promoters' Group (A)	81,34,500	100.00
B	Public Shareholding	Nil	Nil
	Total Public Shareholding (B)	---	---
	Total (A+B)	81,34,500	100.00

\* In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.

B. Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Transferee Company is given below:

Sl. No.	Category	Pre-Scheme		Post-Scheme	
		No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital	No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	8,17,00,441	67.91	9,95,96,341	72.07
	Total Shareholding of Promoters & Promoters' Group (A)	8,17,00,441	67.91	9,95,96,341	72.07
B	Public Shareholding	3,86,05,559	32.09	3,86,05,559	27.93
	Total Public Shareholding (B)	3,86,05,559	32.09	3,86,05,559	27.93
	Total (A+B)	12,03,06,000	100.00	13,82,01,900	100.00

C. Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Resulting Company is given below:

Sl. No.	Category	Pre-Scheme		Post-Scheme	
		No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital	No. of fully paid-up Equity Shares of ₹2 each	% of total Equity Share Capital
A	Promoters & Promoters' Group	50,000	100.00	9,95,96,341	72.07
	Total Shareholding of Promoters & Promoters' Group (A)	50,000	100.00	9,95,96,341	72.07
B	Public Shareholding	-	-	3,86,05,559	27.93

	Total Public Shareholding (B)	-	-	3,86,05,559	27.93
	Total (A+B)	50,000	100.00	13,82,01,900	100.00

Detailed Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the listed Transferee Company is enclosed herewith.

Detailed Post-Scheme Equity Shareholding Pattern of the Resulting Company is also enclosed herewith.

27. A copy of the Scheme of Arrangement is being filed with the concerned Registrar of Companies.
28. Copies of the latest Audited Financial Statements of the Transferor Company, the Transferee Company and the Resulting Company for the year/period ended 31<sup>st</sup> March, 2022, along with the Auditors' Reports thereon, are enclosed herewith.
29. Compliance Report in terms of the provisions of the SEBI Scheme Master Circular is enclosed herewith.
30. Total amount due to Secured Creditors, as on 31<sup>st</sup> March, 2022, is given below:

Sl. No.	Secured Creditors of	Amount ₹
1.	RTS Fashions Pvt Ltd	Nil
2.	Mirza International Ltd	77,78,15,612
3.	Redtape Ltd	Nil

31. Total amount due to Un-secured Creditors [excluding Statutory and Other Dues], as on 31<sup>st</sup> March, 2022, is given below:

Sl. No.	Un-secured Creditors of	Amount ₹
1.	RTS Fashions Pvt Ltd	3,26,69,510
2.	Mirza International Ltd	252,03,76,832
3.	Redtape Ltd	5,000

32. The following documents will be available for inspection or for obtaining extracts from or for making or obtaining copies of, by the members and creditors at the registered office of the Transferor Company, the Transferee Company and the Resulting Company on any working day from the date of this notice till the date of meeting between 11:00 A.M. and 4:00 P.M.:
  - a. The Memorandum and Articles of Association of the Transferor Company, the Transferee Company and the Resulting Company.
  - b. The Audited Financial Statements of the Transferor Company, and Transferee Company for the last 3 years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2022.
  - c. Audited Financial Statements of the Resulting Company for the period ended 31<sup>st</sup> March, 2022.

- d. Register of Particulars of Directors and KMP and their Shareholding, of the Transferor Company, the Transferee Company and the Resulting Company.
  - e. Copy of the proposed Scheme of Arrangement.
  - f. Paper Books and proceedings of the Company Application No. CA (CAA) 11/ALD of 2022.
  - g. Copy of Order dated 14<sup>th</sup> June, 2022 (date of pronouncement), passed by the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad, in the Company Application No. CA (CAA) 11/ALD of 2022, jointly filed by the Transferor Company, the Transferee Company and the Resulting Company, in pursuance of which the aforesaid meetings are scheduled to be convened.
  - h. Report on Valuation of Shares & Share Exchange Ratio by Mr Sandeep Kumar Agrawal, a Chartered Accountant and the IBBI Registered Valuer in respect of Securities or Financial Assets.
  - i. Copy of the Fairness Opinion of Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers on the Share Valuation & Share Exchange Ratio.
  - j. Copies of the Certificates issued by the Statutory Auditors of the Transferor Company, the Transferee Company and the Resulting Company to the effect that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
  - k. Complaints Reports filed by the Transferee Company with BSE and NSE.
  - l. Compliance Report in terms of the provisions of the SEBI Scheme Master Circular.
  - m. Observation letters of BSE and NSE for the proposed Scheme of Arrangement conveying their No-Objection to the Scheme of Arrangement.
  - n. Applicable information of RTS Fashions Pvt Ltd and Redtape Ltd in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, along with the Certificate issued by Turnaround Corporate Advisors Pvt Ltd, SEBI Registered Category 1 Merchant Bankers.
33. A copy of the Scheme of Arrangement, Explanatory Statement and other annexures may be obtained free of charge on any working day (except Saturday) prior to the date of meeting, from the registered office of the Transferee Company; or from the office of the Legal Counsel-M/s Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar-II, Delhi Meerut Expressway/ NH-9, Delhi-110

091, India, Mobile: 88005 15597, e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com);  
Website: [www.rgalegal.in](http://www.rgalegal.in).

34. Notice of the meetings, Explanatory Statement and other documents are also being placed on the following website:

Particulars	Website
Mirza International Ltd	<a href="http://www.mirza.co.in">www.mirza.co.in</a>
BSE Ltd	<a href="http://www.bseindia.com">www.bseindia.com</a>
National Stock Exchange of India Ltd	<a href="http://www.nseindia.com">www.nseindia.com</a>

35. Please take note that since all the meetings are proposed to be held through Video Conferencing, option of attending the meetings through proxy is not applicable/available.

36. Facility of remote e-voting will be available during the prescribed period before the meeting as given in the notice of the meetings. e-voting system will also be available during the meeting. Instructions for attending the meetings through Video Conferencing; and for voting through e-voting system are given in the notice of meetings.

Dated this 29<sup>th</sup> day of June, 2022

For and on behalf of the Board of  
Directors  
For RTS Fashions Pvt Ltd

For and on behalf of the Board  
of Directors  
For Mirza International Ltd

Sd/-  
Tauseef Ahmad Mirza  
Director  
DIN: 00049037

Sd/-  
Tauseef Ahmad Mirza  
Whole Time Director  
DIN: 00049037

For and on behalf of the Board of  
Directors  
For Redtape Ltd

Sd/-  
Arvind Verma  
Director  
DIN: 09429834

COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PVT LTD,  
MIRZA INTERNATIONAL LTD AND REDTAPE LTD;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER  
SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION  
66 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS,  
IF ANY

A. Preamble

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business: The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business: The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business: The Company owns and operates one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza (UK) Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza (UK) Ltd is a London based company formed under the laws of United Kingdom. Mirza (UK) Ltd [Mirza UK] is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

The present Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company); and
- De-merger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd (the Transferee Company) into Redtape Ltd (the Resulting Company) on going concern basis.

B. Detailed Rationale of the Scheme:

- i. Amalgamation: Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:
  - a. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
  - b. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company-Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
  - c. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
  - d. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
  - e. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
  - f. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
  - g. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.
- ii. De-merger: Following are some of the specific advantages of the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- a. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
  - b. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
  - c. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
  - d. The proposed De-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
  - e. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
  - f. The proposed De-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
  - g. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.
- iii. The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.
- C. This Composite Scheme of Arrangement is framed in terms of 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.

The Composite Scheme of Arrangement 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.

D. Parts of the Scheme of Arrangement:

This Scheme provides for matters connected with the aforesaid Amalgamation and De-merger, etc. Accordingly, this Scheme is divided into the following parts:

Part-1 which deals with the Definitions and Share Capital of the Companies.

Part-2 which deals with Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd.

Part-3 which deals with De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd.

Part-4 which deals with Other General Terms and Conditions applicable to the Scheme.

## PART 1

### DEFINITIONS, SHARE CAPITAL AND RATIONALE FOR THE SCHEME

#### A. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given below:

- 1.1 **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.2 **"Amalgamation"** means amalgamation of RTS Fashions Pvt Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company) in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 **"Appointed Date"** means commencement of business on 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.
- 1.5 **"Board" or "Board of Directors"** means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.6 **"Demerged Business"** means the Branded Business/REDTAPE Business of Mirza International Ltd, which is proposed to be De-merged into Redtape Ltd. Demerged Business means all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Ltd, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business and shall include (without limitation):
  - a. Design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by Mirza International Ltd; and other related activities being carried on by Mirza International Ltd [Branded Business/REDTAPE Business].
  - b. Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd wherever situated pertaining thereto, including but not limited to the following:

- i. Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh.
  - ii. Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh.
  - iii. Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand.
  - iv. New Corporate Office (being the registered office of Redtape Ltd): Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
  - v. Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka.
  - vi. All Stores: Self rented & Franchise stores.
  - vii. All the vehicles being used for Redtape Business.
  - viii. Shareholding/ownership rights in Mirza Bangla Ltd, Bangladesh.
- c. Trademark and Tradename-REDTAPE and all other trademarks and Intellectual Property Rights which are being used in the Branded Business/REDTAPE Business including those listed in Schedule-1.
- d. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- e. Without prejudice to the generality of the above, Demerged Business shall include in particular:
- i. Land and building, plant and machinery and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights along with copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed Demerger.
  - iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relating to the Demerged Business.

- v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.
  - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business, which shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- f. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.
  - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- g. All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- h. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Transferee Company.

Brief description of the free hold land, lease hold land, trademarks and other IPR, etc., of the Demerged Business of the Transferee Company is set out in Schedule-1.

- 1.7 **"De-merger"** means transfer and vesting of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd, on going-concern basis, by way of de-merger into Redtape Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.8 **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.
- 1.9 **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.

- 1.10 **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.11 **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company or the Transferee Company, as the case may be, or in the nature of common law rights of the Transferor Company or the Transferee Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- 1.12 **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 National Company Law Tribunal means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/ "NCLT".
- 1.14 **"Record Date-1"** means the date to be fixed by the Board of Directors of the Transferor Company or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.
- 1.15 **"Record Date-2"** means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares to the Shareholders of the Transferor Company pursuant to amalgamation of the Transferor Company with the Transferee Company.
- 1.16 **"Record Date"** means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.17 **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

- 1.18 **"Remaining Business of the Transferee Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business. Without prejudice to the generality of this clause, the remaining business of the Transferee Company will include the following:
- i. Private Label/White Label Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Private Label/White Label Business.
  - ii. Tannery Business being carried on by Mirza International Ltd along with Land, building and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Tannery Business.
  - iii. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property rights being used by Mirza International Ltd for its remaining business.
- 1.19 Re-organisation of Share Capital means Re-organisation of pre-Scheme Share Capital of Redtape Ltd (the Resulting Company) whereby the entire pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000 will be cancelled and equal number of 9% Compulsorily Redeemable Preference Shares will be created in place of such cancelled equity share capital.
- 1.20 **"Resulting Company"** means Redtape Ltd being a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Plot No. 8, Sector-90, Noida 201 301, Uttar Pradesh, e-mail: [shuja@redtapeindia.com](mailto:shuja@redtapeindia.com).
- The Resulting Company-Redtape Ltd [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659; Income Tax Permanent Account No. (PAN): AAL CR 5032 R] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- 1.21 **"Scheme"** means the present 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; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.
- 1.22 **"Transferor Company"** means RTS Fashions Pvt Ltd being a company incorporated under the provisions of the Companies Act, 2013, and having

its registered office at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [cherian@redtapeindia.com](mailto:cherian@redtapeindia.com).

The Transferor Company-RTS Fashions Pvt Ltd [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284; Income Tax Permanent Account No. (PAN): AAJ CR 7652 R] (hereinafter referred to as "the Transferor Company/the Company") was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- 1.23 **"Transferee Company"** means Mirza International Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh; e-mail: [cherian@redtapeindia.com](mailto:cherian@redtapeindia.com); website: [www.mirza.co.in](http://www.mirza.co.in).

The Transferee Company-Mirza International Ltd [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821; Income Tax Permanent Account No. (PAN): AAE CM 3626 M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6<sup>th</sup> May, 1994, issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10<sup>th</sup> August, 2005 issued by the ROC, Kanpur.

It is clarified that for the purpose of the proposed amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd; Mirza International Ltd will be deemed to be the Transferee Company. Whereas for the purpose of De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd, Mirza International Ltd will be deemed to be the Demerged Company. However, for the sake of clarity and uniformity, Mirza International Ltd is referred to as the Transferee Company in the entire Scheme and other documents for the purpose of amalgamation as well as de-merger.

## B. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- i. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;
- ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- iii. the term "Clause" refers to the specified clause of this Scheme;
- iv. references to one gender includes all genders;

- v. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- vi. words denoting singular shall include the plural and vice versa;
- vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- viii. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- ix. references to dates and times shall be construed to be references to Indian dates and times.

### C. SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹8,13,45,000 divided into 81,34,500 Equity Shares of ₹10 each.
- ii. The present Authorised Share Capital of the Transferee Company is ₹51,25,00,000 divided into 25,62,50,000 Equity Shares of ₹2 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹24,06,12,000 divided into 12,03,06,000 Equity Shares of ₹2 each.
- iii. The present Authorised Share Capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Share Capital of the Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each.
- iv. The Transferor Company is a family owned, closely held private limited company. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE Ltd (Bombay Stock Exchange/BSE) and National Stock Exchange of India Ltd (National Stock Exchange/NSE). The Resulting Company is a wholly owned subsidiary of the Transferee Company. Entire issued and paid-up Equity Share Capital of the Resulting Company is beneficially owned by the Transferee Company.

The Transferor Company, the Transferee Company and the Resulting Company are under common management and control.

- v. Save as otherwise provided in this Scheme, there will be no change in the issued and paid-up share capital of the Transferor Company and the Resulting Company till the record date.
- vi. Further, there shall be no change in the Shareholding Pattern or Control in the Resulting Company-Redtape Ltd between the Record Date and the Listing which may affect the status of the approval given by BSE and NSE.

## PART-2

### AMALGAMATION OF RTS FASHIONS PVT LTD WITH MIRZA INTERNATIONAL LTD

#### 2.1 TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.
- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the Appointed Date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the

property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.

- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

## 2.2 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 2.2.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party thereto.
- 2.2.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- 2.2.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.

## 2.3 LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

## 2.4 DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

## 2.5 EMPLOYEES OF TRANSFEROR COMPANY

2.5.1 All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Company on the said date.

2.5.2 Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

## 2.6 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date,

- a. The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.
- b. The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- c. Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee

Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

- d. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.

## 2.7 ISSUE OF SHARES BY TRANSFEE COMPANY

- 2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:
  - a. 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.
- 2.7.2 Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.
- 2.7.3 New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.4 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5 In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each equity shareholders of the Transferor Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Transferee Company

on or before the Record Date, to receive the New Equity Share(s) of the Transferee Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Transferee Company in respect of any equity shareholder, the New Equity Shares of the Transferee Company shall be issued to such shareholders in physical form.

- 2.7.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferor Company pursuant to Clause 2.7.1 above.
- 2.7.7 Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Transferee Company.
- 2.7.8 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.
- 2.7.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Transferee Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.
- 2.7.10 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 2.7.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The Transferee Company will comply with the applicable provisions in this regard.

2.7.12 It is clarified that in the event of any change in the capital structure of the Transferee Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 2.7.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Transferee Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company.

## 2.8 UPON THIS SCHEME BECOMING EFFECTIVE:

2.8.1 Entire Issued Share Capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

2.8.2 Cross holding of shares between the Transferor Company and the Transferee Company, on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

2.8.3 The authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Arrangement by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

## 2.9 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted for in accordance

with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the Scheme in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

- a. All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- b. Cross investments or other inter-company balances, if any, will stand cancelled.
- c. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- d. Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against capital reserves, if any, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.
- e. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

## 2.10 COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## PART 3

### DE-MERGER OF BRANDED BUSINESS/REDTAPE BUSINESS OF MIRZA INTERNATIONAL LTD INTO REDTAPE LTD

#### 3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.6' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1 The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in Sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2 All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3 All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4 All the investments made by the Transferee Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Business, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of sections 230 & 232 of the Act.
- 3.1.5 The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other

encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.

- 3.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 3.1.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.8 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company, if any.
- 3.1.9 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.10 Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.11 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company from the Appointed Date.
- 3.1.12 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Transferee Company, which are being operated exclusively in relation to or in

connection with the Demerged Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferee Company, in relation to or in connection with the Demerged Business in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

- 3.1.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferee Company, in relation to or in connection with the Demerged Business, in the name of the Transferee Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Transferee Company, in relation to or in connection with the Demerged Business, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Transferee Company for such time as may be determined to be necessary by the Resulting Company for presentation and, deposition of cheques and pay orders that have been issued in the name of the Transferee Company, in relation to or in connection with the Demerged Business. It is hereby expressly clarified that any legal proceedings by or against the Transferee Company, in relation to or in connection with the Demerged Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferee Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

## 3.2 LEGAL PROCEEDINGS

- 3.2.1 All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.
- 3.2.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.
- 3.2.3 The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all

third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

- a. the filing, approval and implementation of the actions contemplated in this Scheme, or
- b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### 3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

3.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferee Company, in relation to the Demerged Business, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect and shall stand assigned/novated in favour of the Resulting Company, may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Transferee Company, in relation to the Demerged Business, the Resulting Company had been a party thereto.

3.3.2 It is expressly clarified that consent of the counterparties shall not be separately required for assignment of such contracts etc., in favour of Resulting Company.

3.3.3 The Resulting Company shall be obligated to fulfill all the obligations and covenants of aforesaid contracts, deeds, bonds, agreements and instruments in relation to the Demerged Business and indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions there under committed by the Transferee Company or the Resulting Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), prior to the Appointed Date or thereafter.

3.3.4 Pursuant to the de-merger of the Transferee Company, in case for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other such instruments, the Resulting Company is required to demonstrate experience, track record and credentials of the Transferee Company, then the experience, track record and credentials gained by the Transferee Company in the past prior to de-merger in relation to the Demerged Business, would be considered to be equivalent as the experience, track record and credentials of the Resulting Company.

### 3.4 PERMISSIONS

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferee Company, in relation to the Demerged Business, shall stand vested in or transferred to the Resulting Company

without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resulting Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferee Company, in relation to the Demerged Businesses, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions. It is specifically clarified that all the excise concessions, exemptions, benefits in terms of the Central Excise Act, 1944, Notifications, Circulars, Orders, Trade Notices, Guidelines, Clarifications and/or other Communications issued by the any appropriate competent authority; Income Tax holiday including benefits under Chapter VIA of the Income Tax Act, 1961; sales tax exemptions and benefits under the Central Sales Tax Act, 1956, exemptions and credits under the Central Goods and Services Tax Act, 2017 (GST) and other local sales tax laws; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger.

### 3.5 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Business into the Resulting Company as above and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceeding already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferee Company, in relation to the Demerged Business, in respect thereto as done and executed on behalf of the Resulting Company.

### 3.6 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

#### 3.6.1 With effect from the Appointed Date:

- a. The Transferee Company, in relation to the Demerged Business shall carry on and be deemed to have carried on the business and activities and shall possessed of their properties and assets for and in trust of the Resulting Company and all the profits/losses accruing, shall for all purposes be treated as profits/losses of the Resulting Company.
- b. The Transferee Company, in relation to the Demerged Business shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

### 3.7 STAFF, WORKMEN AND EMPLOYEES

- 3.7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resulting Company on

such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them with reference to the Transferee Company, in relation to the Demerged Business, on the Effective Date.

- 3.7.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferee Company, in relation to the Demerged Business, in relation to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

### 3.8 REMAINING BUSINESS OF THE TRANSFEREE COMPANY

Remaining Business of the Transferee Company to continue with Transferee Company

- 3.8.1 The Remaining Business of the Transferee Company and all the assets including immovable property, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferee Company.
- 3.8.2 All legal and other proceedings by or against the Transferee Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Transferee Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferee Company in respect of the Remaining Business of the Transferee Company) shall be continued and enforced by or against the Transferee Company.
- 3.8.3 With effect from the Appointed Date and including the Effective Date:
- a. The Transferee Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Transferee Company for and its own behalf.
  - b. All profit accruing to the Transferee Company thereon or losses arising or incurred by it relating to the Remaining Business of the Transferee Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Transferee Company.

### 3.9 Issue of Shares by the Resulting Company

- 3.9.1 Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the

Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- 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.

- 3.9.2 New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.
- 3.9.3 The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.4 Further, approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval by the shareholders for enabling investment by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors (FPIs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company, equivalent to the percentage holding allowed in the Transferee Company. The Resulting Company shall, upon the coming into effect of the Scheme, intimate the RBI and comply with such other requirements as mandated by the extant Foreign Exchange Regulations relating thereto.
- 3.9.5 In respect of the equity shares in the Transferee Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu hereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferee Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferee Company to the Resulting Company on or before the Record Date-2. In respect of the equity shares of the Transferee Company held in physical form, each equity shareholders of the Transferee Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date-2, to receive the New Equity Share(s) of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. If such notice has not been received by the Resulting Company in respect of any equity shareholder, the New Equity Shares of the Resulting Company shall be issued to such shareholders in physical form.
- 3.9.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record

Date-2, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.

- 3.9.7 Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.
  - 3.9.8 It is, however, clarified that provisions of this Scheme regarding issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.
  - 3.9.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company.
  - 3.9.10 In case any Promoters' holding in the Resulting Company and/or new Shares to be issued in the Resulting Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
  - 3.9.11 Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The concerned Company will comply with the applicable provisions in this regard.
- 3.10 Re-organisation of Capital of the Resulting Company and other matters
- 3.10.1 Present issued and paid-up share capital of the Resulting Company is ₹1,00,000 divided into 50,000 Equity Shares of ₹2 each, which is held entirely by the Transferee Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective,

the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

- 3.10.2 Accordingly, upon the Scheme coming into effect, the Resulting Company will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹2 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4 It is clarified that the aforesaid Re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.
- 3.10.5 It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed Re-organisation of Share Capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

### 3.11 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, De-merger of the Branded Business/REDTAPE Business of the Transferee Company into the Resulting Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

Without prejudice to the generality of the aforesaid, the accounting treatment in respect of certain specific matters in the books of accounts of the Companies shall be as set out below:

- 3.11.1 In the books of the Transferee Company
  - a. All the assets and liabilities pertaining to the Demerged Business, which cease to be the assets and liabilities of the Transferee Company, will be reduced from the books of accounts of the Transferee Company at their respective carrying values as on the Appointed Date.
  - b. The difference, i.e., the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Business will be adjusted against the Capital Reserves, Securities

Premium Account, and other Reserves & Surplus, in that order, in books of the Transferee Company.

### 3.11.2 In the books of the Resulting Company

- a. The Resulting Company shall record the assets and liabilities pertaining to the Demerged Business vested in it pursuant to this Scheme, at the values as appearing in the books of the Transferee Company as on the Appointed Date.
- b. The Resulting Company shall credit to the Share Capital Account, in the books of accounts, the aggregate face value of the new Equity Shares to be issued by it to the Shareholders of the Transferee Company pursuant to Clause 3.9.1 of the Scheme.
- c. The difference, i.e., the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Business and received from the Transferee Company pursuant to the Scheme after taking into account the face value of the shares issued by the Resulting Company, shall be credited or debited to the reserves of the Resulting Company, in terms of the provisions of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.11.3 It is, however, clarified that the Board of Directors of the Transferee Company and the Resulting Company, in consultation with the respective Statutory Auditors, may account for the present de-merger in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.12 It is clarified that Re-organisation/reduction of the paid-up share capital, reserves & surplus, including utilisation of securities premium account in terms of this Scheme, of the Transferee Company and/or the Resulting Company, as the case may be, shall be affected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Transferee Company and the Resulting Company, as the case may be, and sanction by the Tribunal under Sections 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Sections 52 and 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the Re-organization/reduction of the paid-up share capital, reserves & surplus, including utilisation of securities premium account in terms of this Scheme, of the Transferee Company and/or the Resulting Company, as the case may be. Such re-organisation/reduction of share capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Transferee Company and the Resulting Company are not proposing any buy-back of shares from their respective shareholders. Accordingly, the Transferee Company and the Resulting Company shall not be required to add "and reduced" as a suffix to their respective names.

### 3.13 COMPLIANCE WITH TAX LAWS

- a. The De-merger of the Demerged Business of the Transferee Company into the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any.
- b. This Scheme has been drawn up to comply with the conditions relating to "De-merger" as defined under Section 2(19AA) of the Income Tax

Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## PART 4

### OTHER TERMS AND CONDITIONS

#### 4.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

- 4.1.1 The Transferor Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- 4.1.2 The Transferee Company will make necessary application(s)/petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate **Bench of the Hon'ble National Company Law Tribunal** and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.
- 4.1.3 The Resulting Company will also make necessary application(s)/ petition(s) under the provisions of Sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate **Bench of the Hon'ble National Company Law Tribunal** and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

#### 4.2 COMPLIANCE WITH SEBI REGULATIONS

- a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November, 2021, issued by the SEBI ("the SEBI Scheme Circular"), as amended from time to time, and other applicable provisions, if any, the present Scheme of Arrangement is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferee Company by passing a Resolution through e-voting and other means, as may be applicable. The Scheme is conditional upon the Scheme being approved by the public shareholders through e-voting in terms of **Para 'A' '10(b)' of Part-I** of the SEBI Scheme Circular. The Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- b. Notwithstanding above, the Transferor Company, the Transferee Company and the Resulting Company will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.

- c. BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

#### 4.3 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 4.3.1 The Transferor Company, the Transferee Company and the Resulting Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 4.3.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

#### 4.4 OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

#### 4.5 AUTHORISED SHARE CAPITAL

Save as provided in this Scheme, the concerned Transferee Company and the Resulting Company, as the case may be, will increase/modify their respective Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of the Transferee Company and the Resulting Company will be sufficient for such the modification/increase in the authorised share capital and no further approval will be required for the same.

#### 4.6 IMPLEMENTATION OF THE SCHEME:

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Scheme of Arrangement will be implemented in that order:

- i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd as provided in Part-2 of this Scheme; and issue of shares by the Transferee Company to the Shareholders of the Transferor Company, as on Record Date-1, pursuant to such amalgamation.
- ii. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd as provided in Part-3 of this Scheme; and issue of shares by the Resulting Company to the Shareholders of the Transferee Company, as on Record Date-2,

pursuant to such de-merger. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

Re-organisation/reduction of Share Capital of Redtape Ltd, as provided in Part-3 of this Scheme will be implemented simultaneously with the De-merger.

#### 4.7 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation and De-merger in pursuance of this Scheme, shall be borne and paid by the Transferee Company and the Resulting Company, equally. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation and de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

*Legal Consultants of the Scheme:*

*Rajeev Goel & Associates  
Advocates and Solicitors  
785, Pocket-E, Mayur Vihar II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 93124 09354  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)*

*Schedule-1 to the Scheme of Arrangement*

Brief description of the immovable property and IPRs of Branded Business/REDTAPE Business of Mirza International Ltd to be De-merged into Redtape Ltd

1. List of Immovable Property

A. Freehold Property

Sl. No.	Particulars
1.	Unit-8 & 9: Plot No. 18-19, Nand Nagar Industrial Estate, Phase-1, Mahua Khera Ganj, Kashipur, Udham Singh Nagar, Uttarakhand

B. Leasehold Property

Sl. No.	Particulars
1.	Unit-5: UPSIDC Industrial Area, Site-II, Unnao, Uttar Pradesh
2.	Unit-3: C-4/5, 36/37, Sector-59, Noida, Uttar Pradesh
3.	New Corporate Office (being the registered office of Redtape Ltd): Plot 8, Sec-90, Noida, Uttar Pradesh
4.	Rented Warehouse Bangalore: SY No. 74/P56 OD Adur, Bidarhalli, Hobli, Near, Paramount School, Bangalore, Karnataka
5.	All Stores: Self rented & Franchise stores

2. List of Intellectual Property

Global list of trademarks and IPRs of Redtape Business

1. India

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
BOND STREET	642399	1994-10-07	25	Registered	2024-10-07
O A K R I D E G	730633	1996-08-30	18	Registered	2026-08-30
OAKRIDGE	744160	1996-10-16	24	Registered	2026-10-16
OAKRIDGE	744161	1996-10-16	28	Registered	2026-10-16
RED TAPE	758075	1997-04-21	18	Rectification Filed	2027-04-21
RED TAPE	758080	1997-04-21	28	Registered	2027-04-21
RED TAPE	758081	1997-04-21	25	Registered	2027-04-21
ALLOY	791888	1998-02-18	28	Registered	2028-02-18
ALLOY	791889	1998-02-18	24	Registered	2028-02-18
ALLOY	791890	1998-02-18	25	Registered	2028-02-18
RED TAPE (LABEL)	822804	1998-10-13	25	Registered	2028-10-13
OAKRIDGE	823846	1998-10-20	25	Registered	2028-10-20
A L L O Y	824286	1998-10-26	18	Registered	2028-10-26
OAKRIDGE	824289	1998-10-26	28	Registered	2028-10-26
OAKRIDGE	824290	1998-10-26	18	Registered	2028-10-26
MISC GEOM (DEVICE)	824291	1998-10-26	28	Registered	2028-10-26
RED TAPE (LABEL)	824293	1998-10-26	24	Registered	2028-10-26
Red Tape (LABEL)	824294	1998-10-26	28	Registered	2028-10-26
RED TAPE	824295	1998-10-26	18	Registered	2028-10-26
O Z A R K	825672	1998-11-02	18	Registered	2028-11-02

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
OZARK	825673	1998-11-02	25	Registered	2028-11-02
O Z A R K	825674	1998-11-02	28	Registered	2028-11-02
BOND STREET	827135	1998-11-12	18	Registered	2028-11-12
BOND STREET	827136	1998-11-12	28	Registered	2028-11-12
R E D T A P E	856107	1999-05-13	3	Registered	2029-05-13
RED TAPE	856108	1999-05-13	7	Registered	2029-05-13
R E D T A P E	856109	1999-05-13	9	Registered	2029-05-13
R E D T A P E	856110	1999-05-13	11	Registered	2029-05-13
R E D T A P E	856111	1999-05-13	12	Registered	2029-05-13
R E D T A P E	856112	1999-05-13	16	Registered	2029-05-13
R E D T A P E	856113	1999-05-13	21	Registered	2029-05-13
R E D T A P E	856114	1999-05-13	32	Registered	2029-05-13
R E D T A P E	856115	1999-05-13	33	Registered	2029-05-13
R E D T A P E	856116	1999-05-13	34	Registered	2029-05-13
MODE	1256642	2003-12-22	25	Registered	2023-12-22
RED TAPE RACING	1404180	2005-12-06	25	Registered	2025-12-06
RED TAPE WITH LABEL	1469760	2006-07-13	25	Objected	
DEVICE MARK	1665637	2008-03-17	25	Registered	2028-03-17
RED TAPE	1725354	2008-08-26	1	Registered	2028-08-26
RED TAPE	1725355	2008-08-26	2	Registered	2028-08-26
RED TAPE	1725356	2008-08-26	4	Registered	2028-08-26
RED TAPE	1725357	2008-08-26	5	Registered	2028-08-26
RED TAPE	1725358	2008-08-26	6	Registered	2028-08-26
RED TAPE	1725359	2008-08-26	8	Registered	2028-08-26
RED TAPE	1725360	2008-08-26	10	Registered	2028-08-26
RED TAPE	1725361	2008-08-26	13	Registered	2028-08-26
RED TAPE	1725362	2008-08-26	14	Registered	2028-08-26
RED TAPE	1725363	2008-08-26	15	Registered	2028-08-26
RED TAPE	1725364	2008-08-26	17	Registered	2028-08-26
RED TAPE	1725365	2008-08-26	19	Registered	2028-08-26
RED TAPE	1725366	2008-08-26	20	Registered	2028-08-26
RED TAPE	1725367	2008-08-26	22	Registered	2028-08-26
RED TAPE	1725368	2008-08-26	23	Registered	2028-08-26
RED TAPE	1725369	2008-08-26	26	Registered	2028-08-26
RED TAPE	1725370	2008-08-26	27	Registered	2028-08-26
RED TAPE	1725371	2008-08-26	29	Registered	2028-08-26
RED TAPE	1725372	2008-08-26	30	Registered	2028-08-26
RED TAPE	1725373	2008-08-26	31	Registered	2028-08-26
RED TAPE	1725374	2008-08-26	35	Registered	2028-08-26
RED TAPE	1725375	2008-08-26	36	Registered	2028-08-26
RED TAPE	1725376	2008-08-26	37	Registered	2028-08-26
RED TAPE	1725377	2008-08-26	38	Registered	2028-08-26
RED TAPE	1725378	2008-08-26	39	Registered	2028-08-26
RED TAPE	1725379	2008-08-26	40	Registered	2028-08-26
RED TAPE	1725380	2008-08-26	41	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	45	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	42	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	43	Registered	2028-08-26
RED TAPE	1725381	2008-08-26	44	Registered	2028-08-26
RTFL REDTAPE	1811880	2009-04-27	18	Registered	2029-04-27

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
DEVICE WITH LABEL	1811881	2009-04-27	25	Registered	2029-04-27
RTFL REDTAPE	1811882	2009-04-27	25	Registered	2029-04-27
RED TREE	1925755	2010-02-22	43	Registered	2030-02-22
REDTAPE RTX	2445461	2012-12-20	25	Registered	2022-12-20
REDTAPE RTX	2445462	2012-12-20	18	Registered	2022-12-20
DEVICE	3029736	2015-08-12	25	Registered	2025-08-12
DEVICE	3029738	2015-08-12	25	Registered	2025-08-12
DEVICE	3061486	2015-09-23	18	Registered	2025-09-23
REDTAPE	3174128	2016-02-02	25	Registered	2026-02-02
BOND STREET REDTAPE LONDON	3254190	2016-05-09	25	Registered	2026-05-09
NEVER STEP BACK	3295666	2016-06-28	25	Registered	2026-06-28
REDTAPE	3295667	2016-06-28	25	Registered	2026-06-28
DEVICE	3304442	2016-07-08	25	Registered	2026-07-08
DEVICE	3304443	2016-07-08	25	Registered	2026-07-08
RED TAPE FLOW + TAPE	3433883	2016-12-16	25	Registered	2026-12-16
RED SHOES	3536467	2017-04-28	25	Registered	2027-04-28
RED TAPE	3536468	2017-04-28	25	Objected	
RED TAPE	3565176	2017-06-07	25	Registered	2027-06-07
MODE	3739739	2018-01-30	25	Registered	2028-01-30
TOKYO DRIFT	3739740	2018-01-30	25	Registered	2028-01-30
MODE REDTAPE LONDON	3750161	2018-02-09	25	Registered	2028-02-09
DEVICE	3752181	2018-02-13	25	Registered	2028-02-13
OZARK	3752182	2018-02-13	25	Registered	2028-02-13
XCVI	3806972	2018-04-16	25	Registered	2028-04-16
REDTAPE AUTHENTIC CASUALS	3917650	2018-08-16	25	Opposed	
REDTAPE	3917651	2018-08-16	25	Opposed	
REDTAPE SPORTS	3917652	2018-08-16	25	Opposed	
REDTAPE With Device	3917653	2018-08-16	25	Opposed	
OZARK REDTAPE	3917654	2018-08-16	25	Objected	
MODE REDTAPE LONDON	3917655	2018-08-16	25	Registered	2028-08-16
REDTAPE BARBADOS COLLECTION	3917656	2018-08-16	25	Registered	2028-08-16
Alloy With Device	3917657	2018-08-16	25	Opposed	
BOND STREET REDTAPE LONDON	3917658	2018-08-16	25	Registered	2028-08-16
RED	3953626	2018-09-24	25	Objected	
HOUSE OF RED	3962785	2018-10-03	25	Registered	2028-10-03
Redtape	4046042	2019-01-04	25	Registered	2029-01-04
REDTAPE	4046415	2019-01-04	25	Opposed	
DEVICE	4151424	2019-04-18	25	Registered	2029-04-18
DEVICE	4151425	2019-04-18	25	Accepted & Advertised	
BOND STREET with Device	4250196	2019-07-30	25	Registered	2029-07-30
BOND STREET with Device	4250197	2019-07-30	18	Registered	2029-07-30
DEVICE of BEE	4309597	2019-10-01	25	Objected	

TM	APPL_NO	APPL_DATE	CLASS	STATUS	VALID UPTO
UMRAO JAAN	4319033	2019-10-12	25	Objected	
Device	4347711	2019-11-14	25	Registered	2029-11-14
RED TAPE FLOW PRO	4378030	2019-12-14	25	Registered	2029-12-14
RED TAPE AIR +	4378031	2019-12-14	25	Registered	2029-12-14
RED TAPE BOUNCE +	4378033	2019-12-14	25	Registered	2029-12-14
AIR+	4505943	2020-05-20	25	Objected	
BOLT+	4505944	2020-05-20	25	Objected	
DRIFT	4505945	2020-05-20	25	Objected	
RED TAPE DRIFT+	4775423	2020-12-10	25	Accepted & Advertised	
MODE	4779872	2020-12-14	35	Objected	
MODE REDTAPE LONDON	4779873	2020-12-14	35	Objected	
RED TAPE WITH WINGS LOGO	4822863	2021-01-16	25	Accepted	
DUAL+	4884790	01-03-2021	25	Objected	
AIR+ RED TAPE	4886451	02-03-2021	25	Objected	
Red Tape Arch+	4957683	27-04-2021	25	Accepted & Advertised	
Red Tape Gel+	4967177	07-05-2021	25	Registered	
REDTAPE	4998028	08-06-2021	25	Opposed	
MODE	4998029	08-06-2021	25	Opposed	
MODE REDTAPE	5127644	11-09-2021	25	Advertised	
Red Tape Sunnies	5127643	11-09-2021	25	Accepted & Advertised	
DEVICE	2913388	2015-03-02	18	Registered	2025-03-02
DEVICE OF BIRD	2913389	2015-03-02	24	Registered	2025-03-02
DEVICE OF BIRD	2913390	2015-03-02	25	Registered	2025-03-02
DEVICES	2913391	2015-03-02	28	Registered	2025-03-02
DEVICES	2913391	2015-03-02	28	Registered	2025-03-02
DEVICE	3050520	2015-09-09	28	Registered	2025-09-09
DEVICE	3061483	2015-09-23	28	Registered	2025-09-23
DEVICE	3061485	2015-09-23	24	Registered	2025-09-23







## 2. Europe

Country	Appl. no.	Pat./Reg.no	Reg. date	Keyword/Mark/Design	Logo	Classes	Nat. fil. date
EU	014661706	014661706	30-08-2016	Mountain Goat		25	09-10-2015
EU	013738117	013738117	07-07-2015	Eagle logo		18, 24, 25, 28	13-02-2015
EU	000461202	000461202	03-03-2000	ALLOY		18, 24, 25	10-02-1997
EU	018183906	018183906	11-06-2020	BOND STREET Logo		18,25	20-01-2020
EU	000461210	000461210	14-06-1999	RED TAPE		18, 24, 25, 28	10-02-1997
EU	001168590	001168590	18-09-2000	RED TAPE		3, 14	11-05-1999
EU	018345327			RED TAPE AIR+		25	26-11-2020
EU	009763269	009763269	24/02/2011	Wings logo		24, 28, 35	24-02-2011
EU	011872091	011872091	05/06/2013	Wings logo (in colour)		3, 14, 18, 25, 28, 35	05-06-2013

### 3. United Kingdom

Country	Appl. no.	Pat./Reg.no	Reg. date	Keyword/ Mark/Design	Logo	Classes	Nat. fil. date
UK	013738117	013738117	07-07-2015	Eagle logo		18, 24, 25, 28	13-02-2015
UK	018183906	UK00918183906	11-06-2020	BOND STREET Logo		18,25	
UK	000461210	000461210	14-06-1999	RED TAPE		18, 24, 25, 28	
UK	001168590	001168590	18-09-2000	RED TAPE		3, 14	
UK	018345327			RED TAPE AIR+		25	26-11-2020
UK	2625418	2625418	21/06/2012	Wings logo		18, 25	21-06-2012
UK	011872091	011872091	05/06/2013	Wings logo (in colour)		3, 14, 18, 25, 28, 35	05-06-2013



### 4. Middle East

Country	Appl. no./Reg No.	Keyword/Mark/Design	Logo	Classes	
UAE	302921	RED TAPE		18	
UAE	302925	RED TAPE		25	
UAE	355654	Bond Street Logo		25	
UAE	306849	LION LOGO		25	
UAE	306850	LION LOGO		25	
UAE	355655	Wings Logo		25	
UAE	357179	MODE REDTAPE		25	
UAE		AIR+		25	
Kuwait	2018/010144	RED TAPE		18	
Kuwait	2018/010142	RED TAPE		25	
Kuwait	KW1631968	Bond Street Logo		25	
Kuwait	KW1631969	Wings Logo		25	
Kuwait	2019/001581	LION LOGO		18	
Kuwait	2019/001580	LION LOGO		25	
Kuwait	2021/009916	MODE REDTAPE		25	
Kuwait		AIR+		25	
Qatar	127528	RED TAPE		18	
Qatar	127529	RED TAPE		25	
Qatar	148930	Bond Street Logo		25	
Qatar	148931	Wings Logo		25	
Qatar	129930	LION LOGO		18	
Qatar	129931	LION LOGO		25	
Qatar	149558	MODE REDTAPE		25	
Qatar		AIR+		25	
Saudi Arabia	166262	RED TAPE		18	
Saudi Arabia	166263	RED TAPE		25	
Saudi Arabia	1442038570	Bond Street Logo		25	
Saudi Arabia	1442038569	Wings Logo		25	
Saudi Arabia	175012	1440015949	LION LOGO		18
Saudi Arabia	175013	1440015950	LION LOGO		25
Saudi Arabia	312320	MODE REDTAPE		25	
Saudi Arabia		AIR+		25	


5. Africa


Country	Appl. no.	Keyword/Mark/Design	Classes
Nigeria	F/TM/O/2019/153206	RED TAPE (LOGO)	18
Nigeria	F/TM/O/2019/153207	RED TAPE (LOGO)	25
Nigeria	F/TM/O/2019/153208	RED TAPE SPORTS (LOGO)	18
Nigeria	F/TM/O/2019/153210	RED TAPE SPORTS (LOGO)	25
Nigeria	F/TM/O/2019/153212	BOND STREET (LOGO)	18
Nigeria	F/TM/O/2019/153213	BOND STREET (LOGO)	25
Nigeria	F/TM/O/2019/153214	MODE (LOGO)	18
Nigeria	F/TM/O/2019/153215	MODE (LOGO)	25
Nigeria	F/TM/O/2019/153216	LION (LOGO)	18
Nigeria	F/TM/O/2019/153217	LION (LOGO)	25
Mozambique	36000/2018	RED TAPE	25
South Africa	1997/02867	RED TAPE	25
South Africa	2002/20220	RED TAPE	18
Ethiopia	FTM/12680/2021	RED TAPE	18,25
Ethiopia	FTM/12679/2021	RED TAPE (LOGO)	18,25

6. Asia – IND

Country	Appl. no./Reg No.	Keyword/Mark/Design	Logos	Classes	Filing Date
Bangladesh	228132	RED TAPE		18	28-10-2018
Bangladesh	228131	RED TAPE		25	28-10-2018
Bangladesh	228129	MODE		18	28-10-2018
Bangladesh	228130	MODE		25	28-10-2018
Bangladesh	228134	BOND STREET		18	28-10-2018
Bangladesh	228133	BOND STREET		25	28-10-2018
Sri Lanka	LK/T/1/235446	RED TAPE		25	23-10-2018
Sri Lanka	172550	RED TAPE		18	29-06-2012
Sri Lanka		BOND STREET		18	
Sri Lanka		BOND STREET		25	
Sri Lanka		MODE		18	
Sri Lanka		MODE		25	
Sri Lanka	239160	LION LOGO		18	27-02-2019
Sri Lanka	239159	LION LOGO		25	27-02-2019
China	F00018968	Mode			
China	F00018970	Bond Street			
China		RED TAPE		25	
China	F00018971	RED TAPE			27-01-2021
China	F00018969	RED TAPE (LOGO)			27-01-2021
Pakistan	150523	RED TAPE		25	
Pakistan	150525	RED TAPE		18	
Myanmar	13531/2018	RED TAPE		18, 25	06-12-2018
Malaysia	2018072970	RED TAPE		18	30-10-2018
Malaysia	2018072971	RED TAPE		25	30-10-2018
Hong Kong	99/11416	RED TAPE		18	24-08-1999
Nepal	31260	RED TAPE		18	
Nepal	32474	RED TAPE		25	
Afganistan	14248	22678	RED TAPE	18	
Afganistan	14247	22679	RED TAPE	25	
Afganistan	14245	22680	RED TAPE (LOGO)	18	
Afganistan	14246	22681	RED TAPE (LOGO)	25	

7. Others

Country	Appl No. / Registration No.		APPL_DATE	TM	Logo	CL
Australia	728952	728952	04-12-1997	RED TAPE		18, 25
Canada	893475	551529	25-09-2001	RED TAPE		N/A
New Zealand	287800	287800	08-02-2000	RED TAPE		25
USA	75/564821	2462230	19-06-2001	RED TAPE		25
Albania	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Albania	IAOI 1795	1576773		MODE		25
Albania	IAOI 1794	1558679		BOND STREET (LOGO)		25
Algeria	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Algeria	IAOI 1795	1576773		MODE		25
Algeria	IAOI 1794	1558679		BOND STREET (LOGO)		25
Azerbaijan	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Azerbaijan	IAOI 1795	1576773		MODE		25
Azerbaijan	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bahrain	IAOI 1222	1475241		LION LOGO		25
Bahrain		1527936		Wings Logo		25
Bahrain		1415940	10-07-2019	RED TAPE		25
Bahrain	IAOI 853	1415967		BOND STREET LOGO		25
Bosnia & Herz	IAOI 1795	1576773		MODE		25
Bosnia & Herz	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bosnia & Herzr	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Botswana		1415940		RED TAPE		25
Botswana	IAOI 1795	1576773		MODE		25
Botswana	IAOI 1794	1558679		BOND STREET (LOGO)		25
Bulgaria	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Bulgaria	IAOI 1795	1576773		MODE		25
Bulgaria	IAOI 1794	1558679		BOND STREET (LOGO)		25
Cambodia		1415940	01-03-2018	RED TAPE		25
Cambodia	IAOI 853	1415967		BOND STREET LOGO		25
Egypt		1527936		Wings Logo		25
Egypt		688723		RED TAPE		18, 24, 25, 28
Egypt	IAOI 1795	1576773		MODE		25
Egypt	IAOI 853	1415967		BOND STREET LOGO		25
Georgia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Georgia	IAOI 1795	1576773		MODE		25
Georgia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Greece	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Greece	IAOI 1795	1576773		MODE		25
Greece	IAOI 1794	1558679		BOND STREET (LOGO)		25
Indonesia		1415940	01-03-2018	RED TAPE		25
Indonesia	IAOI 853	1415967		BOND STREET LOGO		25

Country	Appl No. / Registration No.		APPL_DATE	TM	Logo	CL
Iran	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Iran	IAOI 1795	1576773		MODE		25
Iran	IAOI 1794	1558679		BOND STREET (LOGO)		25
Japan		688723		RED TAPE		18, 24, 25, 28
Kenya		1415940		RED TAPE		25
Kenya	IAOI 1795	1576773		MODE		25
Kenya	IAOI 1794	1558679		BOND STREET (LOGO)		25
Kyrgyzstan	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Kyrgyzstan	IAOI 1795	1576773		MODE		25
Kyrgyzstan	IAOI 1794	1558679		BOND STREET (LOGO)		25
Lao		1415940	01-03-2018	RED TAPE		25
Lao	IAOI 853	1415967		BOND STREET LOGO		25
Mexico		688723		RED TAPE		18, 24, 25, 28
Monaco		688723		RED TAPE		18, 24, 25, 28
Montenegro	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Montenegro	IAOI 1795	1576773		MODE		25
Montenegro	IAOI 1794	1558679		BOND STREET (LOGO)		25
Morocco		1527936		Wings Logo		25
Morocco	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Morocco	IAOI 1795	1576773		MODE		25
Morocco	IAOI 853	1415967		BOND STREET LOGO		25
Namibia	IAOI 1795	1576773		MODE		25
Namibia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Namibia		1415940		RED TAPE		25
North Macedonia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
North Macedonia	IAOI 1795	1576773		MODE		25
North Macedonia	IAOI 1794	1558679		BOND STREET (LOGO)		25
Oman	IAOI 1222	1475241		LION LOGO		25
Oman		1527936		Wings Logo		25
Oman		688723		RED TAPE		18, 24, 25, 28
Oman	IAOI 853	1415967		BOND STREET LOGO		25
Philippines		1415940	01-03-2018	RED TAPE		25
Philippines	IAOI 853	1415967		BOND STREET LOGO		25
Portugal	IAOI 853	1415967		BOND STREET LOGO		25
Romania	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25
Romania	IAOI 1795	1576773		MODE		25
Romania	IAOI 1794	1558679		BOND STREET (LOGO)		25
Russia	IAOI 1987	1582375		RED TAPE + WINGS LOGO		25

Country	Appl No. / Registration No.	APPL_DATE	TM	Logo	CL
Russia		688723		RED TAPE	18, 24, 25, 28
Russia	IAOI 1795	1576773		MODE	25
Russia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Rwanda		1415940		RED TAPE	25
Rwanda	IAOI 1795	1576773		MODE	25
Rwanda	IAOI 1794	1558679		BOND STREET (LOGO)	25
Serbia	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Serbia	IAOI 1795	1576773		MODE	25
Serbia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Singapore		1415940	01-03-2018	RED TAPE	25
Singapore	IAOI 853	1415967		BOND STREET LOGO	25
South Korea		688723		RED TAPE	18, 24, 25, 28
Spain	IAOI 853	1415967		BOND STREET LOGO	25
Switzerland		688723		RED TAPE	18, 24, 25, 28
Syria	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Syria	IAOI 1795	1576773		MODE	25
Syria	IAOI 1794	1558679		BOND STREET (LOGO)	25
Tajikistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Tajikistan	IAOI 1795	1576773		MODE	25
Tajikistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Thailand		1415940	01-03-2018	RED TAPE	25
Thailand	IAOI 853	1415967		BOND STREET LOGO	25
Tunisia	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Tunisia	IAOI 1795	1576773		MODE	25
Tunisia	IAOI 1794	1558679		BOND STREET (LOGO)	25
Turkey		1527936		Wings Logo	25
Turkey		1415940	28/06/2019	RED TAPE	25
Turkey	IAOI 853	1415967		BOND STREET LOGO	25
Turkmenistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Turkmenistan	IAOI 1795	1576773		MODE	25
Turkmenistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Uzbekistan	IAOI 1987	1582375		RED TAPE + WINGS LOGO	25
Uzbekistan	IAOI 1795	1576773		MODE	25
Uzbekistan	IAOI 1794	1558679		BOND STREET (LOGO)	25
Vietnam		1415940	01-03-2018	RED TAPE	25
Vietnam	IAOI 853	1415967		BOND STREET LOGO	25

**Pre and Post Arrangement shareholding pattern for all companies involved in the Scheme of Arrangement**

		Transferor Company		Transferee Company				Resulting Company					
		RTS Fashions Pvt Ltd		Mirza International Ltd.				Redtape Limited					
		Pre-arrangement (Equity)		Pre-arrangement (Equity)		Post -arrangement (Equity)		Pre-arrangement (Equity)		Post -arrangement (Equity)		Post -arrangement (Redeemable Preference Shares)	
Sr	Description	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%	No.of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>												
<b>1</b>	<b>Indian</b>												
(a)	Individuals/ Hindu Undivided Family	58,98,600	72.51	6,22,84,071	51.77	7,52,60,991	54.46			7,52,60,991	54.46		
(b)	Central Government/ State Government(s)	0	0.00	0	0.00	0	0.00			0	0.00		
(c)	Bodies Corporate	0	0.00	0	0.00	0	0.00	50,000	100.00	0	0.00	50,000	100.00
(d)	Financial Institutions/ Banks	0	0.00	0	0.00	0	0.00			0	0.00		
(e)	Any Others	0	0.00	0	0.00	0	0.00			0	0.00		
	<b>Sub Total(A)(1)</b>	<b>58,98,600</b>	<b>72.51</b>	<b>6,22,84,071</b>	<b>51.77</b>	<b>7,52,60,991</b>	<b>54.46</b>	<b>50,000</b>	<b>100.00</b>	<b>7,52,60,991</b>	<b>54.46</b>	<b>50,000</b>	<b>100.00</b>
<b>2</b>	<b>Foreign</b>									0	0.00		
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	22,35,900	27.49	1,94,16,370	16.14	2,43,35,350	17.61			2,43,35,350	17.61		
(b)	Bodies Corporate			0	0.00	0	0.00			0	0.00		
(c)	Institutions			0	0.00	0	0.00			0	0.00		
(d)	Any Others			0	0.00	0	0.00			0	0.00		
	<b>Sub Total(A)(2)</b>	<b>22,35,900</b>	<b>27.49</b>	<b>1,94,16,370</b>	<b>16.14</b>	<b>2,43,35,350</b>	<b>17.61</b>	<b>0</b>	<b>0.00</b>	<b>2,43,35,350</b>	<b>17.61</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>81,34,500</b>	<b>100.00</b>	<b>8,17,00,441</b>	<b>67.91</b>	<b>9,95,96,341</b>	<b>72.07</b>	<b>50,000</b>	<b>100.00</b>	<b>9,95,96,341</b>	<b>72.07</b>	<b>50,000</b>	<b>100.00</b>
<b>(B)</b>	<b>Public shareholding</b>												
<b>1</b>	<b>Institutions</b>												
(a)	Mutual Funds/ UTI	0	0.00	4,500	0.00	4,500	0.00			4,500	0.00		
(b)	Financial Institutions / Banks	0	0.00	42,495	0.04	42,495	0.03			42,495	0.03		
(c)	Central Government/ State Government(s)	0	0.00	0	0.00	0	0.00			0	0.00		
(d)	Venture Capital Funds	0	0.00	0	0.00	0	0.00			0	0.00		
(e)	Insurance Companies	0	0.00	0	0.00	0	0.00			0	0.00		
(f)	Foreign Institutional Investors	0	0.00	36,07,937	3.00	36,07,937	2.61			36,07,937	2.61		
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0	0.00			0	0.00		
(h)	Any Other	0	0.00	0	0.00	0	0.00			0	0.00		
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0.00</b>	<b>36,54,932</b>	<b>3.04</b>	<b>36,54,932</b>	<b>2.64</b>	<b>0</b>	<b>0.00</b>	<b>36,54,932</b>	<b>2.64</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Non-institutions</b>												
(a)	Bodies Corporate	0	0.00	11,46,971	0.95	11,46,971	0.83			11,46,971	0.83		
(b)	Individuals									0	0.00		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	0	0.00	2,71,14,726	22.54	2,71,14,726	19.62			2,71,14,726	19.62		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	0	0.00	32,03,115	2.66	32,03,115	2.32			32,03,115	2.32		
(c)	Any Other	0	0.00	34,85,815	2.90	34,85,815	2.52			34,85,815	2.52		
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0.00</b>	<b>3,49,50,627</b>	<b>29.05</b>	<b>3,49,50,627</b>	<b>25.29</b>	<b>0</b>	<b>0.00</b>	<b>3,49,50,627</b>	<b>25.29</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0.00</b>	<b>3,86,05,559</b>	<b>32.09</b>	<b>3,86,05,559</b>	<b>27.93</b>	<b>0</b>	<b>0.00</b>	<b>3,86,05,559</b>	<b>27.93</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>81,34,500</b>	<b>100</b>	<b>12,03,06,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100</b>	<b>50,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100.00</b>	<b>50,000</b>	<b>100</b>
<b>(C)</b>	Shares held by Custodians and against which DRs have been issued												
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>81,34,500</b>	<b>100</b>	<b>12,03,06,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100</b>	<b>50,000</b>	<b>100</b>	<b>13,82,01,900</b>	<b>100.00</b>	<b>50,000</b>	<b>100</b>

# SANDEEP KUMAR AGRAWAL

F.C.A., LL.B., M.B.A. (Finance), DISA (ICAI),  
FAFD (ICAI), INSOLVENCY PROFESSIONAL  
**REGISTERED VALUER (Securities or Financial Assets)**  
Registration No. IBBI/RV/06/2019/10705



To,

<b>Mirza International Ltd</b> 14/6, Civil Lines Kanpur 208 001 Uttar Pradesh	<b>RTS Fashions Pvt Ltd</b> 14/6, Civil Lines Kanpur 208 001 Uttar Pradesh	<b>Redtape Limited</b> Plot No. 08, Sector- 90, Noida-201 301 Uttar Pradesh
--	---	--

**Sub: Report on Valuation of Shares and Share Exchange Ratio for the purpose of the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd**

Dear Sirs

There is a proposal for (a) Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd; and (b) De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd. The transaction is proposed to be implemented through a Composite Scheme of Arrangement under the provisions of the Companies Act, 2013, and other applicable provisions, if any

RTS Fashions Pvt Ltd is hereinafter referred to as "the Transferor Company". Mirza International Ltd is hereinafter referred to as "the Transferee Company". Redtape Ltd is hereinafter referred to as "the Resulting Company". Whereas RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd are hereinafter collectively referred to as "the Companies". The Branded Business/REDTAPE Business of Mirza International Ltd which is proposed to be de-merged into Redtape Ltd is hereinafter referred to as "the Demerged Business". The proposed Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd is hereinafter referred to as "the proposed Scheme of Arrangement" or "the proposed Scheme".

I was engaged to carry out the valuation exercise and to recommend the share exchange ratio for the Proposed Scheme. In terms of the provisions of section 247 of the Companies Act, 2021, the Board of Directors of RTS Fashions Pvt Ltd in its meeting held on 12<sup>th</sup> November, 2021 and the Audit Committee of Mirza International Ltd in its meeting held on 12<sup>th</sup> November, 2021, passed necessary resolutions for my appointment for the aforesaid purpose. The Resulting Company-Redtape Ltd is recently incorporated for the proposed de-merger and yet to start commercial operations. The Board of Directors of Redtape Ltd in its Meeting held on 9<sup>th</sup> December, 2021, also passed necessary resolution for my appointment for the present valuation exercise.

I, accordingly, report as under:

**1. Objective:** The objective of the present valuation process is to carry out the valuation of shares and to recommend a share swap ratio for the purpose of the proposed Scheme of Arrangement.

**2. Disclosure regarding identity and interest of the Valuer:** The Valuer-Sandeep Kumar Agrawal, having his office at 523, Pocket-E, Mayur Vihar Phase-2, Delhi-110 091, is a Chartered Accountant and Registered Valuer



in respect of Securities or Financial Assets, duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705. The Valuer is hereinafter referred to as "the Registered Valuer".

The Registered Valuer does not have any conflict of interest in the present valuation exercise as he does not hold any share or other pecuniary interest in any of the Companies under the valuation except fee or any other payment received/to be received for carrying out any professional services, if any. The Registered Valuer is not associated with the managements of the Companies, which are subject matter of the present valuation, their promoters or any other group company in any way other than in professional capacity, if any. Accordingly, there is no conflict of interest among the Registered Valuer and the Companies under the valuation exercise or their Management. Prior to accepting this engagement, I have considered my independence.

### **3. Source of Information**

In connection with preparing this Valuation Report, I have received the following information from the Management of the Companies:

- a. Memorandum and Articles of Association of the Companies.
- b. Audited Financial Statements of the Transferor Company and the Transferee Company for the financial years ended 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020 and March 31, 2021.
- c. Un-Audited Financial Statements (subjected to the limited review by the Statutory Auditors) of the Transferee Company for the half year ended 30<sup>th</sup> September, 2021.
- d. Audited Financial Statements of the Transferor Company for the half year ended 30<sup>th</sup> September, 2021.
- e. Audited Financial Statements of the Resulting Company for period ended 9<sup>th</sup> December, 2021.
- f. Un-Audited Proforma Balance Sheet of the Demerged Business and the Remaining Business of the Transferee Company as on 30<sup>th</sup> September, 2021.
- g. Constitution documents and company registration certificates of RTS Fashion Limited, Dubai, United Arab Emirates which is a wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.
- h. Constitution documents and company registration certificates of Mirza (UK) Limited, London, United Kingdom which is a wholly owned subsidiary of RTS Fashion Limited, Dubai, UAE and a step down wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.



- i. Financial Statements of RTS Fashion Limited, Dubai and Mirza (UK) Limited, London for the financial year ended 31<sup>st</sup> March, 2021 and half year ended 30<sup>th</sup> September, 2021.
- j. List of Shareholders of RTS Fashion Limited, Dubai and Mirza (UK) Limited, London.
- k. Management certified projected financial statements of the Transferee Company for financial year ending 31<sup>st</sup> March 2022 to 31<sup>st</sup> March, 2029.
- l. Management certified projected financial statements of Mirza (UK) Limited, London for financial year ending 31<sup>st</sup> March 2022 to 31<sup>st</sup> March, 2029.
- m. Fair Value Certificate dated 4<sup>th</sup> December, 2021, calculating the fair value of shares of Mirza (UK) Limited, London issued by M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom.
- n. The details and proposal including the statement of rationale and justification for the proposed Scheme of Arrangement.
- o. The list of Shareholders of the Transferor Company and the Shareholding Pattern of the Transferee Company as on 30<sup>th</sup> September, 2021.
- p. The list of Shareholders of the Resulting Company as on 9<sup>th</sup> December, 2021.
- q. Other relevant documents and information of the Companies.

During the valuation exercise, I had various discussions with the Management of the Companies on the subject matter. I have also relied on various secondary research, market data and such other analysis, reviews and enquiries, as I considered relevant.

4. **Scope/Limitation:** The Valuation exercise carried out by me does not constitute an audit carried out in accordance with Generally Accepted Accounting Principles/Auditing Standards. Accordingly, I do not express any opinion on the financial statements, assumptions underlying such financial statements and representations of management included in the Valuation Report. I do not provide any assurance that the financial information or assumptions, upon which these have been based, are accurate.

The present exercise is limited to carry out the valuation exercise and to recommend share swap ratio in connection with the proposed Scheme of Arrangement and does not necessarily constitute an enterprise valuation of these Companies. In carrying out the valuation, I have entirely relied upon the financial statements/projected financial statements of the concerned Companies, assumptions and other information, documents & explanations provided by the Companies and their representative (hereinafter referred to as "the Management") and discussions with the



Management from time to time regarding these Companies vis-à-vis the proposed Scheme of Arrangement.

## **5. Caveats, Limitations, and Disclaimers:**

This Report is a private and confidential document prepared under the specific instructions of the client(s). It is for the internal use of the client(s) and their Shareholders/ Creditors and is not meant for external circulation except to any statutory agency or competent authority for the purpose of the Proposed Scheme. Any person making any investment or taking other decision on reliance of this report will be doing so at its/ his sole risk. I shall not be responsible for any decision taken by anybody on reliance of this report other than the aforesaid Scheme of Arrangement.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Companies/ Client. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The valuation of Companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. The object of the present valuation exercise is to determine the share swap ratio for the purpose of the proposed Scheme of Arrangement, we have determined the relative value to derive the share swap ratio.

The ultimate analysis has been tempered by the exercise of judicious discretion by the Registered Valuer and judgment considering the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior



written approval for any purpose other than the purpose for which it is prepared.

- 6. Compliance with the Rules and Standards:** While carrying out the present valuation exercise, I have relied on relevant provisions of the Companies Act, 2013; the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the Institute of Chartered Accountants of India (ICAI); various Guidance Notes on Valuation issued by the ICAI through its publications-Technical Guide on Valuation, Valuation: Professionals' Insight; and other relevant material, to the extent relevant/applicable.

The present Valuation Report complies with the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the ICAI, and other applicable provisions, if any.

## **7. Background of the proposed Scheme of Arrangement**

The following information was made available to me.

- 7.1 Preamble:** Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business:** The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business:** The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business:** The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather



footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.

In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business into a separate company.

**7.2** The Composite Scheme of Arrangement is proposed to achieve the aforesaid objectives in the following manner:

- Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd; and
- De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd on going concern basis.

In consideration of the aforesaid amalgamation of the Transferor Company with the Transferee Company, the Transferee Company will issue Equity Share(s) to the Shareholders of the Transferor Company.

Similarly, in consideration of the de-merger of the Demerged Business of the Transferee Company into the Resulting Company; the Resulting Company will issue equity shares to the shareholders of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). The management is proposing that upon the Scheme becoming effective, the Resulting Company should have 100% mirror Equity Shareholding as that of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). To achieve such mirror shareholding, it is proposed that the entire existing Equity Share Capital of the Resulting Company will be replaced by equal value of Compulsorily Redeemable Preference Shares.



### 7.3 Rationale and Justifications:

Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption. Mirza International Ltd has the following business verticals:

- i. Private Label/White Label Business:** The Company is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom, United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ii. Branded Business/Redtape Business:** The Company is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under '**REDTAPE**' and other Brands owned by the Company. '**REDTAPE**' is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- iii. Leather Tannery Business:** The Company owns and operate of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

RTS Fashions Pvt Ltd is engaged in purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather footwear, leather goods and accessories in UK, USA and other European Markets.

Mirza UK Ltd is a London based company formed under the laws of United Kingdom. Mirza UK Ltd (Mirza UK) is a step down wholly owned subsidiary of RTS Fashions Pvt Ltd, India. Mirza UK is engaged in marketing and distribution of leather footwear, leather goods and accessories including the products of Mirza International Ltd, in UK, USA and other European Markets.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets. Mirza UK does design and development of shoes which are finally manufactured in India in the factories of Mirza International Ltd and sold to various overseas customers under various brands. Thus, Mirza UK is one of the main driving forces of the Private Label Business of Mirza International Ltd.



In order to streamline various activities of Mirza Group, unlock the true value of its businesses, achieve management efficiencies and accelerated growth, the Management is proposing to consolidate entire overseas business into Mirza International Ltd; and to hive off Branded Business/REDTAPE Business of Mirza International Ltd into a separate company.

**A. Amalgamation:** Following are some of the specific advantages of the proposed Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd:

- i. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- ii. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Pvt Ltd and its step down wholly owned subsidiary- Mirza UK Ltd with and into the Transferee Company-Mirza International Ltd. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Ltd to leverage the expertise and resources of Mirza UK Ltd and strengthen its sales and distribution in overseas markets.
- iii. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- vii. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.



**B. De-merger:** Following are some of the specific advantages of the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd:

- i. Mirza International Ltd has two distinct business (a) Private Label/White Label Business which is pre-dominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- ii. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- iii. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- iv. The proposed de-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- v. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- vi. The proposed de-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- vii. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

## 8. Brief Profile of the Companies:

### 8.1 Transferor Company: RTS Fashions Pvt Ltd

- a. **RTS Fashions Pvt Ltd** [Corporate Identification No. (CIN): U 19120 UP 2019 PTC 120284] was incorporated on 19<sup>th</sup> August, 2019, under the provisions of the Companies Act, 2013, as a private limited



company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

- b. The present registered office of the Transferor Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh.
- c. The present authorized share capital of the Transferor Company is Rs. 8,13,45,000 divided into 81,34,500 Equity Shares of Rs. 10 each.
- d. The present issued, subscribed and paid-up share capital of the Transferor Company is Rs. 8,13,45,000 divided into 81,34,500 Equity Shares of Rs. 10 each.
- e. RTS Fashions Pvt Ltd has objects to be engaged in the business purchase, sale and trading of soling and packing material and other related activities. The Transferor Company, through its step down wholly owned subsidiary-Mirza UK Ltd, is engaged in design, development, marketing and distribution of leather shoes in UK, USA and other European Markets.
- f. The Transferor Company-RTS Fashions Pvt Ltd is the holding company of RTS Fashion Limited, Dubai, UAE. RTS Fashions Pvt Ltd holds 100% shareholding in RTS Fashion Limited, Dubai, UAE.

Whereas RTS Fashion Limited, Dubai, UAE is the holding company of Mirza (UK) Limited, United Kingdom. RTS Fashion Limited, Dubai, UAE holds 100% shareholding in Mirza (UK) Limited, United Kingdom.

Thus, Mirza (UK) Limited is a step down wholly owned subsidiary of the Transferor Company-RTS Fashions Pvt Ltd, India.

## 8.2 Transferee Company: Mirza International Ltd

- a. **Mirza International Ltd** [Corporate Identification No. (CIN): L 19129 UP 1979 PLC 004821] was originally incorporated on 5<sup>th</sup> September, 1979, under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Mirza Tanners Pvt Ltd' vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was converted into a public limited company and name of the Company was changed to 'Mirza Tanners Ltd' vide Fresh Certificate of Incorporation dated 6th May, 1994 issued by the ROC, Kanpur. Name of the Company was changed to its present name "Mirza International Ltd" vide fresh Certificate of Incorporation dated 10th August, 2005 issued by the ROC, Kanpur.
- b. The present registered office of the Transferee Company is situated at 14/6, Civil Lines, Kanpur 208 001, Uttar Pradesh.



- c. The present authorized share capital of the Transferee Company is Rs. 51,25,00,000 divided into 25,62,50,000 Equity Shares of Rs. 2 each.
- d. The present issued, subscribed and paid-up share capital of the Transferee Company is Rs. 24,06,12,000 divided into 12,03,06,000 Equity Shares of Rs. 2 each.
- e. The Equity Shares of the Transferee Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
- f. The Transferee Company - Mirza International Ltd is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption.

### 8.3 Resulting Company: Redtape Ltd

- a. **Redtape Ltd** [Corporate Identification No. (CIN): U 52609 UP 2021 PLC 156659] was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 8<sup>th</sup> December, 2021, issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.
- b. The present registered office of the Resulting Company is situated at Plot No. 8, Sector-90, Noida-201 301, Uttar Pradesh.
- c. The present authorized share capital of the Resulting Company is Rs. 1,00,000 divided into 50,000 Equity Shares of Rs. 2 each.
- d. The present issued, subscribed and paid-up share capital of the Resulting Company is Rs. 1,00,000 divided into 50,000 Equity Shares of Rs. 2 each.
- e. The Resulting Company is recently incorporated for the proposed de-merger.

## 9. Valuation approach and methodologies:

### 9.1 The primary objective of the present exercise is

- i. to find out the number of shares to be issued by the Transferee Company to the shareholders of the Transferor Company in consideration of the amalgamation of the Transferor Company with the Transferee Company; and
- ii. to find out the number of shares to be issued by the Resulting Company in consideration of the De-merger of the Demerged Business of the Transferee Company into the Resulting Company.



**9.2** There are a number of techniques/ methods for Valuation of Shares. According to various judicial precedents the valuation of shares is a technical matter, which requires considerable skill and expertise. There are bound to be differences of opinion as to the correct value of the shares of the Company. Simply because it is possible to value the shares in a manner different from the one adopted in a given case, it cannot be said that the valuation agreed upon has been unfair.

**9.3** In the valuation of the shareholders' equity of a subject company, mainly three different approaches may be employed to determine its fair market value: (A) the Income Approach, (B) the Asset Approach and (C) the Market Approach. While each of these approaches is initially considered in the valuation, the nature and the characteristics of the subject company will indicate which approach, or approaches, is most applicable and suitable.

#### **A. Income Approach**

##### **Discounted Cash Flow Method (DCF)**

One methodology in the Income Approach is the discounted cash flow method, which focuses on the expected cash flow of the subject company. In applying this approach, the cash flow available for distribution is calculated for a finite period of years. Cash flow available for distribution is defined, for purposes of this analysis, as the amount of cash that could be distribute as a dividend without impairing the future profitability or operations of the subject company.

The cash flow available for distribution and the terminal value (the value, of the subject company at the end of the estimation period) are discounted to present value to derive an indication of the value of the business enterprise.

Interest bearing debt, if any, is subtracted from the business enterprise value to arrive at an indication of the value of stockholders' equity.

#### **B. Asset Approach**

##### **i. Book Value**

This is a value based upon the account's books of the business. In simple terms, Assets less Liabilities equals the owner's equity, which is the "Book Value" of the business.

##### **ii. Replacement Value**

This is mainly used with asset heavy businesses such as hotels, motels, natural resources. The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the businesses. The replacement cost takes into account the



market value of various assets or the expenditure required to create the infrastructure similar to that of the company being valued.

### **C. Market Approach**

#### **i. Value based on market quotes as available from recognized stock exchange**

In case of valuation of shares of a company, which is listed and traded on the stock exchanges, the market price of such shares is also considered to arrive at the fair value of the shares. Generally, an average market price of the listed shares for a reasonably past period is taken.

As per the SEBI (ICDR) Regulations, 2018 and the SEBI Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, the issuance of shares under schemes in case of allotment of shares by listed companies only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.

#### **ii. Price Earning Multiple Value/ Comparable Companies Multiple Method**

The basic of this approach is to find the earning capacity of the business and to capitalize it on the basis of appropriate rate considering the business fundamentals. In this method appropriate multiple can be used with the normalized earnings to arrive at fair estimation of business value (market price per share; MPS).

The multiple is usually taken based at PE Multiple, i.e., MPS/EPS of the Industry, on the rate of return expected by the equity shareholder of the Company.

**9.4** The present exercise primarily involves working out appropriate share exchange ratios for the proposed Scheme of Arrangement.

**9.5** The ICAI Valuation Standards, 2018, provides that in transactions of the nature of merger or amalgamation or arrangement between companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weightages are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weightages.

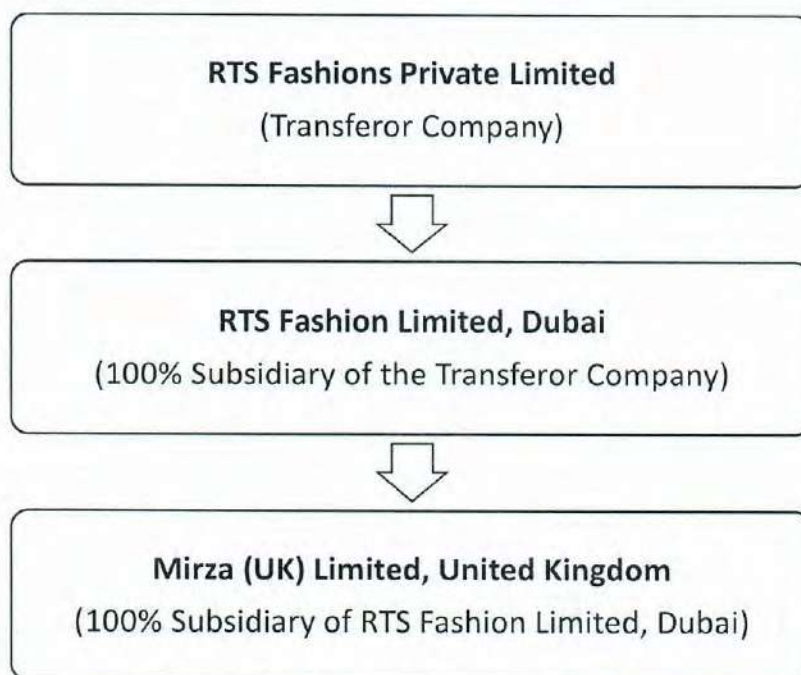


Use of differing methodologies or approaches may be justified in some circumstances, e.g., merger of a listed company and an unlisted company where market price method would be relevant only for the listed company. It further provides that Valuation base selected by a valuer shall be appropriate considering the purpose of engagement and the terms of the engagement. The valuer will use the relevant valuation approach and adhere to other assumptions associated with the valuation bases.

## 9.6 Valuation Approach for amalgamation:

### a. Transferor Company:

As mentioned above, it is proposed to amalgamate RTS Fashions Private Limited with Mirza International Limited. As already mentioned above, Mirza (UK) Limited is a step down wholly owned subsidiary of the Transferor Company - RTS Fashions Pvt Ltd, India.



Transferor Company and its 100% subsidiary company - RTS Fashion Limited, Dubai are mainly holding Company of Mirza (UK) Limited, UK, with no other major assets and independent business activities.

Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets.

In view of the above holding structure, the value of the Transferor Company is basically derived as the value of its ultimate 100% subsidiary company - Mirza (UK) Limited.

Mirza (UK) Limited is a growing company and has plans to further expand its business in UK, Europe, USA and other foreign countries.



As, the business of the Mirza (UK) Limited are intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza (UK) Limited.

Further, since Mirza (UK) Limited is an unlisted company, market approach of valuation is not quite relevant and applicable for valuation of shares of Mirza (UK) Limited.

Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza (UK) Limited as per Income Approach through the discounted cash flow (DCF) method is used.

Considering the fact that there is no other major assets and liabilities in RTA Fashions Private Limited, India and RTS Fashion Limited, Dubai, apart from 100% holding in Mirza (UK) Limited; I am of the view that the value of the Transferor Company- RTS Fashions Private Limited, India should be basically derived as the underlying value of its ultimate subsidiary - Mirza (UK) Limited.

A Fair Value Certificate dated 4<sup>th</sup> December, 2021, calculating the fair value of shares of Mirza (UK) Limited has been obtained from M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom in this regard. The valuation cut-off date of this Fair Valuation Certificate is the same as of the valuation cut-off date for the purpose of this report. We have also reviewed the valuation of Mirza (UK) Limited including relevant documents and financial data and other information and only after having concurrence with the same; taken the fair value of Mirza (UK) Limited, for the purpose of deriving the fair value of shares of the Transferor Company.

Since the shares of the Transferor Company as well as its subsidiaries are unlisted and unquoted, while deriving the fair value of the shares of the Transferor Company- RTS Fashions Private Limited, I have discounted the total net asset value (adjusted with the value investment in subsidiary) as illiquidity discount, as per the working sheet attached.

**b. Transferee Company:**

The business of the Mirza International Limited is intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza International Limited.

Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza International Limited as per Income Approach through the discounted cash flow (DCF) method is used.



Equity shares of Mirza International Limited is listed on BSE and NSE. Equity shares of Mirza International Limited are frequently traded, in terms of the provisions of the SEBI (ICDR) Regulations, 2018.

As per Regulation 164(1) of the SEBI (ICDR) Regulations, 2018, if the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty-six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- i. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date; or
- ii. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

We have been informed that the meeting of Board of Directors of Mirza Limited for approval of draft Scheme of Arrangement is scheduled on 10<sup>th</sup> December, 2021 and accordingly, in terms of the SEBI Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957; the relevant date for determination of market price shall be 10<sup>th</sup> December, 2021. Trading volume of equity shares of Mirza International Limited during the last 26 weeks was higher on NSE as compared to BSE and accordingly the price data available at NSE has been considered.

Under the Market Price method, average of weekly high and low of the volume weighted average price ('VMAP') of Mirza International Limited on NSE during the twenty-six weeks or two weeks preceding the relevant date, whichever is higher, has been considered.

### **9.7 Valuation Approach for Demerger:**

- i. Unlike merger/amalgamation, there is no prescribed method or guidelines for determining share exchange ratio for de-merger. In fact, several judicial precedents have held that in case of de-merger, no formal Share Valuation is required.
- ii. Section 2(19AA) of the Income Tax Act, 1961, provides that in case of a de-merger, all the assets and liabilities of demerged business have to be transferred to the resulting company. Section 2(19AA) further provides that the resulting company must issue, in consideration of the de-merger, its shares to the shareholders of the demerged company on a proportionate basis.



- iii. In the proposed Scheme, the management is proposing that upon the Scheme becoming effective, the Resulting Company should have 100% mirror Equity Shareholding as that of the Transferee Company (after giving effect to the amalgamation of the Transferor Company with the Transferee Company). To achieve such mirror shareholding, it is proposed that the entire pre-Scheme Equity Share Capital of the Resulting Company will be replaced by equal value of Compulsorily Redeemable Preference Shares.
- iv. In view of the fact that post de-merger, entire Equity Share Capital of the Resulting Company will be held by the Equity Shareholders of the Transferee Company (post amalgamation of the Transferor Company with the Transferee Company), exactly in the same proportion as they are holding in the Transferee Company, no formal Share Valuation is required. The proposed Share Entitlement Ratio for the De-merger, given in this report is based entirely on the discussions with the management and suggestions made by them.
- v. In view of the above, valuation for the purpose of issue of the equity shares for the purpose of the proposed de-merger is not applicable under Asset Approach, Income Approach or Market Approach.

## 10. Share Exchange Ratio

On the basis of the aforesaid discussion, we recommend the following Share Exchange Ratio:

### i. Amalgamation of RTS Fashions Pvt Ltd with Mirza International Ltd.

Valuation Approach	RTS Fashions Pvt Ltd		Mirza International Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	N.A. <sup>1</sup>	100%	N.A. <sup>3</sup>	N.A.
Income Approach	N.A. <sup>1</sup>	N.A.	96.57 <sup>4</sup>	0% <sup>6</sup>
Market Approach	N.A. <sup>2</sup>	N.A.	101.97 <sup>5</sup>	100% <sup>6</sup>
Relative Value per shares	221.29		101.97	
Exchange Ratio (Rounded-off)	22		10	

#### Notes:

- <sup>1</sup> In view of the shareholding structure between the Transferor Company and its subsidiary and ultimate subsidiary company, the value of the Transferor Company is basically derived as the value of its ultimate 100% subsidiary company-Mirza (UK) Limited.

Considering the fact that there is no other major assets and liabilities in RTA Fashions Private Limited, India and RTS Fashion Limited, Dubai, apart from 100% holding in Mirza (UK) Limited; I am of the view that the value of the Transferor Company- RTS Fashions Private



Limited, India should be basically derived as the underlying value of its ultimate subsidiary - Mirza (UK) Limited. [Refer Para 9.6(a) of this Report for details]

So, the Income Approach is not applicable for valuation of Transferor Company. Though, it is clarified that the value of its ultimate subsidiary - Mirza (UK) Limited has derived as per the Income Approach through DCF method. (Refer Para 9.6(a) of this Report for details).

- <sup>2</sup> Since the Transferor Company is unlisted, market approach is also not applicable.
- <sup>3</sup> The business of the Mirza International Limited is intended to be continued on going concern basis and there is no intention to dispose-off the Assets, therefore the Asset Approach is not adopted for the purpose of the valuation of Mirza International Limited.
- <sup>4</sup> Considering continuance of business on a going concern and also considering the projected financial statements, the valuation of Mirza International Limited as per Income Approach through the discounted cash flow (DCF) method is used.
- <sup>5</sup> Equity shares of Mirza International Limited is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Under the Market Price method, average of weekly high and low of the volume weighted average price ('VMAP') of Mirza International Limited on NSE during the twenty-six weeks or two weeks preceding the relevant date, whichever is higher, has been considered.
- <sup>6</sup> As mentioned above, in terms of the proviso to Regulation 158(1)(b) of the SEBI (ICDR) Regulations, 2018, the valuation of shares of a listed company, in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to schemes of arrangement, the value of listed shares, cannot be less than the market price determined in terms of Chapter V of the SEBI (ICDR) Regulations, 2018. Since, the market price as determined is more than the value determined under the Income Approach valuation of shares; the value derived as per Income Approach has been disregarded and 100% weightage has been given to the Market Approach.

**Accordingly, the following proposed Share Exchange Ratio for amalgamation of the Transferor Company with the Transferee Company is recommended:**

***"The Transferee Company-Mirza International Ltd will issue 22 (twenty-two) Equity Shares of Rs. 2/- each, credited as fully paid up, to the Shareholders of the Transferor Company for every 10 (ten) Equity Shares of Rs. 10/- each held in the Transferor Company - RTS Fashions Pvt Ltd."***



ii. **De-merger** of Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd

Valuation Approach	Mirza International Ltd		Redtape Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per shares	N.A.		N.A.	
Exchange Ratio (Rounded-off)	1		1	

**Note:**

After the proposed de-merger, the entire Equity Share Capital of the Resulting Company will be held by the Equity Shareholders of the Transferee Company, exactly in the same proportion as they are holding in the Transferee Company. Accordingly, no formal Share Valuation and Share Exchange Ratio is required.

Accordingly, the following proposed Share Exchange Ratio for demerger is based entirely on the discussions with the Companies' management and suggestions made by them:

***"The Resulting Company - Redtape Ltd will issue 1 (one) Equity Share of Rs. 2 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 1 (one) Equity Share of Rs. 2 each held in the Transferee Company - Mirza International Ltd."***

iii. **Re-organisation of pre-Scheme Share Capital of the Resulting Company:**

Valuation Approach	Redtape Limited	
	Value Per Share	Weight
Asset Approach	N.A.	N.A.
Income Approach	N.A.	N.A.
Market Approach	N.A.	N.A.
Relative Value per shares	N.A.	
Exchange Ratio (Rounded-off)	1:1	

**Note:**

Present issued and paid-up share capital of the Resulting Company is Rs. 1,00,000/- divided into 50,000 Equity Shares of Rs. 2/- each, which is held by the Transferee Company. It is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity



Shareholding as that of the Transferee Company. Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company, which consists of 50,000 Equity Shares of Rs. 2/- each aggregating Rs. 1,00,000/-, will be cancelled; and 50,000 9% Compulsorily Redeemable Preference Shares of Rs. 2/- each aggregating Rs. 1,00,000/- will be created in place of such cancelled equity share capital.

The Resulting Company was recently incorporated for the purpose of the proposed Scheme and it has not started any business. Further on cancellation of pre-Scheme Equity Share Capital, equivalent value of CRPS are proposed to be issued. Hence, no separate valuation of the Resulting Company, through Asset Approach, Income there or Market Approach is required or applicable.

***"The Resulting Company – Redtape Limited will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of Rs. 2/- each, credited as fully paid-up, for in lieu of every 1 (one) Equity Share of Rs. 2/- each held in the Resulting Company – Redtape Limited."***

Entire Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 50,000 Equity Shares of Rs. 2 each aggregating Rs. 1,00,000, will stand cancelled.

9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Compulsorily Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.

Thanking you,



**CA Sandeep Kumar Agrawal**

FCA, ICAI Membership No.: 088699

Registered Valuer in respect of Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2019/10705



**Date: 10<sup>th</sup> December, 2021**

**Place: New Delhi**

**UDIN: 21088699 AAAABJ 1910**

Encl.: Valuation Workings

## **Mirza International Limited**

### **Calculation of DCF Value:**

			F.Y 2022	F.Y 2023	F.Y 2024	F.Y 2025	F.Y 2026	F.Y 2027	F.Y 2028	F.Y 2029	Rs. In lakhs
<b>FREE CASH FLOW TO THE COMPANY</b>			4,509.52	10,570.46	13,843.83	18,094.90	16,493.02	19,402.23	21,906.72	24,960.44	
Discounting Rate	12.67%										
Discounting Factor			0.94	0.84	0.74	0.66	0.58	0.52	0.46	0.41	
Forecast year			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	
Present Value			4,248	8,839	10,275	11,920	9,643	10,069	10,090	10,204	
No. of Outstanding shares			1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06	1,203.06

	Rs. In Lakhs
Value during explicit forecast period	75,287.35
Terminal Value	80,555.43
Discounted Terminal Value	32,931.81
Total Firm Value	1,08,219.16
Less: Term Loan	1,599.34
Add: Cash & Bank	9,553.81
<b>Equity Value</b>	<b>1,16,173.63</b>
Number of Equity Shares	120306000
<b>Value Per Equity Shares</b>	<b>96.57</b>



## Mirza International Limited

### Annexure: Pricing Certificate

Calculation of minimum issue price as prescribed under Chapter V of the SEBI (ICDR) Regulations, 2018

Relevant Date	Friday, 10 December, 2021
---------------	---------------------------

A. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the equity shares of MIRZA INTERNATIONAL LIMITED quoted on National Stock Exchange of India Limited (NSE) during the last twenty six weeks preceding the Relevant Date

Weeks	From	To	VWAP High	VWAP Low	Average
1	11-Jun-21	17-Jun-21	59.63	56.22	57.93
2	18-Jun-21	24-Jun-21	59.16	57.34	58.25
3	25-Jun-21	01-Jul-21	57.47	53.77	55.62
4	02-Jul-21	08-Jul-21	56.55	54.05	55.30
5	09-Jul-21	15-Jul-21	55.69	54.63	55.16
6	16-Jul-21	22-Jul-21	58.23	55.67	56.95
7	23-Jul-21	29-Jul-21	66.70	62.16	64.43
8	30-Jul-21	05-Aug-21	64.85	60.27	62.56
9	06-Aug-21	12-Aug-21	63.35	55.36	59.36
10	13-Aug-21	19-Aug-21	59.16	57.86	58.51
11	20-Aug-21	26-Aug-21	55.48	54.95	55.22
12	27-Aug-21	02-Sep-21	58.72	55.32	57.02
13	03-Sep-21	09-Sep-21	61.01	57.98	59.50
14	10-Sep-21	16-Sep-21	59.82	59.34	59.58
15	17-Sep-21	23-Sep-21	60.49	57.70	59.10
16	24-Sep-21	30-Sep-21	59.98	58.50	59.24
17	01-Oct-21	07-Oct-21	62.79	59.82	61.31
18	08-Oct-21	14-Oct-21	66.80	64.65	65.73
19	15-Oct-21	21-Oct-21	65.12	63.36	64.24
20	22-Oct-21	28-Oct-21	64.27	61.09	62.68
21	29-Oct-21	04-Nov-21	70.35	59.95	65.15
22	05-Nov-21	11-Nov-21	84.36	80.04	82.20
23	12-Nov-21	18-Nov-21	90.56	83.73	87.15
24	19-Nov-21	25-Nov-21	92.15	81.44	86.80
25	26-Nov-21	02-Dec-21	104.69	85.80	95.25
26	03-Dec-21	09-Dec-21	114.74	102.65	108.70
<b>Average Price (Rs.)</b>					<b>65.88</b>

B. Average of Weekly High & Low of the Volume Weighted Average Price (VWAP) of the equity shares of MIRZA INTERNATIONAL LIMITED quoted on National Stock Exchange of India Limited (NSE) during the last two weeks preceding the Relevant Date

Weeks	From	To	High	Low	Average
1	26-Nov-21	02-Dec-21	104.69	85.80	95.25
2	03-Dec-21	09-Dec-21	114.74	102.65	108.70
<b>Average Price (Rs.)</b>					<b>101.97</b>

A]. Average of 26 Weeks High Low of Volume Weighted Average Price	65.88
B]. Average of 2 Weeks High Low of Volume Weighted Average Price	101.97
Applicable Minimum Price [Higher of A or B]	<b>101.97</b>



**RTS Fashions Pvt Ltd (Transferor Company)**

**Calculation of Net Asset Value  
(As on 30<sup>th</sup> September, 2021)**

<b>Particulars</b>	<b>Amount (Rs. in Lakhs)</b>
Fair Value of Investment in 40,00,000 shares of RTS Fashion Limited, Dubai (i.e., 100% shares in RTS Fashion Limited, Dubai)	21,163.51
Other Assets	113.45
<b>Total Assets (A)</b>	<b>21,276.96</b>
Less:	
Non-Current Liabilities	1.57
Current Liabilities	98.36
<b>Total Liabilities (B)</b>	<b>99.93</b>
<b>Net Asset Value (NAV) [A-B]</b>	<b>21,177.03</b>
Number of Equity Shares (Face Value Rs. 10 each)	81,34,500
<b>NAV per Equity Share (Rs.)</b>	<b>260.34</b>
<b>Less: Discount (15%)</b>	<b>39.05</b>
<b>Fair Value Per Shares (Rs.)</b>	<b>221.29</b>



**RTS Fashion Limited, Dubai**

**Calculation of Net Asset Value  
(As on 30th September, 2021)**

<b>Particulars</b>	<b>Amount (UAE Dirham)</b>
Fair Value of Investment in 1100 ordinary shares of Mirza (UK) Limited, London, United Kingdom) (i.e., 100% shares in Mirza (UK) Limited, London, United Kingdom)	10,26,18,297
Other Assets	20,37,654
<b>Total Assets (A)</b>	<b>10,46,55,951</b>
Less:	
Total Liabilities	16,123
<b>Total Liabilities (B)</b>	<b>16,123</b>
<b>Net Asset Value (NAV) [A-B]</b>	<b>10,46,39,828</b>

<b>Total Equity Value (UAE Dirham)</b>	<b>10,46,39,828</b>
<b>Exchange Rate (UAE Dirham:INR as on 30th September, 2021)</b>	<b>20.2251</b>
<b>Total Equity Value (Indian Rupees)</b>	<b>2,11,63,50,992</b>

**Calculation of Fair Value of Equity of Mirza (UK) Limited  
(As on 30th September, 2021)**

<b>Total Equity Value (British Pound)</b>	<b>2,07,43,541</b>
<b>Exchange Rate (British Pound: UAE Dirham as on 30<sup>th</sup> September, 2021)</b>	<b>4.947</b>
<b>Total Equity Value (UAE Dirham)</b>	<b>10,26,18,297</b>



**Mirza (UK) Limited, London, United Kingdom**

**Calculation of DCF Value:**

Particulars	(Amount in British Pound)							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
FCFF	1,55,601	7,87,239	7,76,195	8,76,372	9,72,913	10,59,784	11,42,385	12,29,546
Discounted Period	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5
PV of FCFF	1,51,764	7,30,427	6,85,101	7,35,844	7,77,115	8,05,271	8,25,754	8,45,467
Terminal value								1,65,12,198
Sum of Pv of FCF		55,56,743.90						
Pv of TV		1,13,54,206.51						
Less: Debt (Long Term)		17,85,521						
Cash & Bank		22,56,996						
Equity Value		1,73,82,425.42						
Add: Value (Book Value) of Asset not related to operation								
1) Loan given to group companies		4,03,028.00						
a) RTS Fashion LLC	3,03,208							
b) RTS Fashion FZE	1,00,000							
2) Investment in property		13,00,000.00						
3) Investment in Resorts- Genesis Riverview		6,26,658.00						
4) Loan to Genesis riverview resorts pvt ltd.		10,31,430.00						
<b>Total Equity Value (British Pound)</b>		<b>2,07,43,541.42</b>						



# SANDEEP KUMAR AGRAWAL

F.C.A., LL.B., M.B.A. (Finance), DISA (ICAI),  
FAFD (ICAI), INSOLVENCY PROFESSIONAL  
**REGISTERED VALUER (Securities or Financial Assets)**  
Registration No. IBBI/RV/06/2019/10705



**To,**  
**Mirza International Ltd**  
14/6, Civil Lines  
Kanpur 208 001  
Uttar Pradesh

**RTS Fashions Pvt Ltd**  
14/6, Civil Lines  
Kanpur 208 001  
Uttar Pradesh

**Redtape Limited**  
Plot No. 08, Sector-90,  
Noida-201 301  
Uttar Pradesh

**Sub: Addendum to the Report on Valuation of Shares and Share Exchange Ratio dated December 10, 2021, for the purpose of the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd**

**Dear Sirs,**

I, Sandeep Kumar Agrawal, a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets, duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/ 2019/10705, have been engaged by RTS Fashions Pvt Ltd ("the Transferor Company"), Mirza International Ltd ("the Transferee Company") and Redtape Ltd ("the Resulting Company") to carry out the valuation exercise and to recommend the share exchange ratio for the proposed Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd ("the Proposed Scheme"). In this regard, I have issued my Report on Valuation of Shares and Share Exchange Ratio dated December 10, 2021 ("the Valuation Report"), for the purpose of the Proposed Scheme.

Further to the Valuation Report, I have been requested to clarify certain point. In this regard, please note the following:

- The period of financials used in the Valuation Report for the Unlisted Transferor Company – RTS Fashions Pvt Ltd as well as its wholly owned subsidiary - RTS Fashion Limited, Dubai and its step-down wholly owned subsidiary - Mirza (UK) Limited, United Kingdom, is the period ended September 30, 2021. It is further that the said financial statements of RTS Fashions Pvt Ltd, RTS Fashion Limited, Dubai and Mirza (UK) Limited for the period ended September 30, 2021 are Audited.
- In the table at Para No. 10(i), in the table row "Asset Approach"; in respect of RTS Fashions Private Limited, the Value Per Shares be read as "221.29" instead of "N.A.". The corrected table is as below:

Valuation Approach	RTS Fashions Pvt Ltd		Mirza International Ltd	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach	221.29 <sup>1</sup>	100%	N.A. <sup>3</sup>	N.A.
Income Approach	N.A. <sup>1</sup>	N.A.	96.57 <sup>4</sup>	0% <sup>6</sup>
Market Approach	N.A. <sup>2</sup>	N.A.	101.97 <sup>5</sup>	100% <sup>6</sup>
Relative Value per shares	221.29		101.97	
Exchange Ratio (Rounded-off)	22		10	

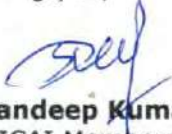
All the Notes to the aforesaid table shall remain same as per the Valuation Report dated December 10, 2021.



It is confirmed that the aforesaid clarification/ typo correction does not have any impact on the valuation and share exchanged ratio, as mentioned in the Valuation Report dated December 10, 2021.

This addendum letter shall be read in conjunction with the Valuation Report dated December 10, 2021. All other terms and conditions & other contents mentioned in the Valuation Report shall remain unchanged and would apply to this clarification to the Valuation Report as well.

Thanking you,



**CA Sandeep Kumar Agrawal**

FCA, ICAI Membership No.: 088699

Registered Valuer in respect of Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2019/10705

**Date: 17<sup>th</sup> January, 2022**

**Place: New Delhi**

UDIN: 22088699AAAAAB2715





December 10, 2021

Ref: TCA/FO- MIL/ Fairness Opinion/21-22

To,  
**Board of Directors**  
**Mirza International Limited**  
A-7, Mohan Cooperative Industrial Estate  
Mathura Road, New Delhi -110044

Dear Sirs,

**Subject: Fairness Opinion on Share Exchange Ratio for the purpose of proposed Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst RTS Fashions Private Limited, Mirza International Ltd and Redtape Limited**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with the Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 14/6, Civil Lines, Kanpur- 208001, Uttar Pradesh -and corporate office at A-7, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi -110044 ("**MIL**" or "**Transferee Company**" or "**Demerged Company**") to provide a fairness opinion on share exchange ratio recommended by CA Sandeep Kumar Agrawal, Registered Valuer in respect of Securities or Financial Assets (IBBI Registration No.: IBBI/RV/06/2019/10705) ("hereinafter referred to as "**Valuer**"), who is the appointed valuer under a proposed composite scheme of arrangement ("**scheme**" or "**proposed scheme**") for the purpose of the following:

- A. Proposed amalgamation of RTS Fashions Private Limited ("**RFPL**" or "**Transferor Company**") with ("**MIL**" or "**Transferee Company**") [**Part 2 of the Proposed Scheme/ "Proposed Amalgamation"**]; and
- B. Proposed Demerger of Branded Business/Redtape Business of Mirza International Limited as defined in the proposed scheme ("hereinafter referred to as "**Demerged Undertaking**") from Mirza International Limited ("**MIL**" or "**Transferee Company**" or "**Demerged Company**") and its consequent vesting into Redtape Limited ("**Redtape Ltd.**" or "**Resulting Company**") [post





**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

amalgamation as mentioned in point A above) [**Part 3 of the Proposed Scheme/ “Proposed Demerger”**].

Transferor Company, Resulting Company and Transferee Company shall hereinafter collectively be referred to as “Companies”.

## 2. Brief Background about the Companies:

A. **Mirza International Limited (“MIL” or “Transferee Company” or “Demerged Company”)** is an existing company incorporated on September 05, 1979 under the provisions of the Companies Act, 1956. The present registered office of MIL is situated at 14/6, Civil Lines, Kanpur, Uttar Pradesh -208001. The CIN of MIL is L19129UP1979PLC004821.

Presently, MIL is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. MIL also owns and operates a leather tannery for captive consumption. As on date, MIL has the following business verticals:

- ✦ **Private Label/White Label Business:** Under this business vertical, MIL is engaged in design, development, manufacturing, export and sale of leather footwear to various Private Labels in United Kingdom (UK), United States of America (USA), European and Non-European Countries. Private Label Business is pre-dominantly export wholesale made-to-order (MTO) business.
- ✦ **Branded Business/Redtape Business:** Under this business vertical, MIL is engaged in design, development, trading, marketing and retailing of leather shoes, sports shoes, garments & apparels and other accessories under ‘REDTAPE’ brand and other Brands owned by MIL. ‘REDTAPE’ is a well-known brand in leather and sports footwear, garments & apparels. Branded Business is pre-dominantly domestic retail business.
- ✦ **Leather Tannery Business:** MIL owns and operates of one of the most modern tanneries in India which is engaged in procuring and processing of leather. Tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.

The Equity Shares of MIL are listed at BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

Page 2 of 8



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

CIN: U74140DL2015PTC278474 SEBI Registration No.: MB/INM000012290

Corporate & Registered Office: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

Tel: +91-11-45510390, 41395590 Email: info@tcagroup.in Website: www.tcagroup.in



**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

**B. RTS Fashions Private Limited (“RFPL” or “Transferor Company”)** is an existing company incorporated on August 19, 2019 under the provisions of the Companies Act, 2013. The present registered office of RFPL is situated at 14/6, Civil Lines, Kanpur, Uttar Pradesh -208001. The CIN of RFPL is U19120UP2019PTC120284.

Presently, RFPL is engaged in the business of purchase, sale and trading of soling and packing material and other related activities. RFPL, through its step down wholly owned subsidiary-Mirza UK Ltd (“**Mirza UK**”), is engaged in design, development, marketing and distribution of leather shoes in UK, USA and other European Markets.

As on date, the equity Shares of RFPL are not listed on any recognized stock exchange in India.

**C. Redtape Limited (“Redtape Ltd.” or “Resulting Company”)** is an existing company incorporated on December 08, 2021 under the provisions of the Companies Act, 2013. The present registered office of Redtape Ltd. is situated at Plot No. 08, Sector-90, Noida, Uttar Pradesh-201301. The CIN of Redtape Ltd. is U52609UP2021PLC156659.

Redtape Ltd. has been incorporated for the purpose of the proposed Scheme of Arrangement. After demerger becoming effective, Redtape Ltd. will continue the Branded Business/Redtape Business of MIL.

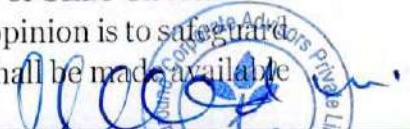
As on date, the equity Shares of Redtape Ltd. are not listed on any recognized stock exchange in India.

### **3. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

### **4. Scope and Purpose of the Opinion**

This Fairness Opinion is being issued in terms of the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The purpose of the opinion is to safeguard the interest of the shareholders of the Companies and this opinion shall be made available



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

CIN: U74140DL2015PTC278474 SEBI Registration No.: MB/INM000012290

Corporate & Registered Office: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

Tel: +91-11-45510390, 41395590 Email: info@tcagroup.in Website: www.tcagroup.in



**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

to the Boards of Directors and Shareholders of the Companies at the time of their respective meetings to pass the necessary resolutions for the approving and adopting the proposed scheme and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or governmental authorities, in connection with the proposed scheme.

**This opinion is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

#### 5. Sources of the Information

We have received the following information from the management of MIL for the purpose of our opinion:

- Draft Proposed Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst MIL, RFPL and Redtape Ltd. & their respective Shareholders and Creditors.
- Report on share exchange ratio by CA Sandeep Kumar Agrawal, Registered Valuer, dated December 10, 2021 along with supporting workings.

In addition to the above, we have also obtained explanations and other information as considered necessary by us for our exercise from the management of MIL.

#### 6. Fairness Opinion

We have reviewed the methodologies and important factors considered by the Valuer for the purpose of providing his recommendation on the Share Exchange Ratio for the purpose of proposed amalgamation and proposed demerger. A brief summary of some of the important factors considered by the Valuer are as follows:

##### A. **With respect to Proposed Amalgamation:**

- RFPL owns 100% equity stake of RTS Fashion Limited ("RTS Dubai") which in turn owns 100% equity stake of Mirza (UK) Limited, United Kingdom ("Mirza UK"). Therefore, Mirza UK is wholly owned step-down subsidiary of RFPL. RFPL does not have any major assets and business except investment in 100% equity stake of Mirza UK (through RTS Dubai). Mirza UK has an experienced and dedicated team engaged in design and development of leather footwear, leather goods and accessories for UK and other Overseas Markets.

Page 4 of 8



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

CIN: U74140DL2015PTC278474 SEBI Registration No.: MB/INM000012290

Corporate & Registered Office: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi-110058

Tel: +91-11-45510390, 41395590 Email: info@tcagroup.in Website: www.tcagroup.in



**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

- ii. In view of the above holding structure, the value of RFPL is basically derived as the value of its ultimate/step down wholly owned subsidiary– Mirza UK and accordingly to arrive the fair valuation of Equity Shares of RFPL, fair valuation of Mirza UK has been considered.
- iii. W.r.t fair valuation of Mirza UK, the Valuer has considered the Fair Valuation report dated December 04, 2021 issued by M/s. CapShire UK LLP, Chartered Accountants, London, United Kingdom for valuation of shares (using DCF Method) of Mirza UK. The Valuer has reviewed the valuation workings of Mirza UK including relevant documents and financial data and other information and only after having concurrence with the same; taken the fair value of Mirza UK, for the purpose of deriving the fair value of shares of the RFPL.
- iv. Accordingly, fair valuation of RFPL has been determined by the Valuer using Adjusted Net Asset Value Method (“**Adjusted NAV Method**”) where book value of investment has been replaced by fair value of such investments determined as above. Further, Valuer has also provided illiquidity discount to arrive the final value of RFPL considering RFPL as well as its subsidiaries are unlisted.
- v. For the purpose of arriving the fair valuation of Equity Shares of MIL, Valuer has applied DCF Method and Market Price Method (considering Equity Shares of MIL are listed on BSE and NSE).

**B. With respect to Proposed Demerger**

- i. The management of MIL has proposed that, in consideration of proposed demerger of the Branded Business/Redtape Business, all equity shareholders of MIL (after giving effect to the amalgamation of RFPL into MIL) shall hold same percentage of shareholding of Redtape Ltd. as they were holding in MIL prior to the proposed demerger to create a mirror image of their equity shareholding of MIL in Redtape Ltd.

To maintain the mirror image of equity shareholding of Redtape Ltd., it is proposed that, entire existing pre-scheme paid up share capital of Redtape Ltd. which consists of 50,000 Equity Shares of Rs. 02 each aggregating to Rs. 1,00,000 will be replaced by equal number of 9% Non-cumulative Compulsorily Redeemable Preference Shares (CRPS) i.e 50,000 CRPS of Rs. 02 each aggregating to Rs. 1,00,000.

Major terms & conditions of CRPS proposed to be issued under this scheme are as follows:



# TURNAROUND

A SEBI Registered Category-I Merchant Banker

Name of the Instrument	Non-cumulative Compulsory Redeemable Preference Shares (CRPS)
Face Value (Rs.)	Rs. 02 per CRPS
Coupon Rate	9.00% per annum
Convertible/Non-Convertible	Non-Convertible
Cumulative/ Non-Cumulative	Non-Cumulative
Tenure	Maximum 5 years with call option available to the Issuer Company and Shareholders for early redemption
Redemption Value (Rs.)	At par i.e Rs. 02 per CRPS

Any reference to CRPS in this fairness opinion report shall have above mentioned terms of issuance.

- ii. Since, after the proposed demerger, the entire Equity Share Capital to be issued by Redtape Ltd. will be held by the Equity Shareholders of MIL exactly in the same proportion as they are holding in MIL prior to demerger, no formal Share Valuation and Share Swap Ratio is required.
- iii. In view of the above, valuation for the purpose of issue of the equity shares upon de-merger is not applicable under Asset Approach, Income Approach or Market Approach.

As stated in the Share Exchange Ratio Report, Valuer has recommended the following share exchange ratio:

#### A. For the purpose of Proposed Amalgamation

- i. 22 Equity Shares of face value Rs. 02 each of MIL credited as fully paid up to the Equity Shareholders of RFPL for every 10 Equity Shares of face value of Rs. 10/- each held in RFPL.

#### B. For the purpose of Proposed Demerger

01 Equity Share of face value Rs. 02 each of Redtape Ltd. credited as fully paid up to the Equity Shareholders of MIL (post giving effect to amalgamation proposed in the Scheme) for 01 Equity Share of face value of Rs. 02/- each held in MIL.

- C. Re-organization of existing pre-scheme equity shares (i.e. 50,000 Equity Shares of Rs. 02 each aggregating to Rs. 1,00,000) of Redtape Ltd.





**TURNAROUND**

A SEBI Registered Category-I Merchant Banker

*01 CRPS of face value Rs. 02 each of Redtape Ltd. credited as fully paid up to Equity Shareholders of Redtape Ltd. for 01 Equity Share of face value of Rs. 02/- each held in Redtape Ltd.*

In other words, entire existing pre-scheme paid up share capital of Redtape Ltd. which consists of 50,000 Equity Shares of Rs. 02 each will stand cancelled pursuant to the Proposed Scheme and 50,000 CRPS of Rs. 02 each will be issued by Redtape Ltd., in place of such cancelled equity shares.

**Based on the information and data made available to us including the Share Exchange Ratio Report and the proposed composite scheme of arrangement and subject to disclaimers as mentioned in this report, we are of the opinion that, the Share exchange ratio, as suggested by CA Sandeep Kumar Agrawal, Registered Valuer, is fair and reasonable.**

#### **7. Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of the Companies.
- Carrying out a market survey / financial feasibility for the Business of the Companies.
- Financial and Legal due diligence of Companies.

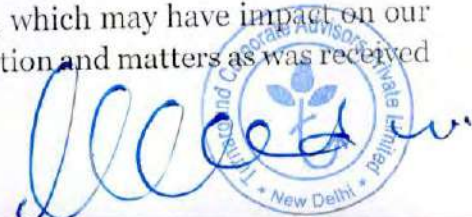
It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of MIL.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

We do not assume any obligation to update, revise or reaffirm our Opinion because of events or transactions occurring subsequent to the date of this report.

We understand that the management of MIL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from the management of MIL.





# TURNAROUND

A SEBI Registered Category-I Merchant Banker

The fee for our services is not contingent upon the result of the proposed demerger. TCA's appointment was formalized via engagement letter dated December 04, 2021.

The management of Companies or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Turnaround Corporate Advisors Private Limited



(HEEMADRI MUKERJIA)  
Managing Director

## 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

24<sup>th</sup> February, 2022

**The General Manager**  
**Department of Corporate Services**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sir /Madam,

**Sub.: Report on Complaints in terms of SEBI Master Circular No. SEBI / HO / CFD / DILI / CIR / P / 2021 / 0000000665 dated November 23, 2021**

**Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the proposed Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited**

This is with reference to the captioned subject, the Report on Complaints indicating NIL Complaints for the period commencing from 31<sup>st</sup> January, 2022 to 21<sup>st</sup> February, 2022 is enclosed herewith.

We request you to take the above on record.

Thanking you.

Yours Faithfully,

For **Mirza International Limited**


**Priyanka Pahuja**  
**Company Secretary & Compliance Officer**

Encl.: As above.

## 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

### Report on Complaints

#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total number of complaints / comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.		N.A.	
2.			
3.			

For Mirza International Limited


Priyanka Pahuja  
Company Secretary & Compliance Officer

## 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

25<sup>th</sup> February, 2022

**The General Manager,**  
**Department of Corporate Services,**  
**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai 400 051

Dear Sir /Madam,

**Sub.: Report on Complaints in terms of SEBI Master Circular No. SEBI / HO / CFD / DIL1 / CIR / P / 2021 / 0000000665 dated November 23, 2021**

**Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the proposed Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited**

This is with reference to the captioned subject, the Report on Complaints indicating NIL Complaints for the period commencing from 3<sup>rd</sup> February, 2022 to 24<sup>th</sup> February, 2022 is enclosed herewith.

We request you to take the above on record.

Thanking you.

Yours Faithfully,

For **Mirza International Limited**



**Priyanka Pahuja**  
**Company Secretary & Compliance Officer**

Encl.: As above.

## 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

### Report on Complaints

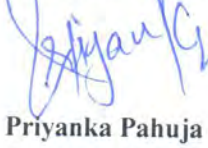
#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total number of complaints / comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.		N.A.	
2.			
3.			

For Mirza International Limited

  
Priyanka Pahuja



Company Secretary & Compliance Officer

DCS/AMAL/TL/IP/2331/2022-23

“E-Letter”

May 17, 2022

The Company Secretary,  
**MIRZA INTERNATIONAL LTD.**  
14/6, Civil Lines, Kanpur,  
Uttar Pradesh, 208001

Dear Sir,

**Sub: Observation letter regarding the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd and their respective Shareholders and Creditors**

We are in receipt of the Draft Composite Scheme of Arrangement of Mirza International Ltd as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated May 17, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall ensure compliance with the said circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the company is obliged to bring the observations to the notice of Hon’ble NCLT.”
- “It is to be noted that the petitions are filed by the company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Redtape Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Redtape Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Redtape Limited is at the discretion of the Exchange. In addition to the above, the listing of Redtape Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Redtape Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all information about Redtape Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Redtape Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - I. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - II. "There shall be no change in the shareholding pattern of Redtape Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,  
Sd/-

**Prasad Bhide**  
Manager

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/29638

May 20, 2022

The Company Secretary  
Mirza International Ltd  
A-7 Mohan Coop. Indl Estate,  
Mathura Road, New Delhi- 110044

**Kind Attn.: Ms. Priyanka Pahuja**

Dear Madam,

**Sub: Observation Letter for Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd (Resulting Company) and their respective Shareholders and Creditors.**

We are in receipt of Draft Composite Scheme of Arrangement between RTS Fashions Pvt Ltd (Transferor Company) and Mirza International Ltd (Transferee Company) and Redtape Ltd (Resulting Company) and their respective Shareholders and Creditors vide application dated January 08, 2022.

Based on our letter reference no. NSE/LIST/29638 dated March 28, 2022, submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017(as amended), kindly find following comments on the draft scheme:

- a. Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*
- b. The entities involved in the scheme shall duly comply with various provisions of the said Circular.*
- c. Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*
- d. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Redtape Limited is at the discretion of the Exchange.

The listing of Redtape Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Redtape Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited (“NSE”) for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

***“The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.”***

2. To publish an advertisement in the newspapers containing all the information about Redtape Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Redtape Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
  - (b) “There shall be no change in the shareholding pattern or control in Redtape Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities. The validity of this “Observation Letter” shall be six months from May 20, 2022, within which the scheme shall be submitted to NCLT.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Priya Iyer  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:  
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



**INDEPENDENT AUDITOR'S REPORT**

To the Members of **RTS FASHIONS PRIVATE LIMITED**

**Report on the Audit of the Financial Statements**

**1. Opinion**

We have audited the financial statements of RTS FASHIONS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and Profit, and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

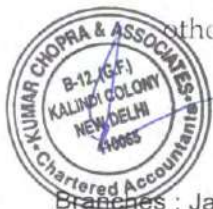
**3. Information other than the financial statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including its Annexure, but does not include the financial statements and our auditor's report thereon.

The Board's Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

#### **4. Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing on the effectiveness of the company' internal control.
  - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv. 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 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.
  - v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement 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.

## 6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- II. As required by Section 197(16) of the Act, we report that the company being a private limited company, section 197 on payment of remuneration to its directors is not applicable to the company.
- III. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The para relating to adequacy of the internal financial controls is not applicable to the company as turnover/borrowings are less than the limits specified in MCA notification dated 13.06.2017.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 16.9 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 16.9 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies),



including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of clause iv contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

Place of signature: New Delhi  
Date: 26.05.2022

For Kumar Chopra & Associates  
Chartered Accountants  
(FRN: 000131N)



*K. Aggarwal*  
K. Aggarwal  
Partner  
(M. No 081510)

UDIN:

22081510AJZWKX6010

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RTS FASHIONS PRIVATE LIMITED for the year ended 31 March 2022)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
    - a. i. The Company do not have any Property, Plant and Equipment.
    - ii. The Company is maintaining proper records showing full particulars of intangible assets.
  - b. As company do not have any Property, Plant and Equipment, therefore reporting requirement under clauses 3(i) (b), (c) and (d) of the Order is not applicable.
  - c. No proceedings have been initiated during the year or are pending against the Company as at year end for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year.
  4. The company has not made any loans, investments, guarantees and securities covered under the provisions of section 185 and 186 of Company Act, 2013. The investment in wholly subsidiary is given exemption under proviso to section 186(3) of the Act.
  5. The Company has not accepted any deposit or amounts which are deemed to be deposits.
  6. The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act for the products/services of the Company.
  7. a. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues, as applicable to it, with the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

There are no statutory dues which have not been deposited on account of any dispute.



8. During the course of audit, we did not come across any transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
  - (c) According to the information and explanation given to us, the Company has not availed any term loans.
  - (d) On an overall examination of the books of accounts of the Company, in our opinion, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) According to the information and explanation given to us and on an overall examination of the financial statements, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The company do not have any associate or joint ventures.
  - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
11. (a) According to the information and explanation given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
  - (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanation given to us, no whistle blower complaints were received by the Company during the year by the company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with provisions of section 188 of the Companies Act, 2013 and adequate disclosures have been made in the financial statements as required by the applicable accounting standards. The company being a private company, section 177 is not applicable.
14. a. In our Opinion and based on our examination, the Company has adequate Internal audit system commensurate with the size and nature of its business though not mandated under section 138 of the Act. The company is not required to appoint internal auditor under section 138 of the Act.



- b. As appointment of internal auditor is not mandated, reporting under clause xiv(b) of the Order is not applicable.
15. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
b. The company has not conducted any Non-Banking Financial or Housing Finance activities.  
c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
d. Clause (xii) on CIC of the Order is not applicable.
17. The Company has not incurred cash losses in the current financial year. The cash loss of Rs. 0.91 thousand were incurred in previous financial year.
18. There has been no resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The provisions of Section 135 of the Act on spending on social corporate activities are not applicable to the Company hence reporting under clause 3(xx) of the Order is not applicable.
21. The provisions of the Act on consolidation of financial statements are not applicable to the company; hence reporting under clause 3(xxi) of the Order is not applicable.

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



  
(R.K. AGGARWAL)  
Partner  
(M. No 081510)

Place: New Delhi  
Date: 26.05.2022

UDIN:

22081510AJZWKX6010

RTS Fashions Private Limited

Audited Financial Statements for  
March 31, 2022

RTS FASHIONS PRIVATE LIMITED  
CIN- U19120UP2019PTC120284  
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

(' in Thousands)

Particulars	Note No.	Year ended at 31st March, 2022	Year ended at 31st March, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	81,345	81,345
(b) Reserves and surplus	2	-572	-1,498
<b>2 Non-current liabilities</b>			
(a) Long term liabilities		-	-
(b) Deffered tax liabilities(Net)	3	55	112
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	1,600	1,600
(b) Trade payables			
(i) total outstanding dues to micro enterprises and small enterprises		-	-
(ii) total outstanding dues to other than micro enterprises and small enterprises	5	31,043	25
(c) Other current liabilities	6	30	53
(d) Short-term provisions	6 (i)	35	-
<b>TOTAL</b>		<b>1,13,535</b>	<b>81,638</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
Property plant and equipment and			
(a) Intangible Assets			
(i) Property, Plant and Equipment		-	-
(ii) Intangible assets	7	1,086	1,892
(b) Non-current investments	8	78,256	78,256
<b>2 Current assets</b>			
(a) Trade receivable	9	31,379	971
(b) Cash and cash equivalents	10	2,431	63
(c) Other current assets	11	383	456
<b>TOTAL</b>		<b>1,13,535</b>	<b>81,638</b>

Significant Accounting Policies

14

The accompanying notes form part an integral part of the financial statements.

1-16

AS per our report of even date

For Kumar Chopra & Associates

Chartered Accountants

FRN-000131N



R. K. Aggarwal

Partner

M.No: 081510



For RTS Fashions Private Limited



Tauseef Ahmad Mirza

(Director)

DIN:00049037



Tasneef Ahmad Mirza

(Director)

DIN: 00049066

Place: New Delhi

Date: 26 MAY 2022

STANDALONE STATEMENT OF PROFIT AND LOSS AS FOR THE YEAR ENDING 31ST MARCH 2022

(` in Thousands)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I.	Revenue from operations		48,077	12,538
	Sale of products-Soling and Packing material		-	-
			-	-
II.	Other income- credit balance w/back		15	12
III.	<b>Total revenue</b>		<b>48,092</b>	<b>12,550</b>
IV.	Expenses:			
	Purchase of stock in trade-Soling and packing Material		46,209	12,047
	Employee benefits expense		-	-
	Depreciation and amortization expense	7	806	605
	Other expenses	12	173	594
	<b>Total expenses</b>		<b>47,188</b>	<b>13,246</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>904</b>	<b>-696</b>
VI.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>904</b>	<b>-696</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>904</b>	<b>-696</b>
X.	Tax expense:			
	(1) Current tax		35	-
	(2) Deferred tax		-57	45
XI.	<b>Profit (Loss) after tax for the period (IX-X)</b>		<b>926</b>	<b>-741</b>

Significant Accounting Policies

14

The accompanying notes form part an integral part of the financial statements.

1-16

AS per our report of even date

For Kumar Chopra & Associates

Chartered Accountants

FRN-000131N

R. K. Aggarwal  
Partner

M.No: 081510



For RTS Fashions Private Limited

Tauseef Ahmad Mirza

(Director)

DIN:00049037

Tasneef Ahmad Mirza

(Director)

DIN:00049066

Place: New Delhi

Date:

26 MAY 2022

STANDALONE CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2022

(` in Thousands)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>(A) CASH FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra-ordinary items	904	-696
Adjustments For		
Add :		
Depreciation	806	605
Interest	-	-
Add:- Transfer to reserve	-	-
Less:- Provision for tax	35	-
	1,675	-91
Less :		
Interest Income	-	-
Operating Profit before working capital changes	1,675	-91
Adjustments For		
Trade & other receivables	-30,408	5,052
Inventory	-	-
Trade payables	31,017	-5,766
Other Current Assets	108	-142
Net Cash generated from operating activity	2,392	-947
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Issue of share capital	-	-
Purchase of fixed assets	-	-694
Investment	-	-
Adjustments For		
Other non current assets & liabilities	-23	-165
Net cash used in investing activities	-23	-859
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term liability	-	-
Long term borrowings	-	-
Short term borrowing	-	1,600
Net cash generated in financing activities	-	-
Net increase/(decrease) in cash & equivalents	2,369	-206
Cash & equivalents opening balance (refer note no.10)	63	269
Cash & equivalents closing balance (refer note no. 10)	2,431	63

Cash Flows are reported using indirect method, as per accounting standard AS-3


The accompanying notes form part an integral part of the financial statements.


AS per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
FRN-000131N

  
R. K. Aggarwal  
Partner  
M.No: 081510



For RTS Fashions Private Limited

  
Tauseef Ahmad Mirza  
(Director)  
DIN:00049037

  
Tasneef Ahmad Mirza  
(Director)  
DIN NO.00049066

Place: New Delhi  
Date: 26 MAY 2022

RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 1 SHARE CAPITAL

(` in Thousands)

Share Capital	31st March,2022		31st March,2021	
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	8134500	81,345	8134500	81,345
	8134500	81,345	8134500	81,345
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up	8134500	81,345	8134500	81,345
<b>Total</b>	<b>8134500</b>	<b>81,345</b>	<b>8134500</b>	<b>81,345</b>

Note 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(` in Thousands)

Particulars	Equity Shares 2022		Equity Shares 2021	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of the period/subscribed capital	8134500	81345	8134500	81345
Shares Issued during the period	0	0	0	0
Shares bought back during the period	0	0	0	0
Shares outstanding at the end of the period	8134500	81345	8134500	81345

Note 1.2 The details of Shareholders holding more than 5% shares

Name of Shareholder	31st March,2022		31st March,2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Irshad Mirza	1244100	15.29	1244100	15.29
Rashid Ahmed Mirza	2235900	27.49	2235900	27.49
Shahid Ahmad Mirza	1635600	20.11	1635600	20.11
Tauseef Ahmad Mirza	1635600	20.11	1635600	20.11
Tasneef Ahmad Mirza	1383300	17.00	1383300	17.00

Note 1.3 Details of shares held by promoters

As at 31st March, 2022

Name of the promoter	Number of shares as at 01.04.2021	Number of shares as at 31.3.2022	% Holding as at year end	% Change during the year
Irshad Mirza	12,44,100	12,44,100	15.29	0.00%
Rashid Ahmed Mirza	22,35,900	22,35,900	27.49	0.00%
Shahid Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tauseef Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tasneef Ahmad Mirza	13,83,300	13,83,300	17.01	0.00%

As at 31st March, 2021

Name of the promoter	Number of shares as at 01.04.2020	Number of shares as at 31.3.2021	% Holding	% Change during the year
Irshad Mirza	12,44,100	12,44,100	15.29	0.00%
Rashid Ahmed Mirza	22,35,900	22,35,900	27.49	0.00%
Shahid Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tauseef Ahmad Mirza	16,35,600	16,35,600	20.11	0.00%
Tasneef Ahmad Mirza	13,83,300	13,83,300	17.01	0.00%

Note 2 RESERVES AND SURPLUS

(` in Thousands)

Reserves & Surplus	31st March,2022	31st March,2021
<b>a. Surplus (i.e. balance in the statement of Profit and Loss)</b>		
Opening balance	-1,498	-757
Add: Profit /loss for the year	926	-741
Closing Balance	-572	-1,498
<b>Total</b>	<b>-572</b>	<b>-1,498</b>



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

(` in Thousands)

Note 3	DEFERRED TAX LIABILITY (NET)	31st March, 2022	31st March, 2021
	Deferred Tax Liability on account of difference in depreciation on fixed assets	55	112
	Less: Deferred Tax Assets	-	-
	<b>Total</b>	<b>55</b>	<b>112</b>

Note 4 **SHORT TERM BORROWINGS**

(` in Thousands)

Short Term Borrowings	31st March, 2022	31st March, 2021
Unsecured Loans from related parties-Directors and their relatives		
Irshad Mirza	245	245
Rashid Ahmed Mirza	440	440
Shahid Ahmed Mirza	322	322
Tauseef Ahmad Mirza	322	322
Tasneef Ahmad Mirza	272	272
<b>Total</b>	<b>1,600</b>	<b>1,600</b>

Note 5 **TRADE PAYABLE**

(` in Thousands)

Trade Payable	31st March, 2022	31st March, 2021
Micro, Small and Medium Enterprises *	-	-
Others	31,043	25
<b>Total</b>	<b>31,043</b>	<b>25</b>

\* MSME identified to the extent information available with the company

Notes 5.1 Trade Payables due for payment ageing schedule (current year)

(` in Thousands)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	-	31,043
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>31,043</b>

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

Trade Payables due for payment ageing schedule (previous year)

(` in Thousands)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	-	21.72
1-2 years	-	3.66
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>25</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 6 **OTHER CURRENT LIABILITIES**

(` in Thousands)

Other Current Liabilities	31st March, 2022	31st March, 2021
Audit Fees payable	27	28
Expenses payable	-	15
TDS payable	3	2
TCS on sale of any goods	-	8
<b>Total</b>	<b>30</b>	<b>53</b>

6 (i) **SHORT TERM PROVISIONS**

(` in Thousands)

Short Term Provisions	31st March, 2022	31st March, 2021
Provision for Income tax	35	-
	-	-
<b>Total</b>	<b>35</b>	<b>-</b>





RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 8 **Non-current investments** (₹ in Thousands)

	31st March, 2022	31st March, 2021
Long Term, non-Trade, at cost (unquoted) Investment in foreign subsidiaries 4000000 shares of RTS Fashion Ltd, Dubai of AED 1 each fully paid up.(extent of holding 100%)	78,256	78,256
Total	78,256	78,256

Note 9 **Trade Receivable** (unsecured considered good) (₹ in Thousands)

	31st March, 2022	31st March, 2021
Outstanding for a period exceeding 6 months from due date	371	-
Others	31,008	971
Total	31,379	971

Notes 9.1 Debts due from Euro Footwear Pvt Ltd, a company in which directors are directors

Notes 9.2 Trade Receivable outstanding ageing schedule (FY 2021-22)

(₹ in Thousands)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	30,753	-
6 Months - 1 Year	264	-
1-2 years	363	-
2-3 years	-	-
More than 3 years	-	-
Total	31,379	-

\*There are no disputed trade receivables

Trade Receivable outstanding ageing schedule (FY 2020-21)

(₹ in Thousands)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	8	-
6 Months - 1 Year	-	-
1-2 years	963	-
2-3 years	-	-
More than 3 years	-	-
Total	971	-

\*There are no disputed trade receivables

Note 10 **Cash and cash equivalents**

(₹ in Thousands)

Particulars	31st March, 2022	31st March, 2021
Balances with banks in current accounts	2,426	58
Cash in hand	5	5
Total	2,431	63

Note 11 **Other Current Assets**

(₹ in Thousands)

Particulars	31st March, 2022	31st March, 2021
GST receivable	375	443
TDS paid in advance	-	5
TCS receivable	8	8
Total	383	456



RTS Fashions Private Limited

Notes to the Standalone financial statements as at 31st March, 2022

Note 12 OTHER EXPENSES

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
Interest & Bank Charges	9	1
Interest on TDS	0	1
Audit fees	30	30
Rates & Taxes	15	6
Professional fees	119	67
Repair & Maintenance	-	490
<b>Total</b>	<b>173</b>	<b>594</b>

Note 12.1 Payment to Auditor

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
Payment to Auditor		
a) Audit Fee	30	30
b) For Fema Matters	50	-
c) For certification	69	-
<b>Total</b>	<b>149</b>	<b>30</b>

Note 13 EARNINGS PER SHARE (EPS)

Particulars	(` in Thousands)	
	31st March, 2022	31st March, 2021
(I) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	926	-741
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	8,135	8,135
(iii) Basic Earnings per share ( in rupees)	0.11	-0.09
(iv) Face Value per equity share (in rupees)	10	10



## RTS FASHONS PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2022

### NOTES 14:

#### COMPANY INFORMATION

The company was incorporated on 21<sup>st</sup> August 2019. The company is in the business of trading in Soling material and packing material of shoes.

#### 12. SIGNIFICANT ACCOUNTING POLICIES:

- I. Basis of preparation of financial statements-The financial statements are prepared on a going concern basis in accordance with the generally accepted accounting principles in India (Indian GAAP) and the applicable Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The Figures are rounded off to nearest thousands.
- II. Use of Estimates- The preparation of financial statements in conformity with the significant accounting policies requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ from those estimates. Differences between actual results and estimates are recognized in the period in which they materialize.
- III. Revenue Recognition: Sales are net of returns and GST and are recognized on dispatch of goods and is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- IV. The inventories are valued at lower of cost or net realizable value. Cost is computed on FIFO basis. GST is excluded from cost when the input credit is available to be utilized for output GST liability.
- V. Property, Plant and Equipment are stated at cost along with expenses directly attributable to bring the asset in working condition.
- VI. Depreciation and Amortization: Depreciation on tangible assets is provided on straight line method as per Schedule II of the Companies Act, 2013. Intangible Assets are amortized on straight line method over a period of 3 years.
- VII. Investments: Investments are categorized as current and non current depending on its nature and intention to hold. Non current investments are valued at cost and current investments are valued at lower of cost and fair value. Provision for diminution in value is made when there is a permanent fall in value of Non current investment.
- VIII. Purchases are net of returns and discounts.
- IX. Impairment of assets-Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (Tangible and intangible) may be impaired. If any such indication exists, an estimate of recoverable amount is made and appropriate adjustments made in the accounts.



- X. Foreign Currency Transactions-
- i) Income and Expense on account of foreign currency transactions are recorded at the exchange rate as of the date of the respective transactions. Exchange differences are recorded in the statement of profit and loss when the amount actually received on invoices are converted into Indian Rupees.
  - ii) Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is recorded in the statement of profit and loss.
- XI. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- XII. Employee Benefits
- i) Short Term Employee Benefits-All employee benefits falling due wholly within twelve months of rendering the service are classified as short- term employee benefits. The benefits like salaries, wages, short term compensated absences etc. are recognized in the period in which the employee renders the related service.
  - ii) Post-Employment Benefits- Defined Contribution Plans: Contributions payable to recognized provident funds which is a defined contribution schemes, is charged to the statement of profit and loss. Eligible employees receive benefits from a provident fund, aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment.
- XIII. Leases-Assets taken on lease under which lessor effectively retains all significant risks & rewards of ownership have been classified as operating lease. Lease payments made under operating lease are recognized as expense in the statement of profit and loss in accordance with the terms of lease agreement.
- XIV. Taxation- The current charge for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax act, 1961. Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- XV. Provisions and Contingencies- Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.



RTS FASHONS PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March 2022

NOTES 15: Contingent Liabilities – Nil

NOTES 16: Other Explanatory information-

16.1 Borrowing costs capitalized during the year – Nil

16.1.1 In the opinion of the management there are no indications of impairment of any asset covered under Accounting Standard AS 28.

16.2 Disclosures under AS-19 Leases- in respect of operating leases: Nil.

16.3 EMPLOYEES BENEFITS- There was no employee during the year.

16.4 RELATED PARTIES DISCLOSURE:

i. Related parties (as identified by the management

A) **Key Management Personnel** having control of voting power & composition of Board of Directors:

Rashid Ahmed Mirza	Director
Shahid Ahmad Mirza	Director
Tauseef Amhad Mirza	Director
Tasneef Ahmad Mirza	Director

B) **Relatives of Directors**-Mr. Irshad Mirza, Mrs. Yasmin Mirza, Mrs. Fauzia Mirza, Mrs. Iram Mirza, Mr. Shuja Mirza, Mr. Faraz Mirza, Mr. Mustafa Mirza, Mr. Farzan Mirza, Mr. Amaan Mirza, Mrs. Sabiha Husain, Mrs. Maria Khan, Mrs. Wasi Urooj Khan

C) **Subsidiary:** RTS Fashion Limited UAE

D) **Subsidiary to Subsidiary:** Mirza (UK) Limited, UK

E) **Subsidiary to Subsidiary-level 2:** Redtape Direct Limited, UK

F) **Enterprises over which KMP have significant influence:**

- a. Shoemax Engineering Private Limited
- b. Shoemac Leather Tech Engineers Limited
- c. Mirza Charitable Hospital Limited
- d. Euro Footwear Private Limited
- e. EMGEE Projects Private Limited
- f. Genesisriverview Resorts Private Limited
- g. Genesis Infra Projects Private Limited
- h. Granule Infra India Private Limited
- i. Aarem Heights Private Limited
- j. Mirza Investment Private Limited
- k. Mirza International Limited
- l. RTS Fashion LLC
- m. Achee Shoes LLP
- n. Red Tape International LLP
- o. Mirza Holdings LLP



- p. Mirza Projects
- q. Gempack Enterprises
- r. Mars International
- s. Waves International
- t. Mirza Foundation
- u. Kilkari Charitable Trust
- v. Redtape Limited

ii. Details of transactions with Related Parties –

a. Sales –

(in ₹)

Sl. No.	Sale	Volume of Transactions	Outstanding as on March2022
1.	Euro Footwear Private Limited	NIL (1,25,37,970/-)	3,71,043/- (9,71,043/-)

b. Investment

Sl. No.	Investment	Volume of Transactions	Outstanding as on March2022
1.	RTS Fashions Limited, Dubai- investment made in	Nil (NIL)	78255979 Dr (78255979Dr)

c. Unsecured Loan taken

Sl. No.	Name of the related party	Loan taken during the year	Balance Outstanding as on March 2022
1.	Irshad Mirza relative	NIL (2,44,706/-)	2,44,706/- (2,44,706/-)
2.	Rashid Ahmad Mirza director	NIL (4,39,787/-)	4,39,787/- (4,39,787/-)
3.	Shahid Ahmad Mirza director	NIL (4,39,787/-)	3,21,711/- (3,21,711/-)
4.	Tasneef Ahmad Mirza director	NIL (2,72,085/-)	2,72,085/- (2,72,085/-)
5.	Tauseef Ahmad Mirza director	NIL (3,21,711/-)	3,21,711/- (3,21,711/-)

Note: Figures in bracket are for previous year.

16.5 The Company has made investment in RTS Fashions Ltd. Dubai of AED 40,00,000 of AED 1 each equivalent of INR 782.55 lakhs representing 100% holding making it 100% owned subsidiary company. As company has investment in subsidiary Company



incorporated outside India only and in view of the exemption given in 3<sup>rd</sup> proviso to rule 6 of the Companies Accounts Rules no consolidated financial statements was required to be prepared.

16.6 Provisions of Section 135 of Companies Act on CSR is not applicable to the Company.

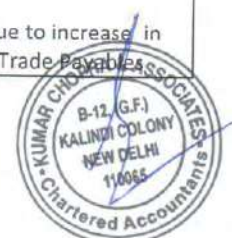
16.7 Company has not traded or invested in Crypto or Virtual currency during the financial year.

16.8 No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made thereunder.

16.9 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries."

16.10 Following are the analytical ratios for the year ended March 31 2022 and March 31 2021

S. No.	Ratio Type	Numerator	Denominator	2021-22	2020-21	Variation (In %)	Reason for variation by more than 25%
1	Current Ratio (Times)	Current Assets	Current Liabilities	1.05	0.89	15.13%	
2	Debt-equity ratio (Times)	Debt	Equity	0.02	0.02	-	
3	Debt service coverage ratio (Times)	Earnings available for debt service*	Debt Service**	NA	NA	NA	
4	Return on equity ratio(%)	Net Profit after taxes	Equity Shareholder funds	0.01	-0.01	180.99%	Due to Profit in Current Year as compared to Losses in last year
5	Inventory turnover ratio (Times)	Revenue	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio (Times)	Sales	Average Accounts Receivables	2.97	3.59	-20.63%	
7	Trade payables turnover ratio (Times)	Purchases	Average Accounts Payables	2.97	4.14	-39.25%	Due to increase in Trade Payables



8	Net capital turnover ratio (Times)	Revenue	Net Assets	32.35	-66.26	304.81%	Due to net assets being in positive this year as compared to negative in last year
9	Net profit ratio(%)	Net Profit after taxes	Revenue	0.02	-0.06	406.99%	Due to Profit in Current Year as compared to Losses in last year
10	Return on capital employed(%)	Earning before interest and taxes	Capital Employed***	0.01	-0.01	177.87%	Due to Profit in Current Year as compared to Losses in last year
11	Return on investment(%)	Return/ Profit/ Earnings	Investment	Nil	Nil	-	

\*Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments

\*\*Interest payments for the current year

\*\*\*Total Assets less current liabilities

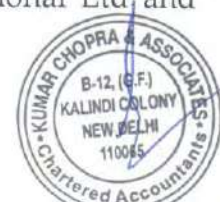
#### 16.11 Note on Financial Stability

The spread of Covid-19 has severely affected the businesses around the globe in many countries including India. The company has analyzed Covid-19 impact on results post Balance sheet date. The company's financial assets mainly consist of investments and receivable. The company has made assessment of its financial assets due to Covid-19 impact and is of opinion there is no impact. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has also made detailed assessment of its liquidity position for the next few months and of the recoverability and carrying values of its assets comprising investment and Trade Receivables as at the Balance sheet date and based on the internal and external information up to the date of approval of these financial statements including economic forecasts has concluded that no material adjustments are required to be made in the financial results.

In assessing the recoverability of receivables and investments the Company has considered internal and external information up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions the Company expects to recover the carrying amount of these assets. The Company on the basis of its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by any factor including COVID-19. The Company has also considered the effect of changes if any in expected credit loss and is of the view that there shall be no impact. The management believes that it has considered all the possible impact of known events arising in the preparation of financial results. Further company is of the opinion that there is certainty that company will be able to meet its all-financial commitments in next one year.

16.12 Amalgamation of the company- The Board of Directors of the Company in its meeting held on 10th 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. On Amalgamation, the Transferee Company-Mirza International Ltd will issue 22 Equity Shares of ₹2 each, credited as fully paid up, to the Shareholders of the Transferor Company-RTS Fashions Pvt Ltd. for every 10 Equity Shares of ₹10 each held. The appointed date for the Scheme will be 1st 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.

Previous year's figures have been regrouped / re-arranged wherever required.

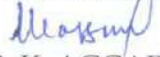
Signatures to notes 1 to 16

AS PER OUR REPORT OF EVEN DATE

FOR KUMAR CHOPRA & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 000131N

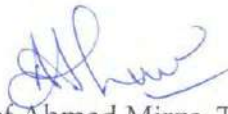


R. K. AGGARWAL

(PARTNER)

M. NO. 081510





Tauseef Ahmad Mirza

(DIRECTOR)

DIN-00049037



Ahmad Mirza

(DIRECTOR)

DIN-00049066

PLACE: NEW DELHI

DATE: 26 MAY 2022



**D R A & CO.**

**CHARTERED ACCOUNTANTS**

**H.O. : 35, Bunglow Road, New Delhi-110007**

**Email id: dracoaudit@gmail.com**

## **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><b>Net Realisable Value of Inventories of Finished Goods</b></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**

1. 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.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper financial statements adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) 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.
  - (d) 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.
  - (e) 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.

- (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 B". 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 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: 30-05-2022**

**Place: New Delhi**

**UDIN: 22429735AJWSN08377**

### **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 Rs. 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 Rs.36.77 Lacs out of which Rs. 0.72 Lacs recovered from the employees and Rs. 25.49 Lacs has been provided for in the books of accounts, whereas Rs.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: DRA & Co.**  
**Chartered Accountants**  
**FRN: 006476N**



**Priyanka Rai**  
**Partner**  
**M.no.: 429735**  
**Date: 30-05-2022**

**Place: New Delhi**  
**UDIN: 22429735AJWSNQ8377**

**Annexure “B” to the Independent Auditor’s Report on Standalone Financial Statements of Mirza International Limited for the year ended 31<sup>st</sup> 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 these 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**  
**M.No. 429735**  
**Date: 30-05-2022**



**Place: New Delhi**  
**UDIN: 22429735AJWSN@8377**

**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzaknp@redtapeindia.com  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022**  
 CIN - L19129UP1979PLC004821

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Financial Assets</b>			
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
<b>Financial Assets</b>			
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:

Place : Noida  
 Date : May 30, 2022

For & on behalf of the board of Directors

RASHID AHMED MIRZA  
 Rashid Ahmed Mirza  
 (Chairman and Managing Director)  
 DIN: 00049009

V.T. Cheriyan  
 (Chief Financial Officer)

Tauseef Ahmad Mirza  
 (Whole Time Director)  
 DIN: 00049037

Priyanka Pahuja  
 (Company Secretary)



**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzakap@redtapeindia.com  
**STANDLONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2022**  
 CIN- L19129UP1979PLC004821

(₹ 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>			
i. Items that will not be reclassified to Statement of Profit and Loss	19 (i)	(10)	227
Income tax relating to items that will not be reclassified to Profit and Loss		3	(59)
ii. Items that will be reclassified to Statement of Profit and Loss	19(ii)	527	(75)
Income Tax on above		(177)	20
<b>Other Comprehensive Income for the year</b>		<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		
Basic (in ₹)		9.18	0.61
Diluted (in ₹)		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 statement of Profit and Loss referred to in our report of even date attached.

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

CA. Priyanka Rai  
 Partner  
 M.No. 429735  
 UDIN:

Place : Noida  
 Date : May 30, 2022



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

**RASHID AHMED MIRZA**  
Digital Signature  
 Issued on 05/06/2022  
 Date: 2022.05.30 10:58:50 AM  
 Rashid Ahmed Mirza  
 (Chairman and Managing Director)  
 DIN: 00049009

V.T Cherian  
 (Chief Financial Officer)

**Tauseef Ahmad Mirza**  
 (Whole Time Director)  
 DIN: 0049037  
**Priyanka Pahuja**  
 (Company Secretary)

Standalone Statement of changes in Equity for the year ended March 31, 2022

(A) Equity Share Capital	(Rs. in Lakh)			
As at March 31, 2020		9A		2406
Changes in equity share capital		9A		2406
As at March 31, 2021		9A		2406
Changes in equity share capital		9A		2406
As at March 31, 2022		9A		2406

(B) Other Equity	(Rs. in Lakh)					
	General Reserve	Reserves & surplus Securities Premium	Retained Earnings	Other Comprehensive Income DLS Subsidy Reserve (Note 2)	Hedging Reserves (Note 3)	Total equity
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		(38)	168
Less: Change in Fair Value of Hedging instruments net of taxes						(38)
Less: Income Tax Adjustment (Net)			88			88
Less: Distribution of Shareholders			0			0
Less: Dividend Tax			0	(23)		(23)
Less: Transferred from Profit & Loss Account			0			0
Balance as at March 31, 2021	11753	5	49437	173	(55)	61313
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
Add: Income Tax Adjustment (Net)			(0)			(0)
Less: Distribution of Shareholders			0			0
Less: Dividend Tax			0	(22)		(22)
Less: Transferred from Profit & Loss Account			0			0
Balance as at March 31, 2022	11753	5	60474	151	705	73088

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



RAJESH KUMAR  
RASHID AHMED MITRZA  
RASHID AHMED MITRZA  
RASHID AHMED MITRZA  
(Chairman and Managing Director)  
DIN: 00049009

V.T. Chetkan  
(Chief Financial Officer)

RASHID AHMED MITRZA  
RASHID AHMED MITRZA  
RASHID AHMED MITRZA  
(Whole Time Director)  
DIN: 00049037  
Priyanka Rai  
(Company Secretary)

Place: Noida  
Date: May 30, 2022

For & on behalf of the board of Directors

**MIRZA INTERNATIONAL LIMITED**  
 Regd. Office : 14/6, Civil Lines, Kanpur-208001  
 Website: www.mirza.co.in E-mail: mirzaknp@redtapeindia.com  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022**  
 CIN- L19129UP1979PLC004821

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
	8667	10808
Less :		
Interest Income	96	80
Income from Govt. Grant	22	23
Ceasing of Lease Liability	453	
Operating Profit before Working Capital Changes	23038	11751
Adjustments For		
Trade & other Receivables	(10672)	6084
Inventory	(9965)	(1304)
Trade Payables	19564	1856
Others	350	5109
Cash Generated from Operations	22315	23496
Direct Taxes Paid	(3564)	(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
Net Cash used in Investing Activities	(8049)	(3911)
<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)
Net cash used in financing activities	(10226)	(20065)
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
<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	-	-
	1485	1005
Less: Fixed deposits with original maturity of between 3 months and 12 months	0	0
Total cash and cash equivalents (note 10 A)	1485	1005

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:

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: 0049037

Priyanka Rai  
 (Company Secretary)

**Note 1 PROPERTY, PLANT & EQUIPMENT**

	At 01.04.2021		Gross Block		Accumulated Depreciation				Net Block		
	₹ in Lakh	₹ in Lakh	Additions	Deductions	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
			₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<b>A</b>											
Property, plant and equipment											
Land	918	918	0	-	918	-	-	-	-	918	918
Land Freehold	3555	3555	0	-	3555	493	43	0	0	3019	3062
Land Leasehold	21916	24187	2271	0	24187	5735	691	0	0	17761	16181
Buildings											
Plant & Machinery											
Machinery	28591	29650	2036	977	29650	15230	1673	64	807	13490	13361
Effluent Treatment Plant	1194	1194	0	-	1194	507	73	0	0	614	687
Tools & Shoe Laths	3611	3896	518	233	3896	3437	397	0	247	309	174
Furniture Fixtures, Office Equipments & Electrical Installation	11217	13189	2017	45	13189	4183	1045	0	2	7963	7034
Vehicles	1924	1978	547	493	1978	887	208	0	394	1277	1037
Computers	1229	1340	112	1	1340	1127	58	0	1	156	102
<b>Total</b>	<b>74155</b>	<b>79907</b>	<b>7601</b>	<b>1749</b>	<b>79907</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>45507</b>	<b>42546</b>
Capital Work in Progress											
Capital work-in-progress of properties, plant & equipment											
Capital work-in-progress of intangible assets											
<b>Total</b>	<b>74155</b>	<b>79907</b>	<b>7601</b>	<b>1749</b>	<b>79907</b>	<b>31599</b>	<b>4188</b>	<b>64</b>	<b>1451</b>	<b>47617</b>	<b>43679</b>
<b>1A</b>											
Previous Year : Property Plant & Equipment	(73202)	(74155)	(4771)	(3818)	(74155)	(30414)	(4157)	(12)	(2985)	(42557)	(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				Balance as at 31st March	
	Less than 1 Year		1-2 Years		2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	Total	₹ in Lakh
Asset details:						
Unit-2	396	8	0	0	404	
Unit-3	1223				1223	
	1619	8	0	0	1627	

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

Note 1.2 Intangible Assets under Development

Intangible assets under development	Amount in CWIP for a Period of				Balance as at 31st March	
	Less than 1 Year		1-2 Years		2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	Total	₹ in Lakh
Asset details:						
Projects in progress	148	111	224	0	483	
	148	111	224	0	483	

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

Note 1.3 Intangible Assets under Development

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

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

Note 1B

Right of Use Assets	As at 01.04.2021	Additions	Deductions	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Impairment	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2021
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use ( Building)	18670	5700	4044	20326	4911	1747	0	0	13668	13759
<b>Previous Year</b>	<b>(18147)</b>	<b>(522)</b>	<b>(18669)</b>	<b>(2440)</b>	<b>(2470)</b>	<b>(2470)</b>	<b>0</b>	<b>0</b>	<b>(13758)</b>	<b>(15706)</b>

Note 2 INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
Investment in Equity Instruments	297	292
Other non-current investments		
<b>Total</b>	<b>297</b>	<b>292</b>

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

A. Sr. No.	Name of the Body Corporate	Details of Trade Investments					₹ in Lakh				
		(2)	(3)	No. of Shares / Units		(6)	(7)	Amount			
				2022 (4)	2021 (5)			(8) FV	(9) BV	(10) FVT OCI	2021 (11)
1	Mirza (H.K.) Limited*		Subsidiary	10000	10000	0.83	Fully Paid	0.83	0.00	0.00	0.83
2	Mirza Bangla Limited**		Subsidiary	46918	46918	40.4	Fully Paid	40.44	-0.04	-0.04	40.44
3	Industrial Infrastructure Services (India) Ltd.		Structured	240000	240000	73.4	Fully Paid	24.0	49.4	49.4	54.7
4	Kanpur Unniso Leather Cluster Development Co. Ltd.		Structured	250000	250000	106.8	Fully Paid	25	81.75	81.75	106.75
5	Mirza Charitable Hospital Limited (Sec.25 Co.)		Structured	80000	80000	8.0	Fully Paid	8	0	0	32.48
6	Senen Mirza Industrial Supply Chain LLP***		Subsidiary	N.A	N.A	66.0	Fully Paid	66	0	0	56.75
7	J.P. Associates Ltd.		Structured	2000	2000	0.1	Fully Paid	0.3	-0.14	-0.14	0.1
8	Sarp Tannery Ltd.		Structured	500	500	0.0	Fully Paid	0.3	-0.31	-0.31	0.1
9	Super House Ltd.		Structured	150	150	0.3	Fully Paid	0.1	0.20	0.20	0.2
10	Super Tannery Ltd.		Structured	1000	1000	0.0	Fully Paid	1.0	0.00	0.00	0.0
11	Redtape Limited***		Subsidiary	50000	50000	1.0	Fully Paid	1.0	0.00	0.00	0.0
	<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

Note 3 OTHER FINANCIAL ASSETS (NON CURRENT)

OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<u>Unsecured, considered good</u>				
Security Deposits				
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

OTHER NON CURRENT ASSETS	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<u>Unsecured, considered good</u>				
Advance for Capital Goods		1027		28
<b>Total</b>		<b>1027</b>		<b>28</b>

Note 4 INVENTORIES \*

INVENTORIES *	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Raw Materials and components	8685		4471	
		<b>8685</b>		<b>4471</b>
b. Work-in-progress	3329		2382	
		<b>3329</b>		<b>2382</b>
c. Finished goods	19730		14935	
d. Stock-in-trade	19620		19968	
Goods-in transit	955		607	
		<b>40305</b>		<b>35510</b>
e. Stores and spares	273		264	
		<b>273</b>		<b>264</b>
<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 Rs. 3,492.28 Lakhs which is lower by Rs. 30.26 Lakhs as against the cost determined as per erstwhile method which stood at Rs. 3,522.54 Lakhs.

Note 5 Trade Receivables

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

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

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

Cash and cash equivalents	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
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*				
B. Cash in hand	408		401	202
<b>Total</b>		<b>1486</b>		<b>1005</b>

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

Note 7 OTHER FINANCIAL CURRENT ASSETS

OTHER FINANCIAL CURRENT ASSETS	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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

OTHER CURRENT ASSETS	As at 31 March 2022		As at 31 March 2021	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
(i) Advances other than Capital Advance		885		353
Advance to related party	-		-	
Suppliers Advance	885		353	
(ii) Others		4,518		2,995
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 31 March 2022		As at 31 March 2021	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
Issued, Subscribed & Paid up Equity Shares of ₹ 2/- each fully paid up	256250000	5125	256250000	256250000
Total	120306000	2406	120306000	2406
	120306000	2406	120306000	2406

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

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

Name of Shareholder	EQUITY SHARES			
	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IRSHAD MIRZA	0	0.00%	0	0.00%
RASHID AHMED MIRZA	13665520	11.36%	13665520	11.36%
SHAHID AHMAD MIRZA	10152053	8.44%	10152053	8.44%
TAUSEEF AHMAD MIRZA	17558453	14.59%	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 01.04.2021	Change during the year	Number of shares as at 31.3.2022	% Holding as at year end	% Change during the year
RASHID AHMED MIRZA	13665520	-	1,36,65,520	11	N.A
SHAHID AHMAD MIRZA	10152053	48,29,412	1,49,81,465	12	0.48
TAUSEEF AHMAD MIRZA	17558453	5,00,000	1,80,58,453	15	0.03
TASNEEF AHMAD MIRZA	14076104	-	1,40,76,104	12	N.A
SHUJA MIRZA	10202099	-	1,02,02,099	8	N.A
FARAZ MIRZA	4798940	-47,98,940	-	-	100
YASMIN MIRZA	5500850	-	55,00,850	5	N.A
FAUSIA MIRZA	3008450	-	30,08,450	3	N.A
HAYA MIRZA	30472	-30,472	-	-	100
MUSTAFA MIRZA	500000	-5,00,000	-	-	100
FARZAN MIRZA	500000	-	5,00,000	0	N.A
AMAAN MIRZA	447000	-	4,47,000	0	N.A
IRAM MIRZA	960500	-	9,60,500	1	N.A
RAMSHA REHMAN	-	2,50,000	2,50,000	0	N.A
FIRDAUS AMIN	-	50,000	50,000	0	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	1366520	-	1,36,65,520	11.36	N.A
SHAHID AHMAD MIRZA	10152053	-	1,01,52,053	8.44	N.A
TAUSEEF AHMAD MIRZA	1758453	-	1,75,58,453	14.59	N.A
TASNEEF AHMAD MIRZA	14076104	-	1,40,76,104	11.70	N.A
SHUJA MIRZA	10201740	-	1,02,01,740	8.48	N.A
FARAZ MIRZA	4798940	-	47,98,940	3.99	N.A
YASMIN MIRZA	5500850	-	55,00,850	4.57	N.A
FAUSIA MIRZA	3008450	-	30,08,450	2.50	N.A
HAYA MIRZA	63	30,409	30,472	0.03	482.68
HUMA MIRZA	3359800	-33,59,800	-	-	100
MUSTAFA MIRZA	500000	-5,00,000	-	-	100
FARZAN MIRZA	500000	-	5,00,000	0.42	N.A
AMAAN MIRZA	447000	-	4,47,000	0.37	N.A
IRAM MIRZA	955500	5,000	9,60,500	0.80	0.01

**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	Hedging Reserves	
<b>Balance as at March 31, 2020</b>	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)
<b>Balance as at March 31, 2021</b>	11753	5	49437	173	(55)	61312
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>	11753	5	60474	151	705	73088

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)	As at 31 March 2022		As at 31 March 2021	
	Non-Current	Current	Non-Current	Current
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
<b>Term loans</b>				
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 Rs. 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 Rs. 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 assets 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:

Term Loans from Banks	Payment Type	No. Of Pending Instalment	Instalment Amount	Current			Non Current		
				0-1 Yrs	1-2 Yrs	2-3 Yrs	1-2 Yrs	2-3 Yrs	More than 3 Years
Term Loans				856	500	500	0	0	0
P.N.B. TERM LOAN (19)	Quarterly	2	150	356	0	0	0	0	0
P.N.B. TERM LOAN (18)	Quarterly	12	125	500	500	500	0	0	0
Auto Loans				218	198	206	111	0	0
HDFC BANK AUTO LOAN ( 1 )	Monthly	5	1	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 2 )	Monthly	47	0	2	2	2	2	2	2
HDFC BANK AUTO LOAN ( 3 )	Monthly	11	1	10	0	0	0	0	0
HDFC BANK AUTO LOAN ( 4 )	Monthly	9	0	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 5 )	Monthly	9	0	3	0	0	0	0	0
HDFC BANK AUTO LOAN ( 6 )	Monthly	15	1	10	3	0	0	0	0
HDFC BANK AUTO LOAN ( 7 )	Monthly	38	1	11	12	13	2	2	2
HDFC BANK AUTO LOAN ( 8 )	Monthly	39	7	74	79	85	22	22	22
HDFC BANK AUTO LOAN ( 9 )	Monthly	21	1	11	12	13	3	3	3
HDFC BANK AUTO LOAN ( 10 )	Monthly	39	5	42	49	53	18	18	18
HDFC BANK AUTO LOAN ( 11 )	Monthly	60	0	2	2	2	2	2	2
HDFC BANK AUTO LOAN ( 12 )	Monthly	60	1	12	12	13	30	30	30
HDFC BANK AUTO LOAN ( 13 )	Monthly	60	0	2	2	2	2	2	2
HDFC BANK AUTO LOAN ( 14 )	Monthly	48	2	20	22	23	25	25	25
YES BANK LTD AUTO LOAN (15)	Monthly	16	1	9	3	0	0	0	0
YES BANK LTD AUTO (16)	Monthly	1	4	4	0	0	0	0	0
Auto Loans (From other)				18	0	0	0	0	0
BMW India Financial Services Pvt Ltd. (17)	Monthly	5	4	18	0	0	0	0	0
<b>Total</b>				<b>1092</b>	<b>698</b>	<b>706</b>	<b>111</b>	<b>0</b>	<b>0</b>

(₹ in Lakh)

Note 11 PROVISIONS

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

Note 12 Deferred Tax Liabilities(Net)

Particulars	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
<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	(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 puprose on	22	286
(b) Deferred Tax Asset created during the year	22	286
(c) = (b) + (a)	<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)	<b>-3</b>	<b>59</b>
<b>Deferred tax liabilities (gross)</b>		
Deferred tax related to items recognised in equity	177	-20
(e)	<b>177</b>	<b>-20</b>
(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	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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	3802	603
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	As at 31 March 2022	As at 31 March 2021
	₹ in Lakh	₹ in Lakh
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	-	-
Closing balance of DTA/DTL (net)	1,554	1,463

Note 13 OTHER NON CURRENT LIABILITIES

<u>OTHER NON CURRENT LIABILITIES</u>	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
<u>Others</u>		
Security deposits - from Franchise	9955	6003
Lease Rent Liabilities	13089	13370
<b>Total</b>	<b>23044</b>	<b>19373</b>

Note 14 **BORROWINGS**

BORROWINGS	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
<b>Secured*</b>		
Working capital loans repayable on demand		
From Other banks	4268	8021
From Foreign Bank	900	3668
Current maturities of long-term debt (Refer Note No. 10)		
From Other banks**	1074	1789
From Foreign Bank	18	40
<b>Total</b>	<b>6260</b>	<b>13518</b>

\* (1) PNB Rs. 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 Rs. 2.47 lakh (6472 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 ther company with other banks.

(3) Citi Bank Rs. Rs. 900 lakh (5396 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.

Note 15 **TRADE PAYABLE**

TRADE PAYABLE	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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 31st 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.

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

**Note 16 OTHER FINANCIAL CURRENT LIABILITIES**

<b>OTHER FINANCIAL CURRENT LIABILITIES</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>(₹ in Lakh)</b>	<b>(₹ in Lakh)</b>
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**

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

**Note 17 PROVISIONS**

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

Note 18 **REVENUE FROM OPERATIONS**

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

Note 19 **OTHER INCOME**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

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

Note 20 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)	(₹ in Lakh)
<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>

Note 22 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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 23 **FINANCE COST**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
Interest & Bank Charges	2698	4100
<b>Total</b>	<b>2698</b>	<b>4100</b>

Note 24 **DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
Depreciation Expenses	5955	6584
Leasehold Land Amortisation	43	43
<b>Total</b>	<b>5998</b>	<b>6627</b>

Note 25 **OTHER EXPENSES**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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
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 respective 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	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
(I) To Statutory Auditors		
a. For Audit Services	18	17
(ii) To Branch Auditors for Audit Services	0	1
Total	18	18

Note 25.2 Details of Corporate Social Responsibility Expenditure

Corporate Social Responsibilities	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	173
b) Amount spent during the financial year	110	177
Total	110	177

Note 26 EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
(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

**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	1371	1333

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

Particulars	2021-22	2020-21
	(₹ in Lakh)	(₹ 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

Particulars	2021-22	2020-21
	(₹ in Lakh)	(₹ in Lakh)
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	-	-
Closing balance of the present value of defined benefit obligation	1459	1380

	2021-22	2020-21
	(₹ in Lakh)	(₹ in Lakh)
Change in Fair Value of Assets		
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.

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 31/03/2022	As on 31/03/2021
Defined Benefit Obligation (Base)	1459	1380

Particulars	As on 31/03/2022		As on 31/03/2021	
	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-27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
A <b>BILLS DISCOUNTED</b>	7475	5562
B <b>IMPORT DUTY PAYABLE</b> In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)	-	163
C <b>BANK GUARANTEES / LETTER OF CREDITS</b>	6021	1719
D 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
E 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
F <b>TAXES</b>		
(I) <b>ENTRY TAX</b> - for 1999-2000 liability is pending	4	4
(II) <b>VAT &amp; CST</b>		
(a) <b>UTTAR PRADESH</b> : 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) <b>GUJARAT</b> : 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 Rs. 12.86 lacs	50	50
(c) <b>KERALA</b> : 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) <b>Haryana</b> : Pending against Haryana CST for the F.Y. 2016-17 ₹ 53.50 lacs, due to non submission of Form C	54	54
(III) <b>Income Tax</b> Order Passed u/s 143(3) r.w.s 144C(13) & 144B for FY 2016-17 Rs. 128.33 Lacs. Appeal pending before ITAT	128	0
(IV) <b>GOODS &amp; SERVICE TAX</b>	17	0
(a) <b>Jharkhand</b> :F.Y 2019-20 Rs.4.32 Lacs,Mismatch of Turnover under GSTR-1 & 3B, Company has filed appeals against DRC-07 on Dt.17.01.2022		
(b) <b>Bihar</b> : F.Y 2020-21 Rs. 12.95 Lacs Excess ITC claim in GSTR-3B, Company has filed Appeal against DRC-07 on Dt. 19.05.2022		
(IV) <b>Service Tax</b> - One Case of Service Tax on a matter during the year 2009-10 amounting to Rs. 17.0 Lacs confirmed and reduces to Rs. 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) <b>Trade Mark Case</b> against the company in High Court, Delhi	100	100
G <b>COMMITMENT</b>		
A <b>CAPITAL EXPENDITURE</b> (Net of fund already deployed)	5445	754
B <b>UNCLAIMED DIVIDEND</b>	72	79

**Note 28 Segment Reporting**

Segment Information for the year ended 31st March, 2022

Information about Primary Business Segments

(₹ in Lakh)

	SHOE DIVISION (FOOTWEAR)	TANNERY DIVISION (LEATHER)	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	100211 (61763)	19105 (12719)	55368 (34258)	118 (124)	174802 (108864)
Inter - Segment		7075 (4058)			7075 (4058)
Total Revenue	100211 (61763)	12030 (8661)	55368 (34258)	118 (124)	167726 (104806)
<b>Result</b>					
Segment Result (Profit before Interest & Tax)	11468 (5179)	301 2036	6511 (2843)	118 (124)	18398 (6109)
Less: Interest Expenses				(2698) 4100	(2698) 4100
Unallocated Expenditure net of unallocated income				(759) 963	(759) 963
Profit before Taxation	11468 (5179)	301 2036	6511 (2843)	(3338) 4939	14942 (1046)
Provision for Taxation				(3898) 308	(3898) 308
Net Profit	11468 (5179)	301 2036	6511 (2843)	(7236) 5247	11044 (738)
<b>Other Information</b>					
Segment Assets	80445 (70959)	16214 (17515)	43266 (25692)	1775 (2642)	141700 116808
Segment Liabilities	30694 (27381)	5874 (6954)	28781 (16943)	857 (1812)	66206 (53090)
Capital Expenditure	6427 (3829)	365 (134)	708 (802)	1 (4)	7501 (4769)
Depreciation	3565 (2558)	886 (899)	1472 (493)	75 (163)	5998 (4113)

Information about Secondary Business Segments

(₹ in Lakh)

Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	116137 (71396)	51589 (33286)	167726 (104682)
Inter Segment	-	-	-
Total	116137 (71396)	51589 (33286)	167726 (104682)
Carrying amount of segment assets	141700 (116808)	-	141700 (116808)
Additions to Fixed Assets	7501 (4769)	-	7501 (4769)

\* 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.

Note 29 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	(₹ in Lakh)	(₹ in Lakh)
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

S.No.	Particulars	Nature of Relationship	Volume of Transactions (₹ in Lakh)	Outstanding (₹ in Lakh)		Volume of Transactions (₹ in Lakh)	Outstanding (₹ in Lakh)	
For the year ended 31st March 2022			2022	as on March 2022		2021	as on March 2021	
1	<u>Purchase</u>							
	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.
2	<u>Jobwork expenses</u>							
	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	
3	<u>Rent &amp; Maintenance charges Paid</u>							
	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	
4	<u>Sales</u>							
	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.

5	<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	
6	<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	
7	<b>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	
8	<b>Managerial Remuneration</b>						
	Directors Remuneration		859	72 Cr	787	72	Cr.
	Directors Perquisites		19	0	9	0	
9	<b>Directors Sitting Fee</b>		4	0	3	0	Cr
11	<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	-	
12	<b>Export Commission</b>						
	Mirza (UK) Ltd.	Enterprise over which Key Management Personnel are able to exercise significant Influence	515	356			
	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			

## 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	2022	2021
	(₹ in Lakh)	(₹ in Lakh)
Salary	936	787
Perquisites	19	9
Sitting Fees	5	3
Guarantee Commission	450	225
Total	1410	1024

**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 10th 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 1st 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
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other Outstanding balance ( to be specified)		

**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)**

	<b>Amount in Lakhs</b>
<b>Balance as on 1 April 2021</b>	<b>13758</b>
Addition for the new leases*	<b>5700</b>
Depreciation charge for the year	<b>(1747)</b>
Deletions for terminated leases	<b>(4044)</b>
<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:

<b>Lease Liability</b>	<b>31/03/2022</b>
<b>Balance as on 1 April 2021</b>	<b>15904</b>
Addition for New leases	<b>1298</b>
Accreditation of Interest	<b>1163</b>
Payment of Lease Liability	<b>(2498)</b>
Deletions for Terminated Leases	<b>-</b>
<b>Balance as on 31 March 2022</b>	<b>15867</b>

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 31st March 2022 on an undiscounted basis:

<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>31/03/2022</b>
Less than one year	<b>2736</b>

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-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.

<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:

	('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.

### 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

		In Lacs	
Credit rating	Particulars	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 31<sup>st</sup> March, 2022

				In Lacs
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	15549			15549
Cash and cash equivalents	1485			1485
Other financial assets	5403			5403

As at 31<sup>st</sup> March, 2021

				In Lacs
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
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.

**(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

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
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
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	In Lacs	
	31 <sup>st</sup> March,2022	31 <sup>st</sup> March,2021
Net Debt*	6290	12950
Total Equity	75494	63718

\*Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

**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:

Particulars	Note No.	In Lacs					
		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		



<b>A</b>	<b>Financial Assets</b>								
<b>a)</b>	<b>Measured at amortised cost</b>								
	Security deposits	1,264	1,264			1,272	1272		
	Trade receivables	15449	15449			7,967	7967		
	Cash and cash equivalent	1485	1485			1,005	1005		
	Incentive Receivable (Export)	704	704			1,317	1317		
	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>20285</b>	<b>20285</b>	-	-	<b>13,058</b>	<b>13,058</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>297</b>	-	<b>292</b>	-	<b>292</b>	-
<b>c)</b>	<b>Measured at Fair value through profit or loss</b>								
	<b>Total</b>	<b>20,582</b>	<b>20,285</b>	<b>297</b>	-	<b>13,350</b>	<b>13,058</b>	<b>292</b>	-
<b>B</b>	<b>Financial Liabilities</b>								
<b>a)</b>	<b>Measured at amortised cost</b>								
	Term loan from bank	2607	2607			2,266	2266		
	Provision- Gratuity	1459	1459			1,380	1,380		

	Security deposits - for franchise	9955	9955			6,003	6,003		
	Lease Rent Liabilities (net)	15867	15867			15,904	15,904		
	Working Capital Loan from banks	5168	5168			11,689	11,689		
	Trade Payable	25204	25204			10,891	10,891		
	Unpaid Dividends	72	72			79	79		
	Commission Payable on Inland Sales	1405	1405			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	2607	2607			81	81		
	<b>Total</b>	<b>64143</b>	<b>64143</b>	<b>-</b>	<b>-</b>	<b>51,440</b>	<b>51,440</b>	<b>-</b>	<b>-</b>

**Notes:**

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- ii) 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.
- iii) 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.

**Note: 43 Fraud**

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

The company has also written off Rs 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 Rs 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.

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:

- (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.

### **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.

#### **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.

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.

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. 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.

#### **(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.

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



CA. Priyanka Rai  
(Partner)  
M No. :429735

Place: NOIDA  
Date: 30.05.2022

For & on behalf of the Board

RASHID  
AHMED  
MIRZA

Digitally signed by  
RASHID AHMED  
MIRZA  
Date: 2022.05.30  
18:37:01 +05'30'

Rashid Ahmed Mirza  
(Chairman and Managing Director)  
(DIN No.00049009)

V. T. Cherian  
(Chief Financial Officer)

Tauseef Ahmad Mirza  
(Whole Time Director)  
(DIN No.00049037)

Priyanka Pahuja  
( Company Secretary)



Ref. No. : GS/Redtape/IAR/2022-23/1

Dated. 25/05/2022

### **Independent Auditor's Report**

To the Members of  
Redtape Limited

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

#### **Opinion**

We have audited the accompanying financial statements of **Redtape Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss and the Statement of Cash Flow for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2022, its loss and its cash flow for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

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 (Holding Company of Redtape Limited) 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. The same has described in brief under note 1 of Financial Statement.

#### **Other Matters**

The comparative financial statement is not applicable to the company as the company was incorporated on 8<sup>th</sup> December, 2021.



### **Information Other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the Annexures to the Board's Report but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India,

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of "the Act" for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of 'the Act', we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of 'the Act', we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the statement of Profit and Loss, Statement of Changes in Equity and its cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2022, taken on record by the Board of Directors, none of the directors 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 B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements, if any;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, if any;



- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455



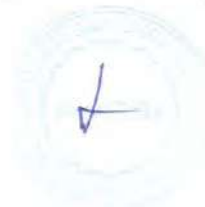
Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**The Annexure A referred to in paragraph 1 of Our Report of even date to the members of Redtape Limited on the accounts of the Company for the period ended 31<sup>st</sup> March, 2022**

On the basis of such checks, as, we considered appropriate, and, according to the information and explanations given to us during the course of our audit, we report that:

1. Since there is no any Property, plant and equipment held by the company during the respective financial year, no comment is required to be made in respect of the matter specified in clause 3(iii) of the order.
2. (a) Since there is no any Inventory held by the company during the respective financial year, no comment is required to be made in respect of the matter specified in clause 3(iii) of the order.
3. Since the company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, no comment is required to be made in respect of the matters specified in clause 3(iii) of the said order.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security, wherever applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Hence, no comment is required to be made in respect of the matters specified in paragraph 3(v) of the Order.
6. In our opinion and according to the information and explanations given to us, specified accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 have not been applicable to company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State



Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the records of the company, no undisputed amount payable in respect of statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute.

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable
9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer or term loans during the period under audit and as such no comment is required to be made in respect of the matters specified in clause 3 (ix) of the said order.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the Company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.
11. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies and have been duly complied.
12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.



13. In our opinion and according to the information and explanation given to us, the company has complied with section 177 and 188 of the Act in respect of the transactions with related parties and details of the same are disclosed under Note of the financial statements.
14. In our opinion and according to the information and explanation given to us, the provision of section 138 of the Act related to Internal Audit not applicable to the company, no comment is required to be made in respect of the matters specified in clause 3 (xiv) of the said order.
15. In our opinion and according to the information and explanations given to us, 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.
16. (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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. 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 CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
17. The Company has not incurred cash losses in the current financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable



19. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. In our opinion and according to the information and explanations given to us, there is no applicability of Section 135 of the Act. Accordingly, clauses 3(xx) of the Order are not applicable.

For Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455

Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**Annexure B [Referred to in paragraph 2(f) of the report issued under the Companies (Auditor's Report) Order 2020 report of even date to the members of Redtape Limited for the period ended 31<sup>st</sup> March, 2022]**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Redtape Limited** ("the company") as of March 31, 2022, in conjunction with our audit of the financial statements of the company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The company's management 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under "the Act".

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of "the Act", to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting with reference to these financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has maintained, 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 of 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 Gulati Sandeep & Co  
Chartered Accountants  
FRN: 008694N



Sandeep Gulati  
Partner  
M. No. 087455



Place: Delhi  
Dated: 25.05.2022

UDIN.: 22087455AJWTPZ1693

**REDTAPE LIMITED**  
CIN:U52609UP2021PLC156659  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

		(Amount in Rs.)
Particulars	Note No.	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		-
Other Non Current Assets		-
		-
<b>Current Assets</b>		
Inventories		-
Cash and Cash equivalents	2	63,200
Bank Balances other than above		-
Other Current Assets		-
		-
		63,200
		63,200
<b>TOTAL</b>		
		63,200
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	3	1,00,000
Other Equity		-
Reserve and Surplus		(41,800)
		58,200
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings		-
Trade Payables		-
-Dues to Micro, Small & Medium Enterprises		-
-Dues to entities other than Micro, Small & Medium Enterprises		-
		-
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Other Financial Liabilities		-
Other Current Liabilities		-
Provisions- Short Term		5,000
		5,000
		5,000
		63,200
<b>TOTAL</b>		63,200
<b>Significant Accounting Policies</b>	1	

The accompanying notes are integral part of these financial statement

*As per our report of even date attached*  
For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 220874554JWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

**REDTAPE LIMITED**  
CIN:U52609UP2021PLC156659  
**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

		(Amount in Rs.)
Particulars	Note No.	Period ended 31 <sup>st</sup> March 2022
<b>INCOME</b>		
Revenue from operations		-
Other income		-
<b>Total Income</b>		-
<b>EXPENSES</b>		
Purchase of Traded Stock		-
Change in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade		-
Other manufacturing, construction and operating expenses		-
Employee Benefits Expenses		-
Finance Costs		-
Depreciation and Amortization Expense		-
Other Expenses	4	41,800
<b>Total Expenses</b>		41,800
<b>Profit/(Loss) before exceptional items and tax</b>		(41,800)
Exceptional Items		-
<b>Profit/(Loss) before tax</b>		-
<b>Tax Expense:</b>		-
Current Tax		-
Deferred Tax		-
<b>Income Tax Expense</b>		-
<b>Profit/(Loss) for the year</b>		(41,800)
<b>Other Comprehensive Income</b>		
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods		-
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		-
<b>Other Comprehensive Income for the year, net of tax</b>		-
<b>Total Comprehensive Income for the Year</b>		(41,800)
<b>Earnings per equity share of Rs. 2 each</b>		
(1) Basic		(0.84)
(2) Diluted		(0.84)

**Significant Accounting Policies**

1

The accompanying notes are integral part of these financial statement

*As per our report of even date attached*

For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 22087455AJWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

REDTAPE LIMITED  
CIN:U52609UP2021PLC156659

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022  
EQUITY

(A) Equity Share Capital

Particulars	Nos.
Balance As At 31.03.2020	-
Equity share capital issued during the year	-
Balance As At 31.03.2021	-
Equity share capital issued during the year	50,000
Balance As At 31.03.2022	50,000

(Amount in Rs.)

(B) Other Equity

Reserves and surplus

Retained Earnings

As At 31.03.2022

Add: Premium on equity shares issued during the year

Profit/(Loss) for the Year

Other comprehensive for the year net of income tax

Less: Bonus Shares Issued

As At 31.03.2022

Add: Equity shares issued during the year

Profit/(Loss) for the Year

Other comprehensive for the year net of income tax

As At 31.03.2022

Significant Accounting Policies

1

As per our report of even date attached

For and on behalf of

Gulati Sandeep & Co

Firm Registration Number: 008694N

for and on behalf of Redtape Limited

Sandeep Gulati

Partner

Membership No. 087455

UDIN: 22087455AJWTP21693

Shuja Mirza

Director

DIN: 01453110

Arvind Verma

Director

DIN: 09429834

Place: Noida

Dated: 25-05-2022

REDTAPE LIMITED  
CIN:U52609UP2021PLC156659

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022

	Period ended 31st March 2022
<b>(A) Cash flows from operating activities</b>	
Profit/(Loss) for the year	(41,800)
Adjustments for:	
Depreciation	-
<b>Operating profit before working capital changes</b>	(41,800)
Adjustments for :	
(Increase) / decrease in inventories	-
Increase / (decrease) in trade payables	-
(Increase) / decrease in Other Current Assets	-
Increase / (decrease) in other current liabilities	5,000
<b>Cash generated from operations</b>	(36,800)
Income tax refund/ (paid)	-
<b>Net Cash flow generated from operating activities</b>	(36,800)
<b>(B) Cash flow from investing activities</b>	
Additions to PPE and intangible assets (including movement in CWIP)	-
<b>Net cash flows (used in) investing activities</b>	-
<b>(C) Cash flow from financing activities</b>	
Proceeds from issue of share capital	1,00,000
<b>Net cash flows (used in)/ generated from financing activities</b>	1,00,000
<b>Net change in cash and cash equivalents (A+B+C)</b>	63,200
Cash and cash equivalents- opening balance	-
<b>Cash and cash equivalents- closing balance</b>	63,200
<b>Notes to cash flow statement:</b>	
Cash and cash equivalents include :	
Cheques in hand	-
Cash in hand	-
Balances with banks:	63,200
<b>Cash and cash equivalents at the end of the year (Refer Note 2)</b>	63,200

As per our report of even date attached

For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N

  
Sandeep Gulati  
Partner  
Membership No. 087455  
UDIN: 22087455AJWTPZ1693



for and on behalf of Redtape Limited

  
Shuja Mirza  
Director  
DIN: 01453110

  
Arvind Verma  
Director  
DIN: 09429834

Place: Noida  
Dated: 25-05-2022

**Note 1 Significant Accounting Policies**

**(A) Period**

These are the first financial statements of Redtape Limited ("the Company") for the period from 8th December 2021, being the date of incorporation of the Company to 31st March 2022.

**(B) Corporate Information**

Redtape Limited was incorporated on 8th December, 2021 vide Corporate Identification Number (CIN) U52609UP2021PLC156659 under the provisions of the Companies Act, 2013, to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities. All the formalities relating to the incorporation of the Company and commencement of business as required under the Companies Act, 2013, have already been completed. However, the Company is yet to start commercial operations.

A Composite Scheme of Arrangement was proposed between RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd. The aforesaid Scheme of Arrangement inter-alia provides for transfer and vesting of the entire Branded Business/REDTAPE Business of Mirza International Ltd into Redtape Ltd by way of de-merger. The appointed date of the Scheme is 1st 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.

**(C) Statement of compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**(D) Basis of Accounting**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), and the relevant provisions of the Companies Act, 2013.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

**(E) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to financial estimates is recognized prospectively in the financial statements when revised.

**(F) Fixed Assets**

Fixed assets of the company are valued at cost which include allocation / apportionment of direct and indirect expenses incurred in relation to such fixed assets. The said cost is not reduced by specific Grants / subsidy received against the assets.

**(G) Depreciation & Amortization**

Depreciation on fixed assets including assets acquired on lease is provided on Straight Line Method at the rates and in the manner prescribed in the Companies Act, 2013.

**(H) Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

**(I) Revenue Recognition :**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. It includes sale of goods, export incentives etc. Revenue arising from the use by others of enterprises resources yielding interest, dividends, are recognized on the following basis :

- a) Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.
- b) Dividend for investment is recognized when right to receive is established.

**(J) Receivables**

Receivables are disclosed at 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 non payment of the same is reflected in the Notes to the Accounts.

**(K) Earnings Per Share:**

Earnings per share is calculated in accordance with the procedure laid out in the relevant Indian Accounting Standard issued by The Institute of Chartered Accountants of India.

**(L) Contingent Losses/ Liabilities:**

Contingent losses & / or consequential contingent liabilities are disclosed in the notes to the accounts, where the company is reasonably assured that no loss / liability will arise but where the possibility of a loss/ liability does exist.

**(M) Events Occurring after the Balance Sheet date:**

It is the Company's Policy to take in to the account the impact of any significant event that occurs after the Balance Sheet date but before the finalization of accounts.

**(N) Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. (Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life)

**(O) Financial Asset**

**(i) Ageing for trade receivables**

There are no trade receivables outstanding on 31<sup>st</sup> March 2022.

**(ii) Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(P) Financial Liabilities**

**(i) Dues of small enterprises and micro enterprises**

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31<sup>st</sup> March 2022.

There are no MSME dues outstanding as on 31<sup>st</sup> March 2022.



(Q) Auditor Remuneration

Auditor's remuneration consists of the following:

Particulars	Year ended 31 <sup>st</sup> March 2022
Auditor	5,000

(R) Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year
Current ratio (in times)	Total current assets	Total current liabilities	0.00%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.00%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	-41.80%

(S) Related Party Details and Transaction

Sr. No.	Name of Related Party	Nature of relationship	Type of the transaction	Amount (in Rs.)
1	Mirza International Limited	Holding Company	Payment of Incorporation Charges	35,000
2	Arvind Verma	Director	Payment of Fees	1,800

(T) Dividend

The Company has not declared dividend for the year ended 31<sup>st</sup> March, 2022.



**REDTAPE LIMITED**  
**CIN:U52609UP2021PLC156659**  
Notes to the Financial Statements for 31st March, 2022

As at 31<sup>st</sup> March 2022

**2. CASH & CASH EQUIVALENTS**

Cash in Hand	-
Cheques in Hand	-
Balances with Scheduled Banks	63,200
-In Current Account	63,200
<b>Total</b>	<b>63,200</b>

As at 31<sup>st</sup> March 2022

**3. EQUITY SHARE CAPITAL**

**Authorised**

50,000 Equity shares (P.Y. N.A.) of Rs. 2/- Each	1,00,000
	<b>1,00,000</b>

**Issued, Subscribed & Paid Up**

a) Fully Paid Equity Shares:

50,000 (PY - Not Applicable) Equity Shares Fully Paid Up of Rs. 2/- Each	1,00,000
	<b>1,00,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	No. of shares	Amount
Number of Shares at the Beginning	-	-
Add:- Shares Issued During the Year	50,000	1,00,000
Add:- Bonus Shares Issued During the Year	-	-
Number of Shares at the End	<b>50,000</b>	<b>1,00,000</b>

**3.1 Details of Shareholding of promoters in the Company**

(Equity Shares of Rs. 2/- each fully paid)

	No. of shares	% Holding
M/s. Mirza International Limited (Holding Company)	49,994	100%
Rashid Ahmed Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Shahid Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Tauseef Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Tasneef Ahmad Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Shuja Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
Fareez Mirza (Nominee Shareholder on behalf of Mirza International Ltd.)	1	0%
	<b>50,000</b>	<b>100%</b>

**3.2 Terms/Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having par value of Rs.2/- each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**4. Other Expenses**

**Particulars**

	As at 31 <sup>st</sup> March 2022
Professional Charges- Incorporation Expenses	30,559
RCC Charges- Incorporation Expenses	6,241
Auditor's Remuneration	5,000
<b>Total</b>	<b>41,800</b>

*As per our report of even date attached*

For and on behalf of  
Gulati Sandeep & Co  
Firm Registration Number: 008694N



Sandeep Gulati

Partner

Membership No. 087455

U/DIN: 22087455AJWTPX1693

for and on behalf of Redtape Limited



Shuja Mirza

Director

DIN: 01453110



Arvind Verma

Director

DIN: 09429834

Place: Noida

Dated: 25-05-2022

**IN THE NATURE OF ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PRIVATE LIMITED (“TRANSFEROR COMPANY”), MIRZA INTERNATIONAL LIMITED (“TRANSFEEEE COMPANY”) AND REDTAPE LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, IF ANY (HEIRNAFTER REFERRED TO AS THE “SCHEME”).**

**This abridged prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.**

**THIS ABRIDGED PROSPECTUS CONSISTS OF 10 (TEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and in accordance with disclosures in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, to the extent applicable. Mirza International Limited (hereinafter referred to as “MIL” or “Transferee Company”) is listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, BSE and NSE collectively referred to as the “Stock Exchanges”). Pursuant to the Scheme, there is no issue of equity shares to the public at large, except (a) to the Shareholders of the Transferor Company by the Transferee Company; and (b) to the existing shareholders of Transferee Company by Resulting Company. The new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company. The new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on BSE and NSE being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. As there is no issue of equity shares to the public at large, the requirements with respect to General Information Document (GID) is not applicable and this abridged prospectus should be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board of Directors of the Transferor Company vide their resolutions dated December 10, 2021, by the Board of Directors of the Resulting Company vide their resolutions dated December 10, 2021 and by the Board of Directors of the Transferee Company vide their resolutions dated December 10, 2021, a copy of the valuation report issued by M/s. Sandeep Kumar Agrawal, Chartered Accountants (“Registered Valuer”) dated December 10, 2021; and fairness opinion report issued by M/s. Turnaround Corporate Advisors Private Limited dated December 10, 2021, from the websites of BSE and NSE, where the equity shares issued pursuant to the Scheme are proposed to be listed, i.e. [www.bseindia.com](http://www.bseindia.com). and [www.nseindia.com](http://www.nseindia.com). A copy of the Abridged Prospectus shall be submitted to the Securities and Exchange Board of India (“SEBI”).



## RTS FASHIONS PRIVATE LIMITED

CIN: U19120UP2019PTC120284      Date of Incorporation: 19<sup>th</sup> August, 2019

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
14/6, Civil Lines, Kanpur-208001	NA	Harshita Nagar +91-9650484582	<a href="mailto:cherian@redtapeindia.com">cherian@redtapeindia.com</a> +91 512- 2530775	NA

### PROMOTERS OF THE COMPANY:

Mr. Irshad Mirza, Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza

### Details of Offer to Public

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable as there is no fresh issue or offer for sale of shares to the public							

### Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto a maximum of 10 selling shareholders)

Name	Type	No of shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable as there is no offer for sale of shares by Promoter/ Promoter Group/ Other Selling Shareholders							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to the public at large. The Price Band and Minimum Bid Lot Size is not applicable. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from Regulatory Authorities, including NCLT.

### Details of Weighted Average Cost of Acquisition (WACA) of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP



### RISKS IN RELATION TO THE FIRST OFFER

Not Applicable as this is not a public offer. The proposed scheme involves merger of Transferor company with Transferee company and issue of shares by the Transferee company to the shareholders of Transferor company in consideration of the said merger and de-merger of Branded business/Redtape business of Transferee company ("Demerged business") from Transferee company and its consequent vesting into Resulting company.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Transferee Company, including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 09 of this Abridged Prospectus.

### PROCEDURE

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date, in the following ratio:

The Transferee Company-Mirza International Limited will issue 22 (Twenty-Two) Equity Shares of ₹2 (Rupees Two) each, credited as fully paid up, for every 10 (Ten) Equity Shares of ₹10 (Rupees Ten) each held in the Transferor Company-RTS Fashions Private Limited.

Hence, the procedure with respect to General Information Document (GID) may be applicable only to the limited extent as specifically provided.

### PRICE INFORMATION OF LEAD MANAGER

Not Applicable- the present Abridged Prospectus is not being issued as a result of public offer and being issued to the shareholders of Transferor Companies by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

### GENERAL INFORMATION

Name of Merchant Banker	Turnaround Corporate Advisors Private Limited Contact Person: Mr. Adarsh Telephone no.: 011-45510390 Email id: <a href="mailto:info@tcagroup.in">info@tcagroup.in</a>
Name of Syndicate Members	Not Applicable
Name of Registrar to the Issue and contact details (telephone and email id)	Not Applicable



Name of Statutory Auditor	M/s. Kumar Chopra & Associates, Chartered Accountants (FRN: 000131N)
Name of Credit Rating Agency and the rating or granting obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self Certified Syndicate Banks	Not Applicable
Non Syndicate Registered Brokers	Not Applicable
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	Not Applicable

PROMOTERS OF TRANSFEROR COMPANY			
S.No.	Name	Individual/Corporate	Experience & Education Qualification
1.	Mr. Irshad Mirza	Individual	<b>Mr. Irshad Mirza</b> , aged 86 years, is a Promoter of the Company. He is a resident Indian national. He holds degree of Bachelor's in Science and he is Leather Technologist. Mr. Irshad Mirza has been also conferred Padma Shree award in the year 2010 by the then Hon'ble President of India Smt Pratibha Patil for his contribution to Leather sector. He has also been awarded as Doyen of Leather Industry by Council of Leather Export, Govt. of India.
2.	Mr. Rashid Ahmed Mirza	Individual	<b>Mr. Rashid Ahmed Mirza</b> , aged 65 years, is a Promoter & Director of the Company. He is a foreign national. He holds Diploma in Leather Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.
3.	Mr. Shahid Ahmad Mirza	Individual	<b>Mr. Shahid Ahmad Mirza</b> , aged 64 years, Promoter & Director of the Company. He is a resident Indian national. He holds Diploma in Leather Goods Technology from United Kingdom 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 Mirza International Limited and the procuring of local raw materials and equipment.
4.	Mr. Tauseef Ahmad Mirza	Individual	<b>Mr. Tauseef Ahmad Mirza</b> , aged 52 years, Promoter & Director of the Company. He is a resident Indian national. He 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 in Mirza International Limited. Everything from scratch to the end product in women's

			shoes division is overseen and gracefully handled by him.
5.	Mr. Tasneef Ahmad Mirza	Individual	<b>Mr. Tasneef Ahmad Mirza</b> , aged 50 years, Promoter & Director of the Company. He is a foreign national. He holds a Degree in Leather Technology from the renowned Leicester University of U.K. A Leather Technologist having an experience of over two decades, he looks after the overall in-charge of the Tannery Division of Mirza International Limited.

### BUSINESS OVERVIEW AND STRATEGY

**Company Overview:**

RTS Fashions Private Limited (RTS or Transferor Company) is a Private Limited company incorporated under the provisions of the Companies Act, 2013, on August 19, 2019. Mr. Irshad Mirza, Mr. Rashid Ahmed Mirza, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza were the initial subscribers to the Memorandum of Association and Articles of Association. RTS is a Private Limited Company registered with the Registrar of Companies, Kanpur and holds a valid Certificate of Incorporation vide no. U19120UP2019PTC120284 dated August 21, 2019. Currently, the authorized share capital of the Company is 8,13,45,000 divided into 81,34,500 shares of Rs. 10 each.

**Product/Service Offering:** Purchase, Sale and Trading of Soling and other packing material

**Revenue segmentation by product/service offering:** Total revenue from operations of Rs. 4.81 Crores is earned by trading of shoe soles.

**Geographies Served:** India

**Revenue segmentation by geographies:** Total revenue from operations of Rs. 4.81 Crores is earned within the Country

**Key Performance Indicators (on consolidated basis):**

	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Earnings Per Share	Rs. 5.41	Rs. 2.22	Rs. (12.49)
Return on Net Worth	9.29%	4.34%	(24.84)%
Net Asset Value Per Share	Rs. 69.40	Rs. 62.02	Rs. 61.47

**Client Profile or Industries Served:** Footwear Manufacturers

**Revenue segmentation in terms of top 5/10 clients or Industries:** Our entire revenue is derived from a single customer

**Intellectual Property, if any:** NA

**Market Share:** NA

**Manufacturing plant, if any:** NA

**Employee Strength:** NA

### BOARD OF DIRECTORS

Sr. No.	Name	Designation (Independent/ Whole-Time/Executive /Nominees)	Experience & Educational Qualification	Other Directorships
1.	Mr. Rashid Ahmed Mirza	Promoter, Director	Mr. Rashid Ahmed Mirza, aged 65 years, is Promoter & Director of the Company. He is a Foreign national. He holds Diploma in Leather	<b>Indian Companies:</b> Mirza International Limited  Aarem Heights Private Limited



			Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.	Emgee Projects Private Limited Redtape Limited Genesis Infraprojects Private Limited  <b>Foreign Companies:</b> RTS Fashion FZE Mirza (U.K) Limited RTS Fashion Limited Empire Holding Limited
2.	Mr. Shahid Ahmad Mirza	Promoter, Director	Mr. Shahid Ahmad Mirza, aged 64 years, Promoter & Director of the Company. He is a resident Indian national. He holds Diploma in Leather Goods Technology from United Kingdoms 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 Mirza International Limited and the procuring of local raw materials and equipment.	<b>Indian Companies:</b> Mirza International Limited Emgee Projects Private Limited Genesis Infraprojects Private Limited  <b>Foreign Companies:</b> Nil
3.	Mr. Tauseef Ahmad Mirza	Promoter, Director	Mr. Tauseef Ahmad Mirza, aged 52 years, Promoter & Director of the Company. He is a resident Indian national. He 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 in Mirza International Limited. Everything from scratch to the end product in women's shoes division is overseen and gracefully handled by him.	<b>Indian Companies:</b> Mirza International Limited Mirza Investment Private Limited Olive Shoes Private Limited Emgee Projects Private Limited Genesisriverview Resorts Private Limited Genesis Infraprojects Private Limited Mirza Charitable Hospital Limited  <b>Foreign Companies:</b> Marigold Holdings Limited Mirza (U.K) Limited



4.	Mr. Tasneef Ahmad Mirza	Promoter, Director	Mr. Tasneef Ahmad Mirza, aged 50 years, Promoter & Director of the Company. He holds a Degree in Leather Technology from the renowned Leicester University of U.K. A Leather Technologist having an experience of over two decades, he looks after the overall in-charge of the Tannery Division of Mirza International Limited.	<b>Indian Companies:</b> Mirza International Limited  Shoemax Engineering Private Limited  Shoemac Leather Tech Engineers Limited  Olive Shoes Private Limited  Emgee Projects Private Limited  Industrial Infrastructure Services(India)  Genesis Infraprojects Private Limited  <b>Foreign Companies:</b> Nil
----	-------------------------	--------------------	--	---

#### OBJECTS OF THE ISSUE

##### Details of means of finance- Not Applicable

**Object-** Amalgamation of Transferor Company with and into the Transferee Company.

On amalgamation, the Transferee Company-Mirza International Limited will issue 22 (twenty-two) Equity Shares of Rs. 2 each, credited as fully paid up, for every 10 Equity Shares of Rs. 10 each held in the Transferor Company-RTS Fashions Private Limited.

##### Rationale and Benefits of the Scheme:

The circumstances which justify and/or necessitate the proposed Amalgamation of RTS Fashions Private Limited with Mirza International Limited are, inter alia, as follows:

- a. The proposed amalgamation of the Transferor Company with the Transferee Company would result in business synergy and pooling of resources into a single entity.
- b. The proposed amalgamation will enable the integration of the business activities being carried on by the Transferor Company-RTS Fashions Private Limited and its step down wholly owned subsidiary- Mirza (UK) Limited with and into the Transferee Company-Mirza International Limited. It would be advantageous to combine the activities and operations in a single company and to build strong capability to effectively meet future challenges in competitive business environment. Amalgamation will enable Mirza International Limited to leverage the expertise and resources of Mirza (UK) Limited and strengthen its sales and distribution in overseas markets.
- c. The proposed Amalgamation would result in pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- d. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.



- e. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- f. The proposed amalgamation would enhance the shareholders' value of the listed Transferee Company.
- g. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not Applicable.

**Name of monitoring agency, if any:** Not Applicable

**Terms of Issuance of Convertible Security, if any:** Not Applicable

SHAREHOLDING PATTERN			
Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	81,34,500	100
2.	Public	0	0
	<b>Total</b>	<b>81,34,500</b>	<b>100</b>

**Number / amount of equity shares to be sold by selling shareholders –** Not Applicable

( Rs. In INR, except where specifically stated )

Particulars	For the year ended March 31		
	March 31, 2022	March 31, 2021	March 31, 2020
Total income from operations ( net ) (Note 1)	1,60,74,57,580	1,22,35,78,737	2,24,00,38,103
Net Profit/(Loss) before tax and extraordinary items (Note 2)	6,37,16,780	1,19,76,422	(7,55,41,254)
Net Profit/(Loss) after tax and extraordinary items (Note 2)	4,39,71,526	1,80,69,565	(10,16,19,806)
Equity Share Capital	8,13,45,000	8,13,45,000	8,13,45,000
Reserve and Surplus (Note 3)	39,19,78,172	33,52,57,359	32,77,90,676
Net worth (as per computation attached in Annexure 4)	47,33,23,172	41,66,02,359	40,91,35,676
Basic earnings per share ( Rs.)	5.41	2.22	(12.49)
Diluted Earnings per share ( Rs.)	5.41	2.22	(12.49)
Return on net worth ( % )	9.29%	4.34%	(24.84)%
Net Asset value per share (as per computation attached in Annexure 5)	69.40	62.02	61.47

Notes:

- Total income from operations represents Revenue from Operations
- Excluded items related to Other Comprehensive Income
- Includes Retained earnings only and excludes Foreign Currency Translation Reserve, Revaluation Reserve and Capital Redemption Reserve
- The holding company was incorporated on 19.08.2019. Its wholly-owned subsidiary RTS Fashion Ltd, Dubai was incorporated on 05.09.2019. The subsidiary company acquired the 100% shareholding of Mirza UK Ltd. on 17-Nov-19. The financial figures of Mirza UK Limited for the whole of FY 19-20 are included in the combined financial statements of RTS Fashion Limited, Dubai

**INTERNAL RISK FACTORS**

1. 100% of our revenues is dependent upon one single client. The loss of this major clients would have a material adverse effect on our business operations and profitability.
2. Our Company may have potential Conflicts of interest with Companies engaged in similar line of business in which our Promoters have substantial interest.
3. We face competition in our business from presence of well established players in the market who are operating in the same segment as our Company.
4. We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, or technological improvements, we may not be able to effectively implement our business and growth strategies and achieve future growth.
5. Our business and results of operations may be adversely affected by many factors outside of our control, including changes in national, state and local education funding, general economic conditions, changes in the educational procurement process and changes to the syllabus and curriculum standard.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION****A. Total number of outstanding litigations against the company and amount involved**

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

**B. Brief Details of top 5 material outstanding litigations against the company and amount involved: Nil**


**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchange against Promoters in last 5 financial years including outstanding action, if any: Nil**

**D. Details of outstanding criminal proceedings against promoters: Nil**

### DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For RTS Fashions Private Limited



Name: Tauseef Ahmad Mirza

Designation: Director

Date: June 29, 2022

Place: Delhi



June 29, 2022

Ref: TCA/RTS/AP/22-23

The Board of Directors  
RTS Fashions Private Limited  
14/6, Civil Lines, Kanpur-208001

Dear Sirs,

**Sub: Certificate on adequacy and accuracy of disclosure of information in the Abridged Prospectus of RTS Fashions Private Limited in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 for the purpose of proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited having its registered office at 14/6, Civil Lines, Kanpur-208001 (“MIL” or “Transferee Company”) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in the Abridged Prospectus of RTS Fashions Private Limited (“RTS” or “Transferor Company”) in connection with the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).



## **2. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**” or “**our**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

## **3. Scope and Purpose of the Certificate:**

SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“**SEBI Circular**”) inter-alia prescribed that the listed entity (in the present case “**MIL**”) shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme (in the present certificate, “**RTS**”), in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. The SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

**This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

## **4. Certification:**

We state and confirm as follows:



1. We have examined various documents and other materials made available to us by the management of MIL/RTS in connection with finalization of Abridged Prospectus dated June 29, 2022 pertaining to RTS which will be circulated to the members of RTS and MIL at the time of seeking their consent to the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” Or “Transferee Company”) and Redtape Limited (“Redtape” Or “Resulting Company”), as a part of the explanatory statement to the notice.
2. On the basis of such examination and the discussions with the management of MIL/RTS, we confirm that:
  - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to RTS.
  - B. The Abridged Prospectus contains applicable information pertaining to RTS as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Proposed Scheme of Arrangement.

## 5. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of RTS.
- Carrying out a market survey / financial feasibility for the Business of RTS.
- Financial and Legal due diligence of RTS.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.



We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of RTS.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of MIL/RTS during our discussions with them would have drawn our attention to all such information and matters, which may have an impact on our Certificate.

The fee for our services is not contingent upon the result of the proposed Scheme of Arrangement.

The management of MIL and RTS or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate. Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

Under any circumstances whatsoever, TCA's overall liability will not be in excess of the total fee paid by RTS under this engagement.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.



# TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

A SEBI Registered Category-I Merchant Banker

Thanking You

For **Turnaround Corporate Advisors Private Limited**

**HEEMADRI** Digitally signed by  
HEEMADRI MUKERJEA

**MUKERJEA** Date: 2022.06.29  
17:38:18 +05'30'

**(HEEMADRI MUKERJEA)**

**Managing Director**



**IN THE NATURE OF ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE COMPOSITE SCHEME OF ARRANGEMENT OF RTS FASHIONS PRIVATE LIMITED (“TRANSFEROR COMPANY”), MIRZA INTERNATIONAL LIMITED (“TRANSFEEEE COMPANY”) AND REDTAPE LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, IF ANY (HEIRNAFTER REFERRED TO AS THE “SCHEME”).**

**This abridged prospectus is prepared to comply with the requirements of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.**

**THIS ABRIDGED PROSPECTUS CONSISTS OF 08 (EIGHT) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and in accordance with disclosures in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, to the extent applicable. Mirza International Limited (hereinafter referred to as “MIL” or “Transferee Company”) is listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, BSE and NSE collectively referred to as the “Stock Exchanges”). Pursuant to the Scheme, there is no issue of equity shares to the public at large, except (a) to the existing shareholders of Transferee Company by Resulting Company; and (b) to the Shareholders of the Transferor Company by the Transferee Company. The new Equity Shares to be issued by the Resulting Company to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed. The Resulting Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company. The new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on BSE and NSE being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. As there is no issue of equity shares to the public at large, the requirements with respect to General Information Document (GID) is not applicable and this abridged prospectus should be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board of Directors of the Transferor Company vide their resolutions dated December 10, 2021, by the Board of Directors of the Resulting Company vide their resolutions dated December 10, 2021 and by the Board of Directors of the Transferee Company vide their resolutions dated December 10, 2021, a copy of the valuation report issued by M/s. Sandeep Kumar Agrawal, Chartered Accountants (“Registered Valuer”) dated December 10, 2021; and the fairness opinion report issued by M/s. Turnaround Corporate Advisors Private Limited dated December 10, 2021, from the websites of BSE and NSE, where the equity shares issued pursuant to the Scheme are proposed to be listed, i.e. [www.bseindia.com](http://www.bseindia.com). and [www.nseindia.com](http://www.nseindia.com). A copy of the Abridged Prospectus shall be submitted to the Securities and Exchange Board of India (“SEBI”).



# REDTAPE LIMITED

CIN: U52609UP2021PLC156659 Date of Incorporation: 8<sup>th</sup> December, 2021

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Plot No.-08, Sector -90, Noida, Uttar Pradesh-201301	Plot No.-08, Sector -90, Noida, Uttar Pradesh-201301	Priyanka Pahuja +91-9654793025	<a href="mailto:shuja@redtapeindia.com">shuja@redtapeindia.com</a> 011-40959500	NA

## PROMOTERS OF THE COMPANY:

Mirza International Limited

### Details of Offer to Public

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable as there is no fresh issue or offer for sale of shares to the public							

### Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto a maximum of 10 selling shareholders)

Name	Type	No of shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable as there is no offer for sale of shares by Promoter/ Promoter Group/ Other Selling Shareholders							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to the public at large. The Price Band and Minimum Bid Lot Size is not applicable. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from Regulatory Authorities, including NCLT.

### Details of Weighted Average Cost of Acquisition (WACA) of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP

### RISKS IN RELATION TO THE FIRST OFFER

Not Applicable as this is not a public offer. The proposed scheme involves merger of Transferor company with Transferee company and de-merger of Branded business/Redtape business of Transferee company ("Demerged



business”) from Transferee company and its consequent vesting into Resulting company and issue of shares by the Resulting company to the shareholders of Transferee company in consideration of the said de-merger.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Transferee Company, including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” on page 07 of this Abridged Prospectus.

#### PROCEDURE

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities related to Demerged Business of the Transferee Company into the Resulting Company in terms of the Scheme, the Resulting Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferee Company, whose names appear in the Register of Members as on the Record Date, in the following ratio:

The Resulting Company-REDTAPE Limited will issue 1 (one) Equity Share of ₹2 (Rupees Two) each, credited as fully paid up, for every 1 (one) Equity Share of ₹2 (Rupees Two) each held in the Transferee Company–Mirza International Limited.

Hence, the procedure with respect to General Information Document (GID) may be applicable only to the limited extent as specifically provided.

#### PRICE INFORMATION OF LEAD MANAGER

Not Applicable- the present Abridged Prospectus is not being issued as a result of public offer and being issued to the shareholders of Transferor Companies by the Transferee Company and by the Resulting Company to the shareholders of the Transferee Company, pursuant to the Scheme.

#### GENERAL INFORMATION

Name of Merchant Banker	Turnaround Corporate Advisors Private Limited Contact Person: Mr. Adarsh Telephone no.: 011-45510390 Email id: <a href="mailto:info@tcagroup.in">info@tcagroup.in</a>
Name of Syndicate Members	Not Applicable
Name of Registrar to the Issue and contact details (telephone and email id)	Not Applicable
Name of Statutory Auditor	M/s Gulati Sandeep & Co., Chartered Accountants (FRN: 008694N)
Name of Credit Rating Agency and the rating or granting obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self Certified Syndicate Banks	Not Applicable
Non Syndicate Registered Brokers	Not Applicable
Details regarding website address(es)/ link(s) from which the investor can obtain list of	Not Applicable

registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	
--	--

PROMOTERS OF RESULTING COMPANY			
S.No.	Name	Individual/Corporate	Experience & Education Qualification
1)	Mirza International Limited	Corporate	<b>Mirza International Limited</b> , holding Company, is a Promoter of the Company. Mirza International Limited is a Public Listed Company incorporated on September 5, 1979 under the Companies Act, 1956 vide Corporate Identification Number L19129UP1979PLC004821. It is engaged in design, development, manufacturing, marketing, trading, export and retailing of leather footwear, sports shoes, garments & apparels, leather goods and accessories, and other related activities. The Company also owns and operates a leather tannery for captive consumption.

BUSINESS OVERVIEW AND STRATEGY
<b>Company Overview:</b> REDTAPE Limited (REDTAPE or Resulting Company) is a Public Limited company incorporated under the provisions of the Companies Act, 2013 on December 8, 2021. Mirza International Limited, Mr. Rashid Ahmed Mirza <sup>^</sup> , Mr. Shahid Ahmad Mirza <sup>^</sup> , Mr. Tauseef Ahmad Mirza <sup>^</sup> , Mr. Tasneef Ahmad Mizra <sup>^</sup> , Mr. Shuja Mirza <sup>^</sup> and Mr. Faraz Mirza <sup>^</sup> were the initial subscribers to the Memorandum and Articles of Associations. REDTAPE is a Public Limited Company registered with the Registrar of Companies, Kanpur and holds a valid Certificate of Incorporation vide no. U52609UP2021PLC156659 dated December 8, 2021. REDTAPE is the wholly-owned subsidiary of Mirza International Limited (Transferee company). Currently, the authorized share capital of the Company is Rs. 1,00,000 (Rupees One Lakh Only) divided into 50,000 shares of Rs. 2 each.
<b>Product/Service Offering: NA*</b> <b>Revenue segmentation by product/service offering</b>
<b>Geographies Served: NA*</b> <b>Revenue segmentation by geographies</b>
<b>Key Performance Indicators: NA*</b>
<b>Client Profile or Industries Served: NA*</b> <b>Revenue segmentation in terms of top 5/10 clients or Industries:</b>
<b>Intellectual Property, if any: NA*</b>
<b>Market Share: NA*</b>
<b>Manufacturing plant, if any: NA*</b>
<b>Employee Strength: NA*</b>

\*REDTAPE Limited has been incorporated vide certificate dated 8<sup>th</sup> December, 2021 to carry on business activities of design, development, trading, marketing and retailing of leather shoes, sports shoes, garments, apparels, accessories and other related activities. Currently, the Company has not commenced any business. The prospectus is being issued with the object of De-merger of Branded Business\ REDTAPE Business of Mirza International Limited into REDTAPE Limited. Branded Business is pre-dominantly domestic retail business. Therefore, in accordance with the scheme all the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Mirza International Limited, in relation to and pertaining to the Branded Business/REDTAPE Business on a going concern basis, together with all assets and liabilities pertaining to the Branded Business/REDTAPE Business will be demerged in REDTAPE Limited.

<sup>^</sup>Initial Subscribers, being the Nominee Shareholders of Mirza International Limited.

**BOARD OF DIRECTORS**

Sr. No.	Name	Designation (Independent/ Whole-Time/Executive /Nominees)	Experience & Educational Qualification	Other Directorships
1.	Mr. Rashid Ahmed Mirza	Executive Director	Mr. Rashid Ahmed Mirza, aged 65 years, is an Executive Director of the Company. He is a Foreign national. He holds Diploma in Leather Technology from London. His expertise extends across Industrial & Leather Technology and Business Management, having extensive experience of about four decades in these areas.	<p><b>Indian Companies:</b>                      Mirza International Limited                      Aarem Heights Private Limited                      Emgee Projects Private Limited                      Genesis Infraprojects Private Limited                      RTS Fashions Private Limited</p> <p><b>Foreign Companies:</b>                      RTS Fashion FZE                      Mirza (U.K) Limited                      RTS Fashions Limited                      Empire Holding Limited</p>
2.	Mr. Shuja Mirza	Executive Director	Mr. Shuja Mirza, aged 41 years, is an Executive Director of the Company. He is a Foreign national, resident of India. He is graduated in Science (Computer Information System and telecommunication) from USA. having vast knowledge and rich experience of over 15 years. Mr. Shuja Mirza has got core expertise in the designing, development and marketing arena and has played vital role in scripting the success story of Mirza International Limited.	<p><b>Indian Companies:</b>                      Mirza International Limited                      Aarem Heights Private Limited                      Genesisriverview Resorts Private Limited                      Granule Infra India Private Limited</p> <p><b>Foreign Companies:</b>                      Nil</p>
3.	Mr. Arvind Verma	Executive Director	Mr. Arvind Verma, aged 48 years, Executive Director of the Company. He is a resident Indian national. Mr Arvind Verma has a vast experience of Sales & Marketing of over 27 years in the Fashion Industry and has been associated with the brand RedTape for almost 23 years now. He has been instrumental in ensuring that the brand is always held in high esteem in the market & is fully involved at the micro level & day to day operations. He	<p><b>Indian Companies:</b>                      Nil</p> <p><b>Foreign Companies:</b>                      Nil</p>



			has now been tasked with ensuring the same growth & presence of the brand RedTape in International Markets.	
4.	Mr. Sanjay Bhalla	Independent Director	Mr. Sanjay Bhalla, aged 62 years, Independent Director of the Company. He is a resident Indian national. He is B.Tech in Chemical. having rich & varied industrial experience of more than 31 years.	<b>Indian Companies:</b> Mirza International Limited  Silver Spark Private Limited  Kasi 1981 Alumni Foundation  <b>Foreign Companies:</b> Nil

#### OBJECTS OF THE ISSUE

#### Details of means of finance- Not Applicable

**Object-** De-merger of Branded Business\ REDTAPE Business of the Transferee Company into the Resulting Company.

On De-merger, the Resulting Company-REDTAPE Limited will issue 1 (one) Equity Share of Rs. 2 (Rupees Two) each, credited as fully paid up to the Shareholders of the Transferee Company, for every 1 (one) Equity Share of Rs. 2 (Rupees Two) each held by them in the Transferee Company–Mirza International Limited.

#### Rationale and Benefits of the Scheme:

The circumstances which justify and/or necessitate the proposed De-merger of Mirza International Limited into REDTAPE Limited are, inter alia, as follows:

- a. Mirza International Limited has two distinct business (a) Private Label/White Label Business which is predominantly export wholesale made-to-order (MTO) business; and (b) Branded Business/REDTAPE Business which is pre-dominantly domestic retail business. Whereas the leather tannery is backward integration for captive consumption and acts as the backbone for the Private Label Business.
- b. REDTAPE Business is completely independent from the Private Label Business. In REDTAPE Business, the Company buys entire quantity of garments/apparels and significant quantity of footwear from various third party manufacturers. The Company, then, retails the same pan India through physical stores and on-line marketing. Since the Private Label Business and REDTAPE Business have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- c. It is, accordingly, proposed to hive-off Branded Business/REDTAPE Business from the Transferee Company into the Resulting Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.
- d. The proposed De-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- e. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- f. The proposed De-merger will unlock immense possibilities of both these businesses. It will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.



- g. The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not Applicable.

**Name of monitoring agency, if any:** Not Applicable

**Terms of Issuance of Convertible Security, if any:** Not Applicable

SHAREHOLDING PATTERN			
Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	50,000	100
2.	Public	0	0
	<b>Total</b>	<b>50,000</b>	<b>100</b>

**Number / amount of equity shares to be sold by selling shareholders –** Not Applicable

STANDALONE AUDITED FINANCIALS	
(Rs. in INR , except where specifically stated)	
Standalone	For the year ended March 31 2022
Total income from operations (net)	0.00
Net Profit / (Loss) before tax and extraordinary items	(41,800)
Net Profit / (Loss) after tax and extraordinary items	(41,800)
Equity Share Capital	1,00,000
Reserve and Surplus	(41,800)
Net worth	58,200
Basic earnings per share (Rs.)	(0.84)
Diluted earnings per share (Rs.)	(0.84)
Return on net worth (%)	-71.8 %
Net asset value per share (Rs.)	1.164

INTERNAL RISK FACTORS
1. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.
2. Our Company may have potential Conflicts of interest with Companies engaged in similar line of business in which our Promoters have substantial interest.
3. We face competition in our business from presence of well established players in the market who are operating in the same segment as our Company.
4. We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, or technological improvements, we may not be able to effectively implement our business and growth strategies and achieve future growth.
5. Our business and results of operations may be adversely affected by many factors outside of our control, including changes in national, state and local education funding, general economic conditions, changes in the educational procurement process and changes to the syllabus and curriculum standard.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION****A. Total number of outstanding litigations against the company and amount involved**

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

**B. Brief Details of top 5 material outstanding litigations against the company and amount involved: Nil**

**C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchange against Promoters in last 5 financial years including outstanding action, if any: Nil**

**D. Details of outstanding criminal proceedings against promoters: Nil**

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For REDTAPE Limited



**Name: Arvind Verma**

**Designation: Director**

**Date: June 29, 2022**

**Place: Noida**



June 29, 2022

Ref: TCA/REDTAPE/AP/22-23

The Board of Directors  
Redtape Limited  
Plot No.-08, Sector -90,  
Noida, Uttar Pradesh-201301

Dear Sirs,

**Sub: Certificate on adequacy and accuracy of disclosure of information in the Abridged Prospectus of Redtape Limited in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 for the purpose of proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).**

**1. Background:**

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with Securities and Exchange Board of India (SEBI), having registration no. MB/INM000012290 have been appointed by M/s Mirza International Limited having its registered office at 14/6, Civil Lines, Kanpur-208001 (“MIL” or “Transferee Company”) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in the Abridged Prospectus of Redtape Limited (“RTS” or “Transferor Company”) in connection with the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” Or “Resulting Company”) and their respective shareholders and creditors (under Section 230-232 of The Companies Act, 2013 and the rules made thereunder).



## **2. About Turnaround Corporate Advisors Private Limited:**

Turnaround Corporate Advisors Private Limited (hereinafter referred to as “**Turnaround**” or “**TCA**” or “**we**” or “**us**” or “**our**”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with SEBI with Registration No.: MB/INM000012290.

## **3. Scope and Purpose of the Certificate:**

SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“**SEBI Circular**”) inter-alia prescribed that the listed entity (in the present case “**MIL**”) shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme (in the present certificate, “**Redtape**”), in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. The SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

**This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

## **4. Certification:**

We state and confirm as follows:

1. We have examined various documents and other materials made available to us by the management of MIL/Redtape in connection with finalization of Abridged Prospectus dated



June 29, 2022 pertaining to Redtape which will be circulated to the members of Redtape and MIL at the time of seeking their consent to the proposed scheme of arrangement amongst RTS Fashions Private Limited (“RTS” or “Transferor Company”), Mirza International Limited (“MIL” or “Transferee Company”) and Redtape Limited (“Redtape” or “Resulting Company”), as a part of the explanatory statement to the notice.

2. On the basis of such examination and the discussions with the management of MIL/ Redtape, we confirm that:

- A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to Redtape.
- B. The Abridged Prospectus contains applicable information pertaining to Redtape as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Proposed Scheme of Arrangement.

## 5. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of Redtape.
- Carrying out a market survey / financial feasibility for the Business of Redtape.
- Financial and Legal due diligence of Redtape.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of Redtape.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.



# TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

A SEBI Registered Category-I Merchant Banker

We understand that the management of MIL/Redtape during our discussions with them would have drawn our attention to all such information and matters, which may have an impact on our Certificate.

The fee for our services is not contingent upon the result of the proposed Scheme of Arrangement.

The management of MIL and Redtape or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate. Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

Under any circumstances whatsoever, TCA's overall liability will not be in excess of the total fee paid by Redtape under this engagement.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Turnaround Corporate Advisors Private Limited

**HEEMADRI**  
**MUKERJEA**

Digitally signed  
by HEEMADRI  
MUKERJEA  
Date: 2022.06.29  
17:37:18 +05'30'

**(HEEMADRI MUKERJEA)**

**Managing Director**

## 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


### COMPLIANCE REPORT

It is hereby certified that the draft Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited; does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars	Status
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied
<b>Requirements of this circular*</b>			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Complied
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities would be complied	Complied
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Complied
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Complied
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Complied

\* SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021.

#### For Mirza International Limited



**Priyanka Pahuja**  
Company Secretary  
& Compliance Officer



**Rashid Ahmed Mirza**  
Managing Director

Certified that the transactions / accounting treatment provided in the draft Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and Redtape Limited are in compliance with all the Accounting Standards applicable to a listed entity.

#### For Mirza International Limited



**Vadakke Elukkalyil Thomas Cherian**  
Chief Financial Officer



**Rashid Ahmed Mirza**  
Managing Director

Date: 13<sup>th</sup> December, 2021  
Place: New Delhi