



REDTAPE LIMITED

Registered Office

Plot No. 08, Sector 90, Noida, Gautam
Buddha Nagar, Uttar Pradesh - 201305 India
Tel : +91 120 6994444 | +91 120 6994400
CIN : U74101UP2021PLC156659
Web : www.redtape.com
E-mail : info@redtapeindia.com

September 5, 2023

BSE Limited 1 st Floor, New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 543957	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot no. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 NSE Symbol: REDTAPE
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Subject: Annual Report of the Company for financial year 2022-23 including Notice of 2nd Annual General Meeting

Dear Sir / Madam,

This is to inform that 2nd Annual General Meeting ("AGM") of the Company is scheduled to be held on Saturday, September 30, 2023 at 1130 Hours (IST) through Video Conferencing and Other Audio Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs.

Pursuant to Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for financial year ended March 31, 2023 along with Notice of AGM being sent to members through electronic mode is attached.

The said Annual Report and Notice of AGM have also been uploaded on the Company's website. Members may access same at www.redtape.com.

The above is for your kind information and records.

Thanking you,

Yours truly,

For REDTAPE Limited

Sakshi Mehta
Company Secretary

Works

- C-4, 5, 36, 37, Sector - 59, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301 Tel : +91 120 4263193
- Bulk Land, UPSIDC Industrial Area, Site-II, NH-27, Distt. Unnao, Uttar Pradesh - 209801 Tel : +91 73111 70114
- Plot No. 18-19, Nand Nagar Industrial Estate Phase-1, Mahuakheraganj, Kashipur, Udham Singh Nagar, Uttarakhand - 244713 Tel : +91 70552 21530

REDTAPE

Annual Report
2022-23



From India.
For the World.

REDTAPE LIMITED



www.redtape.com

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Key highlights of 2022-23

₹1,465 crore
Revenue



₹136.07 crore
Profit after tax

₹243 crore
EBITDA



16.58%
EBITDA margin



COMPANY OVERVIEW

Frontrunners in India's fashion and lifestyle segment

**With a legacy of almost
3 decades, REDTAPE
has emerged as one
of India's most trusted
fashion and lifestyle
brand with a strong
presence not only limited
to domestic but also
international markets**



Facts defining us

Experience

We have a rich experience of 26 years, with REDTAPE having a strong brand recall built over a span of 26 years. The brand was started with the vision of emerging as a lifestyle brand for the aspiring and ambitious next generation. We emerged as the first Indian footwear brand in 1996 to have a strong presence in the global markets like UK. Over the years, we have broadbased our brand presence across various fashion verticals, and tapped into the men's clothing and accessory category in 2006. Today, our brand also caters to the fashion needs in the female and kids clothing and accessory category.

Manufacturing and innovation

We have an integrated footwear manufacturing unit based out of UPSIDC Industrial Area in Uttar Pradesh, and two online MP warehouses located at Noida Sector 59 and UPSIDC Industrial Area Unnao in Uttar Pradesh. Over the years, we have been conducting extensive research and making consistent product innovations to cater to the ever-changing fashion trends across the world.



Brands

Over the past 2 decades, we have emerged as a complete fashion destination for our customers with a brand recall which is centered on comfort, quality craftsmanship, and benchmarked to international fashion trends. We have under our wing, 3 established brands which cater to the requirements of all our customers.

Athleisure:

Men’s Apparels, Shoes and Women’s Footwear, Accessories



Mode by REDTAPE:

Women’s Ethnic wear



Bond Street by REDTAPE:

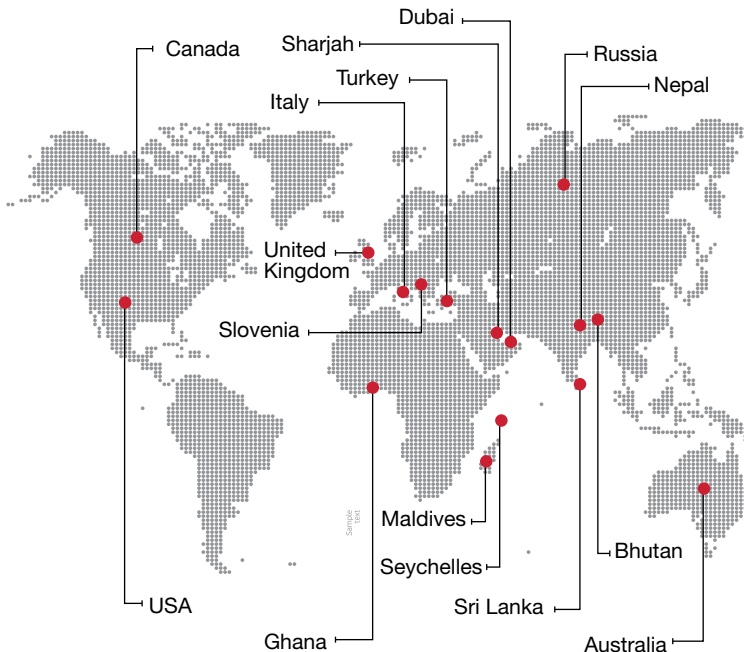
Men’s Casual footwear



Presence

We have a strong foothold spread across 17 countries, especially in niche markets such as UK, US, Australia, Turkey, UAE, France, and Germany, among others. In India, we have not only increased our presence across the nation, but also improved our penetration in existent markets leveraging our strong omni-channel presence, especially with a strong focus on digital infrastructure.

Global Presence



Numbers validating us

26 years Experience

1

Integrated footwear manufacturing unit

2

Online MP warehouses

2

Master warehouse

17 countries

Presence

387

Exclusive Stores across India

228

SIS Stores

8 GLOBAL EXCLUSIVE SHOWROOMS

- Dubai - 04
- Sharjah - 02
- Nepal - 01
- Sri Lanka - 01

BOARD OF DIRECTORS

Leading the way to success

At REDTAPE, we have a very capable Board in place, comprising members from varied backgrounds and experiences. Our Board comprises of 4 Independent Directors, validating our strive to ensure robust governance framework centered on ethics, equality, transparency, unbiased and accountability



Mr. Rashid Ahmed Mirza
Chairman

A diploma in leather technology from London, Mr. Rashid Ahmed Mirza has been spearheading our growth and success since the very inception. He has a rich experience of more than four decades, with his expertise spread across industrial & leather technology and business management. He is responsible for the overall management of the Company.



Mr. Shuja Mirza
Managing Director

A graduate in science from the California State University, USA, Mr. Shuja Mirza has a rich experience in the field of marketing. Leveraging his experience, he is managing operations, product design, development and manufacturing. He also introduced the Retailing Units and Online Division in the Company, which helped us grow exponentially. Additionally, owing to his exposure in the international markets, he is also responsible for diversifying and bringing the needed vigor to the Company.

**Mr. Arvind Verma**

Whole Time Director

Mr. Arvind Verma has a vast experience of 27 years in the field of sales and marketing in the fashion industry. Leveraging his rich experience and his association with the Company for 24 years, he has been instrumental in strengthening our brand recall. He is also fully involved at the micro level and the day-to-day operations of the Company. In the recent past, he has been tasked with strengthening the brand recall of the Company in the international markets as well.

**Ms. Sunanda**

Whole Time Director

Ms. Sunanda is a Post Graduate (Geography) from Kurukshetra University and PGCHRM from XLRI, Jamshedpur. She has more than 20 years of experience in Human Resource management and other managerial positions. Ms. Sunanda has been with REDTAPE Limited (including Mirza International Limited) for more than 13 years and is a core member of top management team.

**Dr. Rajshree Saxena**

Independent Director

An MBBS and a post-graduation holder from King George's Medical University, Lucknow, Dr. Rajshree Saxena is a Gynecologist by profession. She has previously been associated with PMS, Uttar Pradesh from 1987 to 2015. Throughout her stint in PMS, she had worked at various senior administrative and clinical post and took voluntary retirement as Joint Director. Currently, she has her own practice.

**Mr. Subhash Sapra**

Independent Director

A graduate in B.Sc, Mr. Subhash Sapra has more than 50 years of experience in handling the production of motors, and over 15 years of experience in handling the waste water treatment plants.

**Mr. Sanjay Bhalla**

Independent Director

A graduate in chemical engineering from Banaras Hindu University IIT, Mr. Sanjay Bhalla has a rich technical, administrative and managerial experience of four decades. His experience encompasses manufacturing and distribution of consumer products such as electronic goods, household insecticides; commercial building segments, hospitality and industry segments selling water-related engineered products, spa equipment and also as an OEM supplier. He has had a wide stint of experience ranging from selling material and handling equipment, before starting his own business in 1984 under the name of Silver Spark Private Limited. His experience ranges from manufacturing of light engineering products, consumer goods, sanitary import substitution parts, spa equipment, water transfer systems, import agencies and representation of many foreign companies in India. Additionally, he is currently engaged in natural organic farming under the style of 'The Way We Were', based on B2C model along with experience of retail in kids clothing under the name of Kiddoz, Leatherette.

**Dr. Yashvir Singh**

Independent Director

A post-graduate in Science and holder of M. Phil and PhD, Dr. Yashvir Singh is a scientist with an experience of more than three decades in the industry, government bodies and institutions.

KEY PERFORMANCE INDICATORS

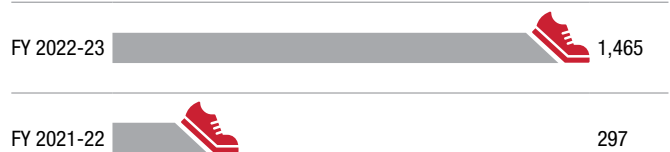
Success validated by numbers

At REDTAPE, we have carved our growth trajectory on the back of a strong brand recall which is synonymous with trust, quality and the latest fashion.

Additionally, our growth trajectory is also supported by rich experience, capable management team, and financial discipline



Profit and loss indicators

Revenue (₹ crore)


↑ Y-O-Y 393%

EBITDA (₹ crore)


↑ Y-O-Y 478%

EBITDA margin (%)

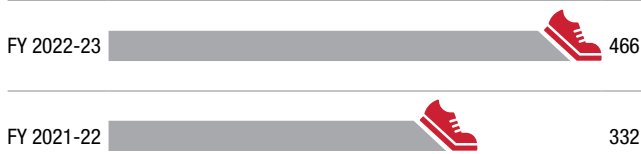

↑ Y-O-Y 243 bps

PAT (₹ crore)


↑ Y-O-Y 435%

Balance sheet indicators

Net worth (₹ crore)



↑ Y-o-Y 40%

Return on capital employed (%)



↑ Y-o-Y 1,850 bps

Debt equity ratio (X)



Corporate information

Board of Directors and Management

Mr. Rashid Ahmed Mirza*Chairman***Mr. Shuja Mirza***Managing Director***Mr. Arvind Verma***Whole Time Director***Ms. Sunanda***Whole Time Director***Mr. Subhash Sapra***Independent Director***Mr. Sanjay Bhalla***Independent Director***Dr. Yashvir Singh***Independent Director***Dr. Rajshree Saxena***Independent Director***CA Abhinav Jain***Chief Financial Officer***CS Sakshi Mehta***Company Secretary and Compliance Officer*

Statutory Auditors

M/s Khamesra Bhatia and Mehrotra,
Chartered Accountants

Bankers

Citibank N.A.
Federal Bank
HDFC Bank

Registered Office

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

Works

C-4, 5, 36 & 37, Sector-59, Noida,
Gautam Buddha Nagar - 201 301, Uttar Pradesh

Bulk Land, UPSIDC Industrial Area, Site-II,
NH-27, Distt. Unnao, Uttar Pradesh – 209801

Plot No. 18-19, Nand Nagar Industrial Estate
Phase-1, Mahuakheraganj, Kashipur,
Udham Singh Nagar, Uttarakhand – 244713

Registrar and Transfer Agents

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

Email Id

compliance@redtapeindia.com

Management Discussion and Analysis (MD&A) Report

GENERAL ECONOMIC BACKDROP AND INDUSTRY OUTLOOK

India's economic growth has been significant in recent years, driven by factors such as a large consumer market, a young and growing workforce, advancements in technology, and favorable government initiatives. Though the COVID-19 pandemic had caused considerable disruptions across various sectors, the economy has shown strong recovery and grown consistently over the previous year. Having said that, the economic trends and industry outlook continue to be influenced by various factors, including government policies, global economic conditions, technological advancements, and unforeseen events.

E-commerce has been on a consistent growth trajectory, with more consumers shifting towards online shopping. The COVID-19 pandemic further accelerated this trend as an increasing number of people turned to online platforms for their shopping needs. The retail industry has been adapting to this change by integrating digital solutions and omnichannel strategies for improved operational efficiency and enhanced customer experience.

RETAIL INDUSTRY

India is one of the most promising and developing marketplaces in the world. This makes it an attractive destination for the multinational corporations who desire to take advantage of the Indian consumer base by making rapid entry into the Indian marketplace. Nearly 60 shopping malls encompassing a total retail space of 23.25 million square feet are expected to become operational during 2023-25.

India ranks among the best countries to invest in Retail space. Factors that make India so attractive include its second largest population in the world, middle-income households, increasing urbanization, rising household incomes, connected rural consumers, and increasing consumer spending.

The FMCG, apparel & footwear, and consumer electronics are the largest retail segments in India, constituting 65%, 10%, and 9% respectively of the retail market. Online shoppers in India are expected to reach 500 million by 2030 and the e-Commerce market is expected to touch US\$ 350 billion in GMV by 2030.

Urbanization leads to a corresponding increase in affordability for a larger segment of the population, giving them access to higher incomes, better employment opportunities, and improved living standards. This rise in affordability, coupled with the desire for a modern urban lifestyle, is expected to impact consumer behavior and

their consumption patterns, particularly across the lifestyle sector. As the urban dwellers prioritize fashion and personal style, influenced by social trends, cultural diversity, and the desire for self-expression, the fashion industry is also expected to experience a surge in demand. Together, these factors are likely to push the demand for lifestyle and fashion products that enhance comfort, convenience, and quality of life, including clothing, accessories, footwear, and beauty products.

MARKET OVERVIEW

Fashion Industry

Popular for its rich heritage, diverse cultural influences, and a fusion of traditional and contemporary designs, the Indian fashion industry has experienced a significant growth and gained global recognition in recent years.

Diversity in cultures, traditions, and textiles form an important component of the industry, serving as constant inspiration for the designers. From traditional handloom to intricate embroidery and embellishments, Indian fashion celebrates the country's cultural tapestry.

Sustainability, other than creativity and diversity, has also become a key focus in the Indian fashion industry. With growing concerns about the environmental impact of fast fashion, many Indian designers and brands are embracing eco-friendly practices, incorporating sustainable materials, promoting ethical sourcing, and adopting fair trade practices, earning significant appreciation from the global fashion communities. Moreover, the increased adoption of social media and e-commerce plays an important role in promoting the industry worldwide, positioning it as a major player in the global fashion landscape.

Footwear Industry

The global footwear market is expected to grow by 12.83% year-on-year by 2028. This growth is primarily attributed to changing lifestyles and growing economies led by the evolving consumer preferences, 86% of the global footwear consumption by volume includes non-leather products, with India witnessing a similar trend.

India is the world's second-largest buyer and producer of footwear, with an eight-fold rise expected by 2030. The Indian footwear industry is projected to grow by 24.73 percent per year (CAGR 2021-2025). The market is divided into organized and unorganized sectors, with the organized sector comprising established and large-scale manufacturers, retailers, and brands that typically operate through formal channels and have a more structured approach to production, distribution, and marketing. The unorganized sector, on the contrary, comprises Small

and Medium-sized Enterprises (SMEs) and Micro, Small, and Medium Enterprises (MSMEs) that may operate on a smaller scale, often with less formal structures.

The growth in Indian footwear industry is supported by various initiatives by the Indian government which includes 100 percent Foreign Direct Investment (FDI) through the automatic route, and an incentive package worth ₹ 2,600 crore for the footwear and leather industry, among others. The incentive package will help players operating in the organized sector to employ 3,00,000 people and deal with pricing pressures more efficiently. Additionally, over 60,000 youths have been trained for various jobs in the industry under the National Skill Certification & Monetary Reward Scheme, since 2015. Further, technological innovation, machinery advances, workforce availability, e-commerce growth, and changing shopping behaviors point towards a positive industry outlook.

The footwear and apparel industry witnessed notable developments during FY 2022-23.

OPPORTUNITIES AND THREAT

Opportunities:

Industry trends and forecasts predict that the global footwear market will grow by 12.83% year-on-year by 2028. The growth in demand is expected to be driven by factors such as changing lifestyles, growing economies and a massive shift in consumer perspective. Today, consumers' perception about footwear has transcended the boundaries of their basic purpose and functionality, making it a product that represents fashion and style. The leather and non-leather segments, driven by a robust domestic demand, comprise the Indian footwear industry. As per a report by Invest India, the Non-leather Footwear Industry in India is projected to increase eight-fold by 2030. The industry is expected to cross the USD 6 billion mark by 2024.

The Company remains open to explore, experiment, and appreciate new thoughts and ideas with the objective to continuously meet and exceed customer expectations. Innovating at the Company is not only limited to its products, but is also incorporated in its brand representation and has become a part of its brand identity. The Company strives to stand by its core values that enables it to stay aligned to its purpose and long-term vision, in the interest of all its stakeholders.

Threats and challenges:

Consumers, in the 21st century, are more educated and knowledgeable, and therefore, more demanding than ever before. The number of consumers with easy access to widespread information and in favour of certain causes is rapidly increasing. This presents a serious challenge for the Footwear industry, creating an urgent need for the players to keep a track of and quickly adapt to the changing consumer preferences, which plays a fundamental role in their purchasing decisions.

To mitigate this challenge, The Company is required to adapt to the new fashion trends as well as consider the new set of consumer desires and beliefs. As consumers now demand

more transparency and security, they search for footwear that is safe and made in accordance with the existing regulations, placing enormous significance on quality, comfort, and ensuring that they do not cause any health hazard. Besides, some consumers also express concerns about the origin and manufacturing of such products.

The Footwear industry is predominantly unorganised and scattered across different parts of the country, with Uttar Pradesh and Tamil Nadu being the biggest footwear-related markets. Though technology is being increasingly adopted and enabling modernisation of the Footwear industry, most of the products are currently handmade. Other than this, the industry is challenged by fluctuations in foreign exchange rate and crude oil price and the sector's development is also deterred by absence of or poor policies.

Tough competition from unorganised players

Nearly 85% of the Indian footwear industry comprises unorganised players who sell their products at meagre prices and enjoy multiple benefits such as lower sales tax, lower overhead cost, lower labour cost and absence of research and development (R&D) expenses. This will intensify competition as organised players will pass the price benefits to the consumers, while unorganised players try to enter the organised space.

Sluggish growth of Indian leather footwear market

The United Kingdom is one of the leading export destinations for Indian footwear. However, with BREXIT affecting the value of British pound (GBP), the Indian leather export has been severely impacted. Government policies banning animal slaughter on leather tanneries has further impacted leather availability, leading to a sluggish industry growth.

Import from China

63% of India's imported footwear is sourced from China. Chinese footwear, being cheaper and sold in the unorganised retail market, proves disadvantageous for the Indian footwear manufacturers. The Company monitors its major risks and concerns at regular intervals.

RISKS, CONCERNS, AND CONTINGENT LIABILITIES

Economic and political factors, both national and global, that are beyond control, and factors force majeure, may directly affect performance of the Company as well as the Footwear industry. These factors include interest rates and its impact on availability of retail space, rate of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policies, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, pandemics, and other matters that influence consumer confidence and spending.

Risks are an integral part of any business environment and it is essential that the Company has suitable processes to identify and alleviate such risks concerning its business. The Company believes that adequate risk management ensures

controls and monitoring mechanism supports smooth and uninterrupted running of the Company's business. The identified risks and concerns include competitive business environment, varying consumer preferences, import of finished footwear at lower prices, showroom/ office occupancy cost, foreign currency fluctuation, and the fragmented structure of the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Well-designed internal control systems lay down the framework for day-to-day operations, provide guidelines for employees and, most importantly, provide a certain level of security against a variety of risks such as fraud and misappropriation. The system involves all policies and procedures laid down by the management to control the organisation and its people with the objective to achieve its goal. The Company's control system and procedures are regularly reviewed for relevance and effectiveness and modified in alignment with the evolving business environment.

The Company has an Audit Committee consisting of Independent Directors, details of which has been mentioned in the Corporate Governance Report. An independent Chartered Accountant firm has been appointed as the Internal Auditors to the Company and is responsible for reviewing the effectiveness of the Company's internal control mechanism at regular intervals.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company is differentiated by its diverse talent pool of highly experienced people from various sectors whose extensive knowledge create the building blocks of a world-class company. With multiple initiatives that encourage the employees to learn from each other and develop their true potential, the Company fosters a work environment that is fair and inclusive. The Company is strengthened by over 800 employees as on March 31, 2023.

OCCUPATIONAL HEALTH AND SAFETY

Commitment

The Company is committed to carry out its operations free from accidents and occupational illnesses. It

strives to implement world-class safety practices for all stakeholders, including employees and contractors. The Company firmly believes that providing a safe working environment is not only a statutory requirement but also its moral responsibility.

RESOURCES

A team of highly qualified, experienced and skilled professionals is deputed to provide management with the required support on occupational health, safety and fire-related matters. The Company deploys latest in-built safety technologies and systems across all new projects and business expansions to safeguard its employees against any operational hazards. State-of-the-art fire prevention and mitigation technologies further ensure utmost safety at work. The Company complies with the highest industry standards to safeguard the interest of employees. These standards address General Safety, Occupational Health, Process Safety and Emergency Preparedness.

HEALTH AND SAFETY STANDARDS

The Company's operations conform to the Health & Safety standards. The Company is continually focussed at improving employee safety, reducing workplace risks and creating better, safer working conditions.

MANAGEMENT ENGAGEMENT

The Company firmly believes in ensuring safety, health and wellbeing of its employees at the workplace. It is committed to upgrade the skills of its employees and to create an environment where excellence is recognised and rewarded. The target is to place the right people at the right position and to enhance the efficiency, working speed, competency and time management skill of its employees. The Company endeavours to create an environment where people can utilise their capabilities in promoting the business of the Company.

FINANCIAL PERFORMANCE

The key indicators of the financial performance of the Company for the Financial Year 2022-23 were as under:

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
1	Total Revenue	1,46,533	29,700
2	Total Expenses Excluding Finance Cost & Depreciation	1,22,233	25,495
3	EBITDA (Earnings before Interest, Depreciation & Tax)	24,300	4,205
4	Finance Costs	1,744	397
5	Depreciation & Amortization Expenses	4,444	243
6	Profit/ Loss before Exceptional items	18,112	3,565
7	Add: Exceptional items [Gain(+)/ Loss(-)]	-	-
8	Profit/Loss from continuing operations before Tax	18,112	3,565
9	Tax Expense	4,505	1,021
10	Profit/Loss from continuing operations After Tax	13,607	2,544
11	Profit/Loss from discontinued operations After Tax	-	-
12	Profit/ Lossfor the year after Tax	13,607	2,544

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
13	Other Comprehensive Income	-234	207
14	Total Comprehensive Income	13,373	2,751
15	Basic EPS (Per Share of ₹ 2/-) (in ₹)	9.85	1.84
16	Diluted EPS (Per Share of ₹ 2/-) (in ₹)	9.85	1.84

Segment wise Performance & Review of Operations

Sr. No.	Segment Revenue	F.Y. 2022-23	F.Y. 2021-22
a	Shoe Division	77,113	14,153
b	Gar & Acc Division	68,769	15,541
c	Unallocated	651	6
Total		1,46,533	29,700
Less:	Inter-Segment Revenue	-	-
	Total Revenue	1,46,533	29,700

Sr. No.	Segment Profit / Loss	F.Y. 2022-23	F.Y. 2021-22
a	Shoe Division	10,449	1,888
b	Gar & Acc Division	9,319	2,073
c	Unallocated	88	1
Total		19,856	3,962
Less:	Finance Cost	1,744	397
	Profit from continuing operations before Tax	18,112	3,565

Details of significant changes in key financial ratios along with explanation

Change of 25% or more in the key financial ratios of the Company for financial year 2022-23 as compared to financial year 2021-22, is mentioned below along with the explanation:

	Standalone			Consolidated		
	FY 2022-23	FY 2021-22	Variation (in %)	FY 2022-23	FY 2021-22	Variation (in %)
Debtors Turnover	20.80	10.57	96.78	20.93	10.80	93.80
Inventory Turnover	2.81	0.73	282.72	2.82	0.75	277.23
Interest Coverage Ratio	11.39	9.98	14.13	11.83	11.23	5.34
Current Ratio	1.74	2.02	-13.62	1.77	2.02	-12.59
Debt Equity Ratio	0.17	0.09	-101.85	0.17	0.08	-99.49
Operating Profit Margin (%)	16.66	14.16	17.66	17.09	15.57	9.76
Net Profit Margin (%)	9.33	8.57	8.87	9.68	9.58	1.07
Return on Net Worth	29.19	7.66	281.29	29.82	8.65	244.82

Pursuant to approval of Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and REDTAPE Limited by Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj vide their order dated February 21, 2023, the Scheme has become effective from February 25, 2023, upon filing of copy of order with the Registrar of Companies, Kanpur. The Appointed date of the Scheme is January 1, 2022. The demerger of branded business/REDTAPE Business of Mirza International Limited into REDTAPE Limited as on appointed date January 1, 2022, the balances of March 31, 2022 have been restated, therefore, the ratios are not comparable.

Cautionary statement

There are certain Statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions, may be read as 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in Government policies, governing laws, tax regimes, global economic developments, and other factors such as litigation and labour negotiations.

Board's Report

To,
The Members of
REDTAPE LIMITED

The Directors present their 2nd Annual Report together with the audited financial statements for the financial year ended March 31, 2023. The consolidated performance of REDTAPE Limited ("**the Company**") and its subsidiaries has been referred to wherever required.

FINANCIAL HIGHLIGHTS

The Audited Financial Statements of your Company as on 31st March, 2023, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013. The Company's standalone and consolidated financial performance for the year ended March 31, 2023, is summarized below:

(₹ in Lakh)

Particulars	Standalone result		Consolidated result	
	FY 2022-23	From December 8, 2021 to March 31, 2022#	FY 2022-23	From December 8, 2021 to March 31, 2022#
Total Income	1,46,533	29,700	1,47,483	30,328
Total Expenditure	1,28,421	26,135	1,28,573	26,248
Profit/(Loss) before tax	18,112	3,565	18,910	4,080
Tax Expense	4,505	1,021	4,695	1,176
Profit/(Loss) after tax	13,607	2,544	14,215	2,904
Paid-up Share Capital	2,765	1*	2,765	1*
Reserves and Surplus	43,847	30,463	44,911	30,823

*Equity Share Capital issued pursuant to Scheme of Arrangement: ₹2,764 Lakh.

Restated figures pursuant to the Scheme of Arrangement with effect from the Appointed Date as provided in Scheme of Arrangement, being January 01, 2022.

Your Company was incorporated on December 8, 2021 as a wholly owned subsidiary of Mirza International Limited ("**MIL**"). On implementation of the Scheme of Arrangement for Demerger of the REDTAPE Business from MIL, , shares were allotted in the ratio of 1:1 to all the shareholders of MIL. After obtaining requisite regulatory approvals, your Company has been listed on August 11, 2023 on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

PERFORMANCE HIGHLIGHTS

On consolidated basis, the revenue from operations for FY2023 is ₹1,46,831 lakh against ₹30,322 lakh in the previous year. The Profit after tax is ₹14,215 lakh against Profit of ₹2,904 lakh during the previous year.

On a Standalone basis, the revenue from operations for FY2023 is ₹1,45,882 lakh against ₹29,694 lakh in the previous year. The profit after tax is ₹13,607 lakh against ₹2,544 lakh during the previous year.

Your directors are putting in their best efforts for the growth of the topline and bottomline of the Company.

The figures for the financial year 2021-22 is as per restated financial statements post Scheme of Arrangement, with effect from the Appointed Date for the Scheme of Arrangement, being January 01, 2022.

MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR 2022-23

The Board of Directors of your Company, in its meeting held on December 10, 2021 had approved a Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited, the Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with section 66 of the Companies Act 2013 and other applicable provisions, if any (hereinafter referred to as "**the Scheme**" / "**the Scheme of Arrangement**").

The Scheme, inter-alia, provided for (a) Amalgamation of RTS Fashions Private Limited with Mirza International Limited; and (b) De-merger of Branded Business/ REDTAPE Business of Mirza International Limited into the Company.

The Scheme was duly sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("**NCLT**") by way of an order dated February 21, 2023 ("**Order**") certified copy of which order was issued on February 24, 2023. Pursuant to the Scheme the Branded Business/ REDTAPE Business of Mirza International Limited was demerged into the Company w.e.f February 25, 2023.

The Equity shares of your Company got listed with BSE Limited and National Stock Exchange of India w.e.f August 11, 2023 resulting in the change of status of the Company from unlisted Company to listed Company.

EFFECT OF THE SCHEME ON THE FINANCIAL STATEMENTS

The effect and impact of the Scheme of Arrangement on the financial Statements of the Company is mentioned in notes to the audited financial statements. The members are requested to refer the same.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this Report.

DIVIDEND

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend being recommended for this year.

TRANSFER TO RESERVES

The Board of Directors of your Company has decided to retain the entire amount of profit for the Financial Year 2022-23 in the statement of profit and loss.

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

There has been no change in the nature of business of the Company.

SHARE CAPITAL

During the year under review following changes were made:

- Your Company has increased its authorised share capital from existing ₹1,00,000 divided into 50,000 equity shares of ₹2 each to ₹30,02,00,000 divided into 15,00,50,000 Equity Shares of ₹2 each aggregating of ₹30,01,00,000 and 50,000 Preference shares of ₹2 each aggregating of ₹1,00,000.
- Your Company has cancelled the entire pre scheme paid up share capital which consist of 50,000 Equity shares of ₹2 each pursuant to the composite Scheme of Arrangement.

- Pursuant to the Scheme of Arrangement, the Company has issued and allotted 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each in place of the aforesaid cancelled equity shares.
- In addition to above allotment, your Company had allotted 13,82,01,900 Equity Shares of ₹2 each to the equity shareholders of the Mirza International Limited pursuant to Scheme of Arrangement.

The paid-up share capital of the Company as on 31st March, 2023 is as follows:

Particulars	No. of shares	Face value
Equity Share	13,82,01,900	₹2 each
9% Compulsorily Redeemable Preference Shares	50,000	₹2 each

ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an annual return in the prescribed format for the financial year 2022-23 is available on the website of the Company at www.redtape.com.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, 9 (Nine) number of Board meetings were held and the details of same are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between consecutive meetings was not more than one hundred and twenty (120) days as prescribed by the Companies Act, 2013 and applicable provisions.

DEPOSIT

During the year under review, your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of Section 135 of the Companies Act, 2013 was not applicable to your Company for the financial year 2022-23. Thus, requirements for the Annual Report on CSR activities is not applicable to the Company for the year 2022-23.

The Board of Directors of your Company had constituted Corporate Social Responsibility (CSR) Committee on May 30, 2023. The CSR Committee comprises of Mr. Shuja Mirza – Managing Director as Chairman, Mr. Arvind Verma – Whole Time Director, Dr. Yashvir Singh - Independent Director and Dr. Rajshree Saxena - Independent Director as members.

The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at www.redtape.com.

DIRECTORS

During the financial year 2022-23, following were the changes in the Board of Directors of the Company:

1. Mr. Rashid Ahmed Mirza (DIN: 00049009), Non-Executive Director of the Company was appointed as Chairman of the Company by the Board of Directors in its meeting held on March 22, 2023.
2. Mr. Narendra Prasad Upadhyaya (DIN: 00049196) was appointed by the Board of Directors in its meeting held on March 22, 2023 as Whole Time Director of the Company effective March 22, 2023 for a period upto September 30, 2023. The appointment of Mr. Narendra Prasad Upadhyaya as Whole Time Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
3. Mr. Shuja Mirza (DIN: 01453110), Director of the Company was appointed by the Board of Directors in its meeting held on March 22, 2023 as Managing Director of the Company effective March 22, 2023 for a period upto March 31, 2027. The appointment of Mr. Shuja Mirza as Managing Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
4. Mr. Arvind Verma (DIN: 09429834) Director of the Company was appointed by the Board of Directors in its meeting held on March 22, 2023 as Whole Time Director of the Company effective March 22, 2023 for a period upto March 21, 2026. The appointment of Mr. Arvind Verma as Whole Time Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
5. Further, the Board of Directors in its meeting held on March 22, 2023 had approved to appoint Mr. Sanjay Bhalla (DIN: 00699901), Dr. Yashvir Singh (DIN: 00049360), Mr. Subhash Chander Sapra (DIN: 00049243) and Dr. Rajshree Saxena (DIN: 09784592) as Independent Directors effective April 7, 2023 for a

term of five (5) years. The appointment of Mr. Sanjay Bhalla, Dr. Yashvir Singh, Mr. Subhash Chander Sapra and Dr. Rajshree Saxena as Independent Directors of the Company was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.

Subsequent to the FY2023 following changes were made on the Board of the Company:

1. The Board of Directors in its meeting held on July 17, 2023 had approved to appoint Ms. Sunanda Singh (DIN: 10243709) as Whole time Director of the Company effective August 1, 2023 for a term of three (3) years.;
2. The Board of Directors in its meeting held on July 17, 2023 took note and accepted the resignation of Mr. Narendra Prasad Upadhyaya (DIN: 00049196) as Whole time Director from the Board of the Company effective August 31, 2023.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rashid Ahmed Mirza (DIN: 00049009), Director of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations. The Board is of the opinion that they are the persons of integrity and possesses relevant expertise and experience.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Mr. Shuja Mirza, Managing Director of your Company is son of Mr. Rashid Ahmed Mirza, Chairman of your Company and accordingly, are related to each other within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2013 and SEBI Listing Regulations. Except as stated above, none of the Directors are related to each other.

KEY MANAGERIAL PERSON

In terms of the provisions of section 2(51) and 203 of the Companies Act, 2013, the details of the Key Managerial Personnel (“KMP”) during the financial year 2022-23 and till the date of this Report is as below:

S. No.	Name of KMP	Designation	Date of Appointment	Date of Cessation
1.	Mr. Shuja Mirza	Managing Director	22-03-2023	Continuing
2.	Mr. Narendra Prasad Upadhyaya	Whole time Director	22-03-2023	31-08-2023
3.	Mr. Arvind Verma	Whole time Director	22-03-2023	Continuing
4.	Ms. Sunanda	Whole time Director	01-08-2023	Continuing
5.	Mr. Abhinav Jain	Chief Financial Officer	22-03-2023	Continuing
6.	Ms. Nandita Singh	Company Secretary	22-03-2023	17-07-2023
7.	Mr. Nand Kishore Sharma	Company Secretary	22-07-2023	01-09-2023
8.	Ms. Sakshi Mehta	Company Secretary	01-09-2023	Continuing

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 during the year under review the Company has not given any loan or guarantee or provide any security in connection with loan covered under the provisions of Section 186 of the Companies Act, 2013.

Further the details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are as below:

(₹ in lakh)			
S. No.	Name of the Body Corporate	No. of Shares	Amount of Investment
1.	Mirza Bangla Limited*	46,918	₹40.40
2.	Sen En Mirza Industrial Supply Chain LLP**	NA	₹55

* The Company is having 100% controlling stake in M/s Mirza Bangla Limited. Mirza Bangla Limited was acquired under the Scheme of Arrangement from Mirza International Limited. However due to pending completion of legal formalities for transfer, investment are still held in the name of Mirza International Limited.

** The Company is partner in M/s Sen En Mirza Industrial Supply Chain LLP having Profit sharing of 52%.

REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

On March 31, 2023, the Company has one subsidiary company namely M/s. Mirza Bangla Limited. There has been no change in the nature of business of subsidiary of your Company.

There was no other subsidiary, joint venture or associates company during the Financial Year 2022-23.

In accordance with section 129(3) of the Companies Act, 2013, the consolidated financial statements of your

Company and its subsidiary company form part of the Annual Report. A statement containing performance and salient features of the financial statements of the Company’s subsidiary is annexed in Form AOC-1 as **Annexure-A**.

A pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company’s website at www.redtape.com.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

During the year the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material for which shareholders’ approval is required in accordance with provisions of the Companies Act, 2013.

All contracts/ arrangements entered with Related Parties in terms of Section 188 of the Companies Act, 2013 were in the ordinary course of business and on an arm’s Length basis. Thus, disclosure in Form AOC-2 in terms of Section 134 of Companies Act, 2013 is not required.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website.

Your Directors draw attention of the members to Note No. 30 and 36 to standalone financial statement which sets out related party disclosures.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of Companies (Accounts) Rules, 2014 is given in **Annexure-B** to this Report

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-C** to this Report.

The Statement containing the particulars of top 10 employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules (if any), is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours for a period of twenty-one days before the date of the AGM. Any member interested in obtaining a copy of the same may write to the Company.

STATUTORY AUDITORS

As per section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in first Annual General Meeting approved the appointment of the Statutory Auditors in its 1st Annual General Meeting held on 27th September, 2022 and had appointed, M/s Gulati Sandeep & Co., Chartered Accountants, (Firm Registration No. 087455), as Statutory Auditors of the Company, to hold the office from the conclusion of first annual general meeting till the conclusion of the sixth annual general meeting, i.e., for the Financial Year 2022-23 to Financial Year 2026-27.

Post Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and REDTAPE LIMITED; the equity shares of your Company were proposed to be listed and got listed with the BSE and NSE.

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, every listed entity has to ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself/herself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s Gulati Sandeep & Co., Chartered Accountants had informed to the Company that they are not subjected to the peer review process of the Institute of Chartered Accountants of India and thus does not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. In this respect, M/s Gulati Sandeep & Co., Chartered Accountants, had also

informed their disqualification and accordingly, ceased to hold the office of the Statutory Auditors of the Company.

In order to fill the above casual vacancy, the Board in its meeting held on April 7, 2023 had appointed M/s Khamesra Bhatia & Mehrotra, Chartered Accountants, (Firm Registration No. 001410C) as a statutory auditor of the Company to hold the office till the conclusion of ensuing AGM, to examine and conduct the audit of the accounts of the Company for the financial year 2022-23.

The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks. During the year Financial Year 2022-23, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

M/s Khamesra Bhatia and Mehrotra, Chartered Accountants, has expressed their unwillingness to be appointed as the Statutory Auditors at ensuing AGM. Accordingly, the Board of Directors on the recommendations of the Audit Committee vide its resolution dated July 17, 2023 had considered to appoint M/s Ashwani & Associates, Chartered Accountants as Statutory Auditors of the Company for a term of 5 (five) consecutive years, commencing from conclusion of 2nd AGM till conclusion of 7th AGM of the Company, subject to the approval of the members at this AGM.

M/s Ashwani & Associates, Chartered Accountants, ('the Audit Firm') is registered with the Institute of Chartered Accountants of India ('ICAI'). The Audit Firm is a peer reviewed audit firm and ensures auditor independence. The Audit Firm is primarily engaged in providing audit and assurance services to its clients.

M/s Ashwani & Associates, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Sections 139(1), 141(2) and (3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

COST AUDITOR

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records have been prepared and maintained by the Company for the financial year 2022-23. The Board of Directors has appointed Mr. A.K. Srivastava, Cost Accountant (Membership No. 10467) as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2022-23.

During the Financial Year 2022-23, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

SECRETARIAL AUDITOR

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. R & D, Company Secretaries as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

The Report given by the Secretarial Auditor is annexed herewith as **Annexure - D** and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their report except one instance of delayed filing of one e-form MGT-14 submitted with Registrar of Companies with additional fees. During the Financial Year 2022-23, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

As your Company was not listed during the Financial Year 2022-23, the Annual Secretarial Compliance Report, pursuant to the provisions of Regulation 24A of the SEBI (LODR) Regulations read with SEBI Circulars issued in this regard, was not applicable for the FY 2022-23.

COMMITTEES OF THE BOARD OF DIRECTORS

As on date of report, the Board of Directors has constituted the following committees, in terms of the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (LODR) Regulations:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of terms of reference, composition of the Committees, and the number of meetings held and attendance of various members at such meetings etc., are provided in the Corporate Governance Report, which forms part of this Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee recommended to the Board of Directors, a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a director and other matters. The said policy as approved by the Board of Directors on May 30, 2023, is uploaded on the Company's website at www.redtape.com.

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board will carry out an annual evaluation of its own performance, Board committees, individual Directors including the Independent Directors and the Chairman of the Company effective from May 30, 2023.

CORPORATE GOVERNANCE

A report on Corporate Governance practices followed by the Company is provided in a separate section and forms an integral part of this report. The Company is not required to prepare the Corporate Governance Report for Financial Year 2022-23. However, a voluntary Corporate Governance Report is annexed herewith.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the secretarial standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund ("IEPF").

However, pursuant to the Scheme of Arrangement, the Company has issued 4,76,921 equity shares to IEPF against the IEPF's shareholding in the Transferor Company – Mirza International Limited.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company since inception, ensures gender equality and the right to work with dignity to all employees (permanent, contractual, temporary and trainees) of the Company and has been following a zero tolerance against sexual harassment of any person at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and in order ensure this in all its strictness, the Company has in place an Internal Complaints Committee, the constitution whereof, is in complete compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Sexual Harassment Policy of the Company has been effectively promoted and propagated an environment and culture in the Company which inculcates in the male employees, a spirit of utmost respect for the women workforce at every level. The Company has also formulated a set of standing orders which stipulate very harsh punitive measures against any employee found guilty of having or attempting to have sexually harassed a female employee, which without prejudice to the other actions taken against the offender, include immediate termination of his services.

The fact that safety and security of the women workforce in the Company has been an area given the paramount importance in the Company explains why the Company can proudly boast or being among the safest work places for women in the country. As has been the case in the previous years, during the year under review as well, no complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2015, were received during the year under review.

RISK MANAGEMENT POLICY

The Board of Directors bear the overall responsibility for the company's risk management and internal control procedures in connection with the financial reporting process, including ensuring compliance with relevant legislation and other regulations relating to financial reporting. The Board of Directors undertakes on-going assessment of the risks to which the company is subject, including risks relating to financial reporting.

The risk management procedures and internal control are regularly reviewed in order to continuously secure and enhance their effectiveness.

INTERNAL FINANCIAL CONTROL FOR FINANCIAL STATEMENTS

Your Company has an effective internal financial control system, which is continuously evaluated by the internal and statutory auditors. The internal financial controls are designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Board of the Company.

INTERNAL AUDITOR

In terms of Section 138 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of the Company, upon the recommendation of the Audit Committee, in their meeting held on April 7, 2023 has appointed M/s Surinder Mahajan & Associates, Chartered Accountants (Firm Registration No. 009973N) Chartered Accountants, as the Internal Auditor of the Company to conduct the Internal Audit for the financial year 2022-23.

The Internal Audit Report for financial year 2022-23, does not contain any qualification, reservation, disclaimer or adverse remark and they have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

VIGIL MECHANISM POLICY

The Company has adopted a Vigil Mechanism and Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Nominated Director. It is affirmed that no personnel of the Company have been denied access to the Vigilance and Ethics Officer appointed under such Policy.

The Vigil Mechanism and Whistle Blower Policy of the Company as approved by the Board of Directors, is uploaded on the Company's website at www.redtape.com.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING PRACTICES

During the financial year under review, provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 were not applicable. However, during Current financial year, the Company has formulated the Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. These codes are displayed on the Company's website i.e. www.redtape.com.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year under review, no application was made and no proceeding was pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, no such valuation was required to be done.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the period under review, no such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations other than the orders mentioned herein above.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That they had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they had prepared the annual accounts on a going concern basis;
- e) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and the reviews from management and audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective.

LISTING WITH STOCK EXCHANGES

The shares of the Company are listed on BSE Limited and National Stock Exchange Limited w.e.f. August 11, 2023. The Annual Listing Fees for the financial year 2023-24 is paid to the Stock Exchanges.

GREEN INITIATIVE

Your Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/annual reports to shareholders. The Annual Report for the financial year 2022-23 and Notice of the 2nd Annual General Meeting are being sent to all members electronically, whose e-mail addresses are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2022-23 is also available on the Company's website www.redtape.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

The above are in compliance with relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time. The e-voting facility is being provided to the members to enable them to cast their votes electronically on all resolutions set forth in the notice, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the notice of this 2nd Annual General Meeting.

ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to place on record its appreciation of the significant contribution made by the employees for their dedicated service and firm commitment to the goals & vision of the Company. The Company has achieved impressive growth through competence, hard work, solidarity, cooperation and support of employees at all levels. Your Board also wishes to place on record its sincere appreciation for the whole-hearted support received from the customers, dealers, distributors, franchisee partners, vendors and other business associates and from the neighborhood communities of Plant locations. We look forward to continued support of all these partners in the future.

Your Directors also wish to thank the Government of India, the State Governments and other regulatory authorities, banks and Shareholders for their cooperation and support extended to the Company.

For and on behalf of the Board
For **REDTAPE LIMITED**

Rashid Ahmed Mirza

Chairman

Place: Noida

Date: September 1, 2023

DIN: 00049009

Annexure A

FORM AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Part A- Subsidiaries

Sl No	Particulars	Details
1.	Name of the Subsidiary	Mirza Bangla Limited
2.	The date since when subsidiary was acquired	January 1, 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Taka 0.7681
5.	Share Capital	36.03
6.	Reserves and surplus	996.40
7.	Total Assets	1282.84
8.	Total Liabilities	250.00
9.	Investments	NIL
10.	Turnover	949.00
11.	Profit before taxation	798.00
12.	Provision for taxation	190.00
13.	Profit after taxation	608.00
14.	Proposed dividend	NIL
15.	Extent of shareholding (in percentage)	100%

Part B- Associates and Joint Ventures

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

For and on behalf of the Board of Directors:

Shuja Mirza
Managing Director
DIN: 01453110

Arvind Verma
Whole time Director
DIN: 09429834

CA Abhinav Jain
Chief Financial Officer

CS Nandita Singh
Company Secretary

Annexure B
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO
(A) Conservation of energy:
(i) the steps taken or impact on conservation of energy;

Energy conservation measures are being carried out continuously in its operational activities by way of monitoring energy related parameters on regular basis. To achieve above objectives, the following steps are being undertaken by the Company:

- Auto cut new technology-based compressors are now installed;
- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor on regular basis;
- Installation of energy efficient LED lights by replacing high energy consuming lights;
- Increasing the awareness of energy saving within the organization to avoid the wastage of energy;
- Reducing the factory load during high demand cycle time.

(ii) Steps taken for utilization of alternate source of energy;

Installation of 1.023 MWP solar panels is completed at one of our plant and implementation of installation of other 1.156 MWP solar panels is under progress.

(iii) Capital investment on energy conservation equipment:

The Company has invested an amount of ₹323.34 Lakhs for financial year 2022-2023

(B) Technology Absorption:
(i) Efforts made towards technology absorption

Following efforts are made during the year towards technology absorption:

- The business activities such as logistics, sales and manufacturing are through integrated software control.

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

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- Speedy and real time updated flow of information between management and staff level;
- Adding and retaining customer base ;
- Value addition and Brand Building via online outlets with more customer reach.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable, as no technology was imported.
(iv) the expenditure incurred on Research and Development. INR 653.27 Lakhs
(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are:

	Amount in INR
a. Total Foreign exchange earned in terms of actual inflows	391.09 Lakhs
b. Total Foreign exchange outgo in terms of actual outflows	61243.22 Lakhs

ANNEXURE – C

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each director, if any, in the financial year :

- (a) Remuneration paid to the Whole-time Director(s)

Name of Director(s)	Designation	Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2023 as compared to 2022*
Mr. Shuja Mirza ¹	Managing Director	360	Not Applicable
Mr. Arvind Verma ²	Whole-time Director	27	Not Applicable
Mr. Narendra Prasad Upadhyaya ³	Whole-time Director	26	Not Applicable

1 Redesignated as Managing Director from Director of the Company effective March 22, 2023.

2 Redesignated as Whole time Director from Director of the Company effective March 22, 2023.

3 Appointed as Whole-Time Director effective March 22, 2023. Resigned from the Board effective August 31, 2023.

* The REDTAPE business of Mirza International Limited was demerged into the Company effective February 25, 2023 with January 1, 2022 as the appointed date of demerger and hence the figures of FY2022 and FY2023 are not comparable.

- (b) Remuneration paid to the non-executive and independent directors:

Name of Director(s)	Designation	Ratio of remuneration to median remuneration* of the employees	% increase / decrease of remuneration in 2023 as compared to 2022
During the year, there were no Independent Director appointed on the Board during FY 2022-23.			

- (c) Remuneration paid to the non-executive and non-independent directors:

Name of Director(s)	Designation	Ratio of remuneration to median remuneration of the employees	% increase / decrease of remuneration in 2023 as compared to 2022
Mr. Rashid Ahmed Mirza	Chairman	Nil	Not Applicable
Mr. Sanjay Bhalla	Director	Nil	Not Applicable

- (d) The percentage increase in remuneration for Chief Financial Officer and Company Secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr Abhinav Jain, Chief Financial Officer*	Not Applicable
Ms Nandita Singh, Company Secretary & Compliance officer*	Not Applicable

*Appointed on March 22, 2023.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 19.87%
- (iii) The number of employees on the rolls of company: 803
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The Redtape business of Mirza International Limited was demerged into the Company effective February 25, 2023 with January 1, 2022 as the appointed date of demerger and the hence the figures of FY2022 and FY 2023 are not comparable.

- (v) Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Annexure -D**SECRETARIAL AUDIT REPORT**
For the financial year ended 31st March, 2023

To
The Members
Redtape Limited
Regd. Office: Plot no. 08, Sector 90,
Noida-201301, Uttar Pradesh

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Redtape Limited, a Company incorporated under the provisions of the Companies Act, 2013, vide CIN U74101UP2021PLC156659 and having its registered office at Plot no. 08, Sector 90, Noida-201301, Uttar Pradesh (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not applicable as the Company was an Unlisted Company during FY 2022-23.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not applicable as the Company was an Unlisted Company during FY 2022-23.
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
 - e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2021;
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- vi. The management has identified the following laws as specifically applicable to the Company.
 - Consumer Protection Act, 2019;
 - The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011
 - The Factories Act, 1948
 - Bureau of Indian Standards Act, 2016 and the Footwear made from Leather and other materials (Quality Control) Order, 2020
 - Environment (Protection) Act, 1986 ("EPA") and the Environment Protection Rules, 1986; Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; The Noise Pollution (regulation and control) Rules, 2000
 - Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
 - The Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991

- The Employees State Insurance Act, 1948
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Indian Contract Act, 1872
- Trade Marks Act, 1999
- Designs Act, 2000
- The Rubber Act, 1947

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;
- ii. SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015; Not applicable as the Company was an Unlisted Company during FY 2022-23.

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

The Company has not filed one e-Form MGT-14 during the financial year as required to be filed in terms of the provisions of Section 117 read with Section 179 of the Companies Act, 2013 for the resolutions passed by the board in the meeting held on 25th May, 2022 in connection with (i) Approval of Financial statement of the Company for the financial year ended 31st March, 2022;(ii) Approval of Board of Directors report for the year ended 31st March, 2022; and (iii) Authorization for accepting loan from Director of the Company. However, the same was filed after the end of financial year under review and till the date of this report.

We further report that:

During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- A Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd (hereinafter referred to as the Composite Scheme of Arrangement/the Scheme) was framed in terms of the provisions of Sections 230 & 232 of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated 21st February, 2023 (date of pronouncement of Order) approved the Composite Scheme of Arrangement. The Scheme has become operative with effect from the Effective Date-25th February, 2023, on filing of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur. The Scheme is effective from 1st January, 2022, being the Appointed Date of the Scheme.
- In terms of the Scheme, RTS Fashions Pvt Ltd has been merged into Mirza International Ltd along with all the assets and liabilities; and entire REDTAPE Business of Mirza International Limited has been demerged into Redtape Limited, with effect from 1st January, 2022.
- In terms of the Scheme approved by the Hon'ble National Company law Tribunal Allahabad Bench, Prayagraj vide its order dated February 21, 2023, company has allotted 13,82,01,900 equity shares of ₹ 2 each, credited as fully paid-up, to Equity shareholders of Mirza International Limited in the board meeting held on 31st March 2023.

For R&D
Company Secretaries

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No.: 8612
Unique Identification No. P2005DE011200
UDIN: F007775E000870857
Peer Review Certificate no. 1403/2021

Place: New Delhi
Date: August 26, 2023

‘Annexure A’

To
The Members
Redtape Limited
Regd. Office: Plot no. 08, Sector 90,
Noida-201301, Uttar Pradesh

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

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

For R&D
Company Secretaries

Debabrata Deb Nath
Partner

FCS No.: 7775; CP No.: 8612
Unique Identification No. P2005DE011200
UDIN: F007775E000870857
Peer Review Certificate no. 1403/2021

Place: New Delhi
Date: August 26, 2023

Report on Corporate Governance

REDTAPE Limited (“the Company”) was not listed during financial year 2022-23. Pursuant to the Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited, the Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with section 66 of the Companies Act 2013 and other applicable provisions, if any, as sanctioned by the Hon’ble National Company Law Tribunal, Allahabad Bench, Prayagraj (“NCLT”) by way of an order dated February 21, 2023 (“Order”) certified copy of which order was issued on February 24, 2023 (hereinafter referred as “the Scheme”/ “the Scheme of Arrangement”) , the Company got listed effective August 11, 2023. Though the Company is not required to prepare the Corporate Governance Report for Financial Year 2022-23 in terms of regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), but as a better corporate governance practice, we have prepared the following disclosures pertaining to the corporate governance practices and systems.

Hence, the requirement of various certificates including Certificate of Corporate Governance and Certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors were not applicable on the Company.

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Integrity and transparency are

key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably.

Subsequent to financial year, the Company has adopted Code of Conduct for its employees which encompasses an appropriate process to report any concern pertaining to non-adherence to the said Code. Code of Conduct adopted by company for its executive and non-executive directors suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013 (“Act”). Company’s corporate governance philosophy has been further strengthened through adoption of various policies.

The Company believes that timely and accurate disclosure of information, transparency in accounting policies and a strong and independent Board are critical for maintaining good Corporate Governance, preserving shareholders’ trust and maximizing long term corporate value. The Company’s philosophy on Corporate Governance is, thus, concerned with the ethics, values and morals of the Company and its directors who are expected to act in the best interests of the Company and remain accountable to members and other beneficiaries for their actions and properly comply with all the applicable legal and regulatory requirements.

BOARD OF DIRECTORS

Prior to listing of the Company, as on March 31, 2023, the Company had five (5) Directors out of which two (2) were Non- Executive and three (3) were Executive. The name and categories of Directors on the Board and number of Directorships in other public companies and Committee Chairmanship/Memberships held by them as on March 31, 2023 are given below:

Sl. No.	Name of Director	Category	Designation	No. of Directorships in other Public Companies [®]	Committee membership in public companies [®]	Committee Chairmanships in public companies
1.	Mr. Rashid Ahmed Mirza ¹	Promoter, Non-Executive and Non Independent Director	Chairman	1	Nil	Nil
2.	Mr. Sanjay Bhalla	Non-Executive and Non Independent Director	Director	1	2	1
3.	Mr. Shuja Mirza ²	Promoter, Executive and Non Independent Director	Managing Director	1	Nil	Nil
4.	Mr. Arvind Verma ³	Executive and Non Independent Director	Whole time Director	Nil	Nil	Nil
5.	Mr. Narendra Prasad Upadhyaya ⁴	Executive and Non Independent Director	Whole time Director	1	Nil	Nil

1 Appointed as Chairman of the Company effective March 22, 2023.

2 Redesignated as Managing Director from Director of the Company effective March 22, 2023.

3 Redesignated as Whole time Director from Director of the Company effective March 22, 2023.

4 Appointed as Whole-Time Director effective March 22, 2023. Resigned from the Board effective August 31, 2023.

@ Pursuant to Regulation 26 of Listing Regulations, the companies mentioned herein are public limited companies, whether listed or not, and does not include other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

Notes:

- As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/ chairpersonship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies (listed and unlisted).
- Membership of the Directors in the Committees is including Chairmanship.
- None of the other Director(s) are related to each other except Mr. Rashid Ahmed Mirza and Mr. Shuja Mirza. Mr. Rashid Ahmed Mirza is father of Mr. Shuja Mirza.

Further, the name of other listed companies where the Directors of the Company are also Director and category of Directorship is as under:

Name of Director	Directorship in other Listed Company (as on March 31, 2023)	Category of Directorship
Mr. Rashid Ahmed Mirza	Mirza International Limited*	Promoter, Non-Executive and Non-Independent Director
Mr. Sanjay Bhalla	Mirza International Limited	Non-Executive and Non-Independent Director
Mr. Shuja Mirza	Mirza International Limited*	Promoter, Non-Executive and Non-Independent Director
Mr. Arvind Verma	Nil	Not Applicable
Mr. Narendra Prasad Upadhyaya	Mirza International Limited*	Non-Executive and Non-Independent Director

*Subsequent to the financial year, Mr. Rashid Ahmed Mirza, Mr. Shuja Mirza and Mr. Narendra Prasad Upadhyaya has resigned from the Board of Directors of Mirza International Limited w.e.f. 18th July, 2023.

Subsequent to the end of FY 2023, the Board was reconstituted to comprise of Eight (8) Directors out of which five (5) are Non-executive Directors including four (4) Independent Directors. The Board has two (2) Women Director, one being Independent Director and other being Whole-time Director of the Company. As on the date of this report, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013. The composition and category of directors on the Board of the Company as on date of this Report are as under:

Sl. No.	Name of Director	Category	Designation
1.	Mr. Rashid Ahmed Mirza	Promoter, Non-Executive and Non Independent Director	Chairman
2.	Mr. Sanjay Bhalla ¹	Non-Executive and Independent Director	Independent Director
3.	Dr. Yashvir Singh ¹	Non-Executive and Independent Director	Independent Director
4.	Mr. Subhash Chander Sapra ¹	Non-Executive and Independent Director	Independent Director
5.	Dr. Rajshree Saxena ¹	Non-Executive and Independent Director	Independent Director
6.	Mr. Shuja Mirza	Promoter, Executive and Non Independent Director	Managing Director
7.	Mr. Arvind Verma	Executive and Non Independent Director	Whole time Director
8.	Ms. Sunanda ²	Executive and Non Independent Director	Whole time Director

1 Appointed as an Independent Director of the Company effective April 7, 2023 for a consecutive term of five (5) years.

2 Appointed as Whole-Time Director effective August 1, 2023.

The details of directorships, committee chairmanships and memberships held by the Directors as on March 31, 2023 were as under:

Attendance at Board Meeting and Annual General Meeting

The Board of Directors of the Company meets at least four times in a year i.e. once a quarter to review the quarterly/ half yearly/ yearly results and other items on the agenda.

The attendance record of the Board of Directors at the Board Meetings and Annual General Meeting held on September 27, 2022 held during the FY 2022-23 is as below:

Sl.No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings Attended	Attendance at last Annual General Meeting
1.	Mr. Rashid Ahmed Mirza	9	2	No
2.	Mr. Sanjay Bhalla	9	9	No
3.	Mr. Shuja Mirza	9	7	Yes
4.	Mr. Arvind Verma	9	8	Yes
5.	Mr. Narendra Prasad Upadhyaya*	1	Nil	Not Applicable

*Appointed as Whole-Time Director effective March 22, 2023.

During the financial year 2022-23, following were the changes in the Board of Directors of the Company:

- Mr. Rashid Ahmed Mirza (DIN: 00049009), Non-Executive Director of the Company was appointed as Chairman of the Company by the Board of Directors in its meeting held on March 22, 2023.
- Mr. Narendra Prasad Upadhyaya (DIN: 00049196) was appointed by the Board of Directors in its meeting held on March 22, 2023 as Whole Time Director of the Company effective March 22, 2023 for a period upto September 30, 2023. The appointment of Mr. Narendra Prasad Upadhyaya as Whole Time Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
- Mr. Shuja Mirza (DIN: 01453110), Director of the Company was appointed by the Board of Directors in its meeting held on March 22, 2023 as Managing Director of the Company effective March 22, 2023 for a period upto March 31, 2027. The appointment of Mr. Shuja Mirza as Managing Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
- Mr. Arvind Verma (DIN: 09429834) Director of the Company was appointed by the Board of Directors in its meeting held on March 22, 2023 as Whole Time Director of the Company effective March 22, 2023 for a period upto March 21, 2026. The appointment of Mr. Arvind Verma as Whole Time Director was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.
- Further, the Board of Directors in its meeting held on March 22, 2023 had approved to appoint Mr. Sanjay Bhalla (DIN: 00699901), Dr. Yashvir Singh (DIN: 00049360), Mr. Subhash Chander Sapra (DIN: 00049243) and Dr. Rajshree Saxena (DIN: 09784592) as Independent Directors effective April 7, 2023 for a

term of five (5) years. The appointment of Mr. Sanjay Bhalla, Dr. Yashvir Singh, Mr. Subhash Chander Sapra and Dr. Rajshree Saxena as Independent Directors of the Company was approved by the shareholders of the Company in Extra-Ordinary General Meeting held on March 30, 2023.

Subsequent to the FY2023 following changes were made on the Board of the Company:

- The Board of Directors in its meeting held on July 17, 2023 had approved to appoint Ms. Sunanda Singh (DIN: 10243709) as Whole time Director of the Company effective August 1, 2023 for a term of three (3) years.;
- The Board of Directors in its meeting held on July 17, 2023 took note and accepted the resignation of Mr. Narendra Prasad Upadhyaya (DIN: 00049196) as Whole time Director from the Board of the Company effective August 31, 2023.

The details of equity shares of the Company held by the Directors as on March 31, 2023 are given below:

(A) Equity shares:

Name	Category	No. of equity shares (face value of ₹ 2 each)
Mr. Rashid Ahmed Mirza	Non-Executive Non Independent Director	18335680
Mr. Shuja Mirza	Executive Non Independent Director	11104149
Mr. Arvind Verma	Executive Non Independent Director	2000

(B) Equity Convertible instruments: The Company has no outstanding equity convertible instruments.

Meeting of Independent Directors

Since the appointment of Independent Directors was not applicable to the Company during the financial year 2022-23, therefore no such meeting was held during the year under review.

Familiarization Programme of Independent Directors

Since the appointment of Independent Directors was not applicable to the Company during the financial year 2022-23, therefore no such Familiarization Programme was held during the year under review.

Subsequent to the closure of the financial Year 2022-23, the Company has adopted the Policy for Familiarisation Programme for Independent Directors. A copy of the same been placed on the Company's website at https://redtape.com/aboutRedTape/assets/investor-pdf/code_of_conducts_and_policies/Policy_Familiarization_Programme_for_ID.pdf

Performance Evaluation criteria for Independent Directors

The evaluation of performance of the Directors including the Independent Directors on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ("SEBI") was not applicable to the Company during the financial year 2022-23.

Code of Conduct

The Company being unlisted company, the adoption of Code of Conduct for all Directors and the designated employees of the Company was not applicable to the Company during FY 2022-23. Therefore a signed declaration by Chief Executive Officer is not applicable to the Company for FY 2022-23.

The Company has stipulated Code of Conduct for all Directors and the designated employees of the Company ("the Code") effective May 30, 2023. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. A copy of the Code been placed on the Company's website, viz., www.redtape.com.

Core skills, expertise and competencies identified by the Board of Directors

The Board of the Company comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The Board of Directors come from diverse backgrounds with unique competencies and rich experience. A diverse Board provides guidance and effective oversight over the Company's operations. It enhances responsiveness to stakeholder needs, collaboration across departments, and provides expertise leading to the continuous growth of the Company.

COMMITTEES OF BOARD

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013 on April 7, 2023. The Audit Committee of the Company comprises majority of the Independent Directors. The composition of the Committee is as below:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Mr. Subhash Sapra	Member	Non-Executive Independent Director
Mr. Arvind Verma	Member	Executive Director (Designated as Whole time director)

The terms of reference of the Audit Committee comprises the following:

- (i) oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- (ii) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (iii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements arising out of audit findings.
 - e. compliance with listing and other legal

- requirements relating to financial statements.
- f. disclosure of any related party transactions.
- g. modified opinion(s) in the draft audit report.
- (v) approval or any subsequent modification of transactions of the company with related parties;
- (vi) scrutiny of inter-corporate loans and investments;
- (vii) valuation of undertakings or assets of the company, wherever it is necessary;
- (viii) evaluation of internal financial controls and risk management systems;
- (ix) monitoring the end use of funds raised through public offers and related matters; and
- (x) any other responsibility as may be assigned by the board from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Companies Act, 2013 on April 7, 2023. The composition of the Committee is as below:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Mr. Subhash Sapra	Member	Non-Executive Independent Director
Dr. Yashvir Singh	Member	Non-Executive Independent Director

The terms of reference of the Nomination and Remuneration Committee include the following:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulate a Remuneration philosophy for the Company that attracts, retains, and motivates Directors and Key Management Personnel;
- (iii) Develop a process for the evaluation of the performance of the Board, its committees, and Directors;
- (iv) For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description;
- (v) Devising a policy on diversity of board of directors;
- (vi) Identifying people who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- (vii) Whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors;
- (viii) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- (ix) Any other responsibility may be assigned by the board from time to time.

Remuneration Policy

The Nomination and Remuneration Committee recommended to the Board of Directors, a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a director and other matters. The said policy as approved by the Board of Directors on May 30, 2023, is uploaded on the Company's website at www.redtape.com.

Criteria of Selection of Independent Directors

The provisions of Section 149(4) and Rules made thereunder for an appointment of Independent Director was not applicable to the Company during the financial year 2022-23.

Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

The Company pays remuneration by way of salary, benefits, perquisites and allowance to its Whole-time Director. Annual increment is decided by the Board within salary scale approved by the members and is generally effective from April 01, each year.

The details of remuneration for financial year ended March 31, 2023 for the Executive Directors are as follows:

Name of Director	Remuneration paid (Amount in INR Lakhs)
Mr. Shuja Mirza – Managing Director	600.00
Mr. Narendra Prasad Upadhyaya – Whole time Director	42.60
Mr. Arvind Verma – Whole time Director	66.11

Notes:

- The tenure of office of Managing Director and Whole-time Directors is as under:
 - Mr. Shuja Mirza – From March 22, 2023 to March 31, 2027;
 - Mr. Narendra Prasad Upadhyaya - From March 22, 2023 to August 31, 2023 (since resigned w.e.f. August 31, 2023);
 - Mr. Arvind Verma - From March 22, 2023 to March 21, 2026.
- The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis, as per company policy and terms of payment of remuneration for respective director.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company has been constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Companies Act, 2013 on April 7, 2023. The Committee looks into shareholders' and investors' grievances. The composition of the Committee is as below:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Dr. Rajshree Saxena	Member	Non-Executive Independent Director
Mr. Arvind Verma	Member	Executive Director (Designated as Whole time director)

The terms of reference of the Stakeholder's Relationship Committee include the following:

- Resolving the grievances of the security holders of the entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.

- Review of adherence to the service standards adopted by the entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- any other responsibility as may be assigned by the board from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 on April 7, 2023. The composition of the Committee is as below:

Name	Designation	Category
Mr. Shuja Mirza	Chairman	Executive Director (Designated as Managing Director)
Mr. Arvind Verma	Member	Executive Director (Designated as Whole time director)
Dr. Yashvir Singh	Member	Non-Executive Independent Director
Dr. Rajshree Saxena	Member	Non-Executive Independent Director

The terms of reference of the Corporate Social Responsibility Committee include the following:

- formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (i);
- monitor the Corporate Social Responsibility Policy of the Company from time to time;
- adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments, or re-enactments thereto for the time being in force); and
- all other activities as informed or delegated by the Board of Directors from time to time.

Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of Listing Regulations on April 7, 2023. The Board of the Company has formed a Risk Management Committee to assist the Board of Directors to oversee the risk management policy and global risk management framework of the business. The Committee will assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite of the Company, the Company's risk management and compliance framework, and the governance structure that supports it. The composition of the Committee is as below:

Name	Designation	Category
Mr Shuja Mirza	Chairman	Executive Director (Designated as Managing Director)
Mr Arvind Verma	Member	Executive Director (Designated as Whole time director)
Mr Sanjay Bhalla	Member	Non-Executive Independent Director
Ms Aparna Baruka	Member	Senior Executive

Terms of reference of the Committee:

- (i) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
- (ii) To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken; and
- (vi) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Investor Relations:**Shareholder's grievances**

During the year as per the Scheme, 13,82,01,900 equity shares having face value of INR 2/- each were allotted by the Company, in the ratio of 1 equity share of the Company of face value INR 2/- each for every 1 equity share of Mirza International Limited ("MIL") of face value INR 2/- each to the shareholders of MIL, on March 31, 2023 which were credited to the shareholders of the Company during April, 2023. During FY 2022-23, the Company had not received any investors' complaints.

General Meetings:

Particulars of the past three Annual General Meetings (AGMs):

Annual General Meeting	Date	Time	Venue	Special Resolution passed
1 st	September 27, 2022	1200 Hours (IST)	Plot No. 08, Sector 90, Noida -201301	Nil

All the Resolutions at 1st AGM were passed by the requisite majority.

Special Resolution passed through Postal Ballot

During the financial year 2022-23, there was no item for which special resolution was sought / passed through postal ballot.

Further, there is no immediate proposal for passing any resolution through postal ballot.

Means of Communication

The Company's website www.redtape.com contains a separate dedicated section 'Investor Section' where Shareholders' information is available. The Company's Annual Report is also available in downloadable form.

BSE Corporate Compliance & Listing Centre (the Listing Centre): BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others are filed electronically on the Listing Centre effective from August 11, 2023, i.e., the date of listing of equity shares on BSE Limited.

NSE Electronic Application Processing Systems (NEAPS): NEAPS is a web-based application designed by National Stock Exchange of India Limited ("NSE") for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints,

announcements, among others are filed electronically on NEAPS effective from August 11, 2023, i.e., the date of listing of equity shares on NSE.

Management Discussion and Analysis

Management Discussion and Analysis is covered separately as a part of the Annual Report.

Dividend Distribution Policy

Since the Company was not listed as on March 31, 2023, therefore in terms of SEBI Listing Regulations, the adoption of Dividend Distribution Policy is not applicable to the Company.

Whistle-blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of Listing Regulations for Directors and employees on May 30, 2023 to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at www.redtape.com.

Any complaint or protected disclosure pertaining to an improper or unethical act as defined in the Whistle-blower Policy should be submitted to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The policy with the name and address of Vigilance and Ethics Officer of the Company and the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Vigilance and Ethics Officer of the Company or Chairman of the Audit Committee on the email address as mentioned in the 'Whistle Blower Policy' uploaded at the website of the Company.

Subsidiary Companies

As on March 31, 2023, the Company has one subsidiary, namely, Mirza Bangla Limited. 100% shareholding of and in Mirza Bangla Limited was vested with the Company pursuant to the Scheme of Arrangement as part of the Demerged Business of Mirza International Limited.

The Company does not have any material unlisted Indian subsidiary company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website of the Company at Microsoft Word - Policy _ Material Subsidiaries (redtape.com)

CEO/CFO Certifications

The Company being the unlisted Company during the FY2022-23, the CEO/CFO Certifications were not applicable.

Other Disclosures

- a) No transactions of material nature requiring shareholders' approval have been entered into by the Company with the Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company.
- b) All transactions entered into with related parties as defined under the Act during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website Microsoft Word - Related Party Transaction Policy (redtape.com). Transactions with the related parties are disclosed in Note No. 30 and 36 in the standalone financial statements.
- c) The Company got its shares listed on August 11, 2023 on both the recognized Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited. The Company has complied with all the requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no stricture or penalties imposed by either SEBI or Stock Exchange or any statutory authority.

General Shareholders Information

1. Annual General Meeting (AGM) to be held

Date	: September 30, 2023
Day	: Saturday
Time	: 1130 hours (IST)
Venue	: Via Video Conferencing/ Other Audio Visual Means

As required under Regulation 36(3) of Listing Regulations, particulars of Directors seeking appointment/re- appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.

2. Financial Calendar (tentative and subject to change)

- Financial reporting for first quarter ending June 30, 2023: Already approved before listing of shares on July 17, 2023 and disclosed as part of the Information memorandum filed with stock exchange and available on our website. The result was also published as part of statutory advertisement in the newspaper, before listing;
- Financial reporting for second quarter ending September 30, 2023: on or before November 14, 2023;
- Financial reporting for third quarter ending December 31, 2023: on or before February 14, 2024; and
- Financial results for financial year ending March 31, 2024: May 30, 2024.

The above dates (except for the June quarter results) are tentative and will be subject to the change.

3. **Book Closure date:** Not applicable
4. **Dividend payment date:** Not applicable.
5. **Listing on stock exchanges**

Presently, the Equity shares of the Company are listed on following Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
1 st Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street Fort, MUMBAI – 400001, India Scrip Code : 543957	Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block Bandra- Kurla Complex, Bandra (E), MUMBAI – 400051, India Scrip Code : REDTAPE

Payment of listing fees: Listing fees for financial year 2023-24 has been paid to BSE Limited and National Stock Exchange of India Limited.

6. **Market price data:**

The Company got listed on August 11, 2023, therefore the monthly high/ low of the market price of the Company's Equity Shares traded on the Stock Exchanges during FY 2022-23 is not applicable.

7. **Shareholding Pattern of the Company:**

On implementation of scheme of demerger, shares were allotted in the ratio of 1:1 to the shareholders of Mirza International Limited on March 31, 2023. Shareholding Pattern of the Company as on 31.03.2023 was as under:

Category	No. of shares held	% of shareholding
Promoters and Promoters Group	99178541	71.76
Mutual Funds	5608528	4.06
Alternate Investment Funds	100000	0.07
Banks	1500	0.00
NBFCs registered with RBI	7000	0.01
Foreign Portfolio Investors Category I	1936397	1.40
Foreign Portfolio Investors Category II	132772	0.10
Key Managerial Personnel	2100	0.00
Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	1898140	1.37
Bodies Corporate	2322864	1.68
Individuals	24216811	17.53
Non Resident Indians	1392759	1.01
IEPF	476921	0.35
Others	927567	0.66
Total	138201900	100

8. **Registrar and Transfer Agents**

The Registrar and Transfer Agent (RTA) of the Company is KFin Technologies Limited (formerly KFin Technologies Private Limited). The investors can send their queries to:

KFin Technologies Limited
(formerly KFin Technologies Private Limited)
(Unit – REDTAPE Limited)
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032, India
Toll free number - 1- 800-309-4001.
Email ID: einward.ris@kfinotech.com

9. Distribution of shareholding as on March 31, 2023 was as under:

S. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	70080	98.10	25693618.00	9.30
2	5001- 10000	716	1.00	5215238.00	1.89
3	10001- 20000	331	0.46	4799696.00	1.74
4	20001- 30000	105	0.15	2608056.00	0.94
5	30001- 40000	56	0.08	2000684.00	0.72
6	40001- 50000	29	0.04	1292386.00	0.47
7	50001- 100000	50	0.07	3582878.00	1.30
8	100001& Above	69	0.10	231211244.00	83.65
	Total	71436	100.00	276403800.00	100.00

10. Dematerialization of equity shares and liquidity:

Pursuant to the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and the Company approved by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj vide its order dated February 21, 2023 ("the Scheme"). Pursuant to the Scheme, the Company had allotted 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the shareholders of the Mirza International Ltd for every 1 (one) Equity Share of ₹2 each held in Mirza International Ltd, accordingly, 13,82,01,900 Equity Shares were issued to the Equity Shareholders of Mirza International Ltd on March 31, 2023.

In view of the above, corporate action was filed with NSDL and CDSL for giving effect to such allotment for crediting these shares in the respective accounts of the shareholders of Mirza International Ltd. The Company has established connectivity with both the depositories i.e. NSDL and CDSL. Equity shares of the Company representing 99.70% of the Company's equity share capital are dematerialized as on March 31, 2023. Details are given below:

Mode of holding	Percentage (%)
NSDL	16.75
CDSL	82.95
Physical	0.30
Total	100

Demat ISIN Number in NSDL and CDSL for equity shares: ISIN- INE0LXT01019.

11. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has no outstanding GDRs / ADRs / Warrants or any convertible instruments as on March 31, 2023.

12. Fees paid to the Statutory Auditors:

Total fees paid to the Statutory Auditors and entities in their network firm for all services received by the Company during the FY 2022-23 is INR 15 Lakhs.

13. Credit ratings:

The Company has not obtained Credit Ratings during the financial year 2022-23.

14. The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Board's Report.
15. The Company has not raised funds through Private Placement during FY 2022-23.
16. Suspense Account / Unclaimed suspense account:

Pursuant to the Scheme, the Company had allotted 1 (one) Equity Share of ₹2 each, credited as fully paid-up, to the shareholders of the Mirza International Ltd for every 1 (one) Equity Share of ₹2 each held in Mirza International Ltd on March 31, 2023. In this respect, there were shareholders to whom electronic credit of shares were rejected and therefore the Company had not issued physical share certificates but transferred the same to the Unclaimed Securities - Suspense Escrow Account. The details of the shares in Unclaimed Securities - Suspense Escrow Account of the Company are as below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Not applicable
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Not applicable

- (c) Number of shareholders to whom shares were transferred from suspense account during the year: Not applicable
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 14 shareholders and 16561 number of equity shares
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

appointed or continuing as Directors of Companies by the Stock Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority, is not applicable.

18. Plant Locations (in India):

Bulk land ,UPSIDC Industrial Area, Site II, Unnao – 209 801 Uttar Pradesh.

19. Disclosure by the Company and its Subsidiaries of 'Loans and Advances' in the nature of Loans to Firms / Companies in which Directors are Interested by name and Amount':

Not applicable

17. Certificate of Non-Disqualification of Directors

Since the Company was unlisted during FY 2022-23, therefore Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations for obtaining a certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being

20. Details of Material Subsidiaries of the Listed Entity, including the date and place of Incorporation and the Name and Date of Appointment of Statutory Auditors of such subsidiaries:

The Company has no material subsidiary as on March 31, 2023.

21. Address for correspondence:

The Shareholders may address their communication / grievances / queries / suggestions to:

KFin Technologies Limited
(Unit-REDTAPE Limited)
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally
Mandal,
Hyderabad – 500032, India
Toll free number - 1- 800-309-4001;
Email ID: einward.ris@kfintech.com

Company Secretary
REDTAPE Limited
Plot No. -8, Sector – 90
Noida – 201301 (U.P.)
Phone No. : 0120 -6994444
E-mail:compliance@redtapeindia.com
Website : www.redtape.com

22. Compliance Certificate

Since the Company was unlisted during FY 2022-23, therefore the Compliance Certificate for the Corporate Governance from the Statutory Auditors or Practising Company Secretary of the Company is not applicable.

The above Report has been placed before the Board at its meeting held on September 1, 2023 and the same was approved.

Independent Auditor's Report

To
The Members of REDTAPE Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of REDTAPE limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, 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.

EMPHASIS OF MATTER

We draw attention to Note No. 44 of the standalone financial statements with respect to the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Limited

and REDTAPE Limited; and their respective shareholders and creditors (the 'Scheme') which provides for the following:

1. Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
2. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd ("Demerged Undertaking") into REDTAPE Ltd on going concern basis.

The Scheme has been given effect to from the Appointed Date, i.e., January 1, 2022, as approved by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("Hon'ble NCLT") and which is deemed to be the date of demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited. Due to the scheme of arrangement now Mirza Bangla Limited becomes the wholly owned subsidiary of REDTAPE Limited.

Figures of the previous financial year ended March 31, 2022, have been restated to give effect to the Scheme with effect from January 1, 2022.

Our opinion is not modified in respect of this matter.

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>1. Demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited (Refer Note No 44 of the Standalone Financial Statements)</p> <p>The Branded Business/ REDTAPE Business of Mirza International Limited has been transferred into REDTAPE Limited pursuant to the Scheme of Arrangement ('the Scheme'). The Scheme was approved by the National Company Law Tribunal (NCLT) with the Appointed date - January 1, 2022.</p> <p>The Company has given effect of the Scheme in the standalone financial statements considering business combination under common control as per the requirements of Ind AS 103.</p> <p>The Scheme has a significant impact on the standalone financial statements of the Company including reserve and comparative figures basis which the same is considered as a key audit matter for the year.</p>	<p>Our audit procedure includes the following:</p> <p>We gone through the Composite Scheme of Arrangement approved by Hon'ble NCLT for demerger to take effect from January 1, 2022.</p> <p>Compared the assets and liabilities pertaining to demerged undertakings considered for accounting as per the Scheme.</p> <p>Assessed the accounting as per applicable accounting standards including for issuance of equity shares by REDTAPE Limited to the shareholders of Mirza International Limited and cancellation of pre-scheme equity shares of REDTAPE Limited in terms of the Scheme of Arrangement.</p> <p>Assessment of reasonableness of the method of accounting adopted regarding Assets and Liabilities transferred under the scheme and disclosures relating to the transfer of it in the Company.</p> <p>The demerger was effective from January 1, 2022. Hence, we assessed the working of restatement of financial statements of the Company for previous year ended March 31, 2022.</p>
<p>Valuation of Inventory (refer Note No.44 to the standalone financial statement)</p> <p>Inventory is carried in the Financial Statements of the Company at the lower of cost and net realisable value in accordance with the Ind AS 2.</p> <p>The major portion of the Company's inventory consist of finished goods which are lying at multiple locations such as retail stores, depots, warehouse and factories.</p> <p>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, which pertains to fashion industry, sales in the fashion industry can be extremely volatile with consumer preferences changing frequently based on fashion trend.</p> <p>As a result, the carrying value of inventory may exceed its net realizable value. The Management, as a policy, recognizes the provision for inventory considering the assessments of future trend.</p> <p>The Valuation of Inventory is considered as Key Audit Matter, as determination of provision of inventory involves significant management judgement and estimates.</p>	<p>Our audit procedure includes the following:</p> <p>Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season.</p> <p>Derived the methodology to analyze the operating effectiveness of the Company's controls to assess the adequacy of provision for inventory obsolescence.</p> <p>Evaluated whether the method is consistent with that applied in the prior year and is in accordance with the Company's policy.</p> <p>Assessment done based on our knowledge of the business of the Company and the market, the appropriateness of the provisions made by the Company to the extent to which older season's inventory can be sold through various channels.</p> <p>Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.</p>

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.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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 .
 - (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.
 - (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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-44.
 - 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: **Khamesra Bhatia & Mehrotra**
Chartered Accountants
FRN:001410C

CA Vineet Roongta
Partner
M.No.410958
UDIN: 23410958BGXZOG1549

Date: May 31, 2023
Place: Noida

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 REDTAPE Limited, of even date on the standalone financial statements for the year ended March 31, 2023)

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 March 31, 2023, 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) Immovable properties have been vested in the company through the scheme of Arrangement from Mirza International Limited. All the Properties are still in the name of the Mirza International Limited. Necessary steps are being taken by the Company for mutation / endorsement of these properties in the name of the Company with the concerned Authorities. (Refer Note No 44)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate	Reason for not being held in name of company
Plot No.4,5, 36&35, Sector 59, Noida	1.14 cr	Mirza International Limited	NIL	April 1998	Pursuant to Scheme of Arrangement, Demerger of undertakings became effective from the appointed date January 1, 2022 by virtue of order of Hon'ble NCLT dated February 21, 2023. Therefore, immovable properties of Demerged Undertaking are continued to be held by Mirza International Ltd as at March 31, 2023. Necessary steps are being taken by the Company to get the legal formalities completed for transferring the ownership in its name in the Government records.
Bulk Land, UPSIDC, Industrial Area, Unnao (ii) 209801	6.41 Cr	Mirza International Limited	NIL	April 2008	
Plot No.8, Sector-90, Noida	2.40 cr	Mirza International Limited	NIL	April 2017	
Plot No. 18-19, Nank Nagar Industrial Estate- I, MIL Maukhera Ganj, Kashipur, Noida	1.87 cr	Mirza International Limited	NIL		

- (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 procedures of physical verification of inventories, including goods lying at third party

locations & goods in transit, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records in each class of inventory is less than 10% and have been properly dealt with in the books of accounts.

- (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),(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) There are no, statutory dues referred to in sub clause (a) above, which have not been deposited on account of any dispute.
- (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.
- However, the Company has issued 13,82,01,900 Equity Shares of ₹ 2/- each, credited as fully paid-up, aggregating to ₹ 2,764.04 lacs to the shareholders of Mirza International Limited, cancelled pre-scheme issued 50,000 equity shares of ₹ 2/- each fully paid up, Issued 50,000, 9% Compulsorily Redeemable Preference Shares of ₹ 2/- each, pursuant to the Scheme of Arrangement as approved by Hon'ble NCLT (refer note no 44).**
- (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 ₹ 19.04 Lacs and ₹ 19.04. 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.
- (xii) 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.

- (xiii) 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.
- (xiv) (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.
- (xv) 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.
- (xvi) (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.
- (xvii) The Company has neither incurred cash losses in the current nor in the immediately preceding financial year as per restated accounts of the company .
- (xviii) There has been resignation of the statutory auditors during the year due to ineligibility. There were no issues, objections or concerns raised by the outgoing Auditor.
- (xix) 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.
- (xx) Since the company is not required to spend any Corporate Social Responsibility (CSR) expenditure under the provision of Section 135 of the Companies Act, 2013 during the year, the provisions of paragraph (xx) of the Order are not applicable to the Company.
- (xxi) 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: **Khamesra Bhatia & Mehrotra**
Chartered Accountants
FRN: 001410C

CA Vineet Roongta
Partner
M.no.: 410958
UDIN: 23410958BGXZOG1549

Date: May 31, 2023
Place: Noida

Annexure “B” to the Independent Auditor’s Report on Standalone Financial Statements of REDTAPE Limited for the year ended March 31, 2023

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of REDTAPE 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 REDTAPE LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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: **Khamesra Bhatia & Mehrotra**

Chartered Accountants

FRN: 001410C

CA Vineet Roongta

Partner

M.no.: 410958

UDIN: 23410958BGXZOG1549

Date: May 31, 2023

Place: Noida

Standalone Balance Sheet

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2023	As at March 31, 2022*
ASSETS			
Non-current assets			
Property, plant and equipment & intangible assets	1		
(i) Property, plant and equipment		19,882	16,661
(ii) Capital work-in-progress of properties, plant & equipment		6,508	1,223
(iii) Intangible assets			
(iv) Capital work-in-progress of intangible assets		601	483
Right of Use Assets	1B	16,916	13,668
Financial Assets			
Investments	2	96	107
Other Financial Assets	3	1,091	1,028
Other Non Current assets	3.1	458	644
Total Non-Current assets		45,552	33,814
Current assets			
Inventories	4	64,299	39,665
Financial Assets			
Trade receivables	5	8,411	5,617
Cash and cash equivalents	6	1,485	805
Other financial current assets	7	13	254
Other current assets	8	2,871	1,695
Total Current assets		77,079	48,036
Total Assets		1,22,631	81,850
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9A	2,765	1
Other Equity	9B	43,847	30,463
Equity share capital to be issued pursuant to the scheme of Arrangement	9A	0	2,764
Total Equity		46,612	33,228
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	10	3,071	1,152
Provisions	11	350	313
Deferred tax liabilities (Net)	12	224	319
Other non-current Liabilities	13	28,178	23,045
Total Non-current liabilities		31,823	24,829
Current liabilities			
Financial Liabilities			
Borrowings	14	4,999	1,698
Trade payables	15		
(i) MSME		1,224	784
(ii) Trade Payables other than MSME		33,132	15,990
Other financial current liabilities	16	4,707	5,181
Non financial current liabilities	16.1	117	120
Provisions	17	17	20
Total current liabilities		44,196	23,793
Total Liabilities		76,019	48,622
Total Equity and Liabilities		1,22,631	81,850
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

* Restated pursuant to the Scheme of Arrangement (Refer note 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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOG1549

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida
Date : May 30, 2023

CA Abhinav Jain
(Chief Financial Officer)
Noida

CS Nandita Singh
(Company Secretary)
Noida

Standalone Statement of Profit and Loss

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	18	1,45,882	29,694
Other income	19	532	6
Ceaser of Lease Rent Liability		119	0
Total Income		1,46,533	29,700
EXPENSES			
Cost of materials consumed	20	11,401	2,165
Purchases of Stock-in-Trade		93,049	18,617
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(25,807)	(5,728)
Employee benefits expense	22	4,836	1,074
Finance costs	23	1,744	397
Depreciation	24	4,444	243
Other expenses	25	38,754	9,367
Total Expenses		1,28,421	26,135
Profit before tax		18,112	3,565
Tax Expense			
Current tax		4,600	1,000
Deferred tax		(95)	21
Profit for the Year		13,607	2,544
Other comprehensive Income:			
i. Items that will not be reclassified to Statement of Profit and Loss			
Income tax relating to items that will not be reclassified to Profit and Loss	19 (i)	(5)	-
		1	-
ii. Items that will be reclassified to Statement of Profit and Loss			
Income Tax on above	19(ii)	(310)	207
		80	-
Other Comprehensive Income for the year		(234)	207
Total comprehensive income for the year		13,373	2,751
Earning per equity share of face value of ₹ 2 each			
Basic (in ₹)	26	9.85	1.84
Diluted (in ₹)		9.85	1.84
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

* Restated pursuant to the Scheme of Arrangement (Refer note 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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOG1549

Shuja Mirza

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Place : Noida
Date : May 30, 2023

CA Abhinav Jain
(Chief Financial Officer)
Noida

CS Nandita Singh
(Company Secretary)
Noida

Standalone Statement of changes in Equity

for the year ended March 31, 2023

(A.1) Equity Share Capital

	(₹ in Lakh)
As at March 31, 2021	-
Changes in equity share capital	1
As at March 31, 2022	1
Cancelled during the year pursuant to the scheme of arrangement	1
Issued during the year	2,764
As at March 31, 2023	2,764

(A.2) Preference Share Capital

	(₹ in Lakh)
As at March 31, 2021	-
Changes in preference share capital	-
As at March 31, 2022	-
Issued during the year pursuant to the scheme of arrangement	1
As at March 31, 2023	1

(B) OTHER EQUITY

Other Equity	Reserves & surplus		Other	Total equity
	Capital Reserve	Retained Earnings	Comprehensive Income Hedging Reserves (Note 2)	
Opening Balance	-	-	-	-
Add : Profit for the year 2021-22		2,544	207	2,751
Add : Being Surplus resulted pursuant to the scheme of arrangement	27,382			27,382
Less : Income Tax Adjustment (Net)	330			330
Balance as at March 31, 2022	27,712	2,544	207	30,463
Add : Profit for the year 2022-23		13,607		13,607
Add : Other Comprehensive Income (net of tax)		(4)		(4)
Add : Change in Fair Value of Hedging instruments net of taxes			(230)	(230)
Add : Income Tax Adjustment (Net)	11			11
Balance as at March 31, 2023	27,723	16,147	(23)	43,847

Note-1 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

For Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOG1549

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Place : Noida

Date : May 30, 2023

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Noida

CS Nandita Singh

(Company Secretary)
Noida

Standalone Statement of Cash Flow

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FROM OPERATING ACTIVITIES		
Net profit before tax	18,112	3,564
Adjustments for	0	0
Add :	0	0
Loss From Firm(Sen en)	11	(10)
(Profit)/Loss on sale of Property, Plant & Equipment	(13)	31
Depreciation & amotisation for the year	4,444	243
Finance cost	1,713	397
Preliminary Expenses Written Off	0	0
	6,155	661
Less :		
Interest & Other Income	501	7
Dividend Received	0	0
Ceaser of Lease Liability	119	-
Operating Profit before Working Capital Changes	23,647	4,218
Adjustments For		
Trade & other Receivables	(7,988)	(721)
Inventory	(24,634)	(6,437)
Trade Payables	17,582	1,908
Others	4,417	3,771
Cash Generated from Operations	13,023	2,739
Direct Taxes Paid	-	(1,000)
Cash flow before extra ordinary items	13,023	1,739
Net Cash generated from Operating Activity	13,023	1,739
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(14,706)	0
Sales of Property, Plant & Equipment	621	(2,192)
Interest & Other Income Received	501	7
Net Cash used in Investing Activities	(13,584)	(2,185)

Standalone Statement of Cash Flow

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	-
Dividend Tax Paid		
Short Term Borrowing	3,300	(1,135)
Proceeds from Long Term Borrowings	1,919	(188)
Payment of lease liabilities	(3,219)	(670)
Finance cost	(758)	(397)
Net cash used in financing activities	1,242	(2,389)
Net Increase/(Decrease) in Cash & Equivalents	680	(2,836)
Cash & Equivalents at the beginning of the year	805	3,641
Cash & Equivalents at the end of the year	1,485	805
Components of cash and cash equivalents		
Cash and cheques on hand	182	313
Balances with banks:	-	-
- On current accounts	1,303	492
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	-	-
	1,485	805
Less: Fixed deposits with original maturity of between 3 months and 12 months	0	
Total cash and cash equivalents (note 6)	1,485	805

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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOG1549

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida
Date : May 30, 2023

CA Abhinav Jain

(Chief Financial Officer)
Noida

CS Nandita Singh

(Company Secretary)
Noida

Notes to the Standalone Financial Statements

Property, plant and equipment	Gross Block			Accumulated Depreciation			Net Block			
	As at April 1, 2022	Additions	Deductions	Transfer to ROU	Balance as at March 31, 2023	Balance as at 1st April 2022	Depreciation charge for the year	On disposals	Balance as at March 31, 2023	Balance as at March 31, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
A										
Land										
Land Freehold	187	0	-	-	187	-	-	-	187	187
Land Leasehold	1,291	0	-	1,291	0	295	0	295	0	996
Buildings	6,968	1,034	0	0	8,002	2,005	200	0	2,205	4,963
Plant & Machinery										
Machinery	5,274	2,547	730	0	7,091	2,906	529	238	3,197	2,368
Effluent Treatment Plant	0	0	-	-	0	0	0	-	0	0
Tools & Shoe Lasts	286	0	0	0	286	213	0	19	194	73
Furniture Fixtures, Office Equipments & Electrical Installation	11,068	3,456	424	0	14,100	3,624	1,258	72	4,810	7,444
Vehicles	675	193	152	0	716	173	176	74	275	502
Computers	535	118	0	0	653	407	65	0	472	128
Total	26,284	7,348	1,306	1,291	31,035	9,623	2,228	698	11,153	16,661
1A Capital Work In Progress										
Capital work-in-progress of properties, plant & equipment										
Capital work-in-progress of intangible assets										
Total	26,284	7,348	1,306	1,291	31,035	9,623	2,228	698	11,153	18,367
Previous Year : Property Plant & Equipment	(23,205)	(3,079)	0	0	(26,284)	(9,684)	(243)	0	(9,927)	(13,521)
Capital -Work-in Progress	(2,013)		(790)		(1,223)	0	0	0	0	(1,223)

Notes to the Standalone Financial Statements

Note 1.1 Capital -Work-in Progress (CWIP)

Capital Work-in Progress	Amount in CWIP for a Period of				Balance as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
Unit-5 Unnao	6,375	-	-	-	6,375
Unit-3 Noida	88	-	-	-	88
	6,462	0	0	0	6,462

Note 1.2 Intangible Assets under Development

Intangible assets under development	Amount in CWIP for a Period of				Balance as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
SAP	118	148	111	224	601
	118	148	111	224	601

Intangible assets under development	Amount in CWIP for a Period of				Balance as at March 31, 2022
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
SAP	148	111	224	0	483
	148	111	224	0	483

Note 1.3 Intangible Assets under Development

Intangible assets under development	To be Completed in as on March 31, 2023			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Project 1	0	86	158	0
Total	0	86	158	0

Intangible assets under development	To be Completed in as on March 31, 2022			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Project 1	0	158	0	0
Total	0	158	0	0

Notes to the Standalone Financial Statements

Note 1B Right of Use Assets

Right of Use Assets	As at April 1, 2022	Pursuant to the Scheme of Amalagamati	Additions	Deductions	Balance as at March 31, 2023	Balance as at April 1, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use (Building)	20,325		6,909	3,801	23,433	6,658
Previous Year	(18,670)		(5,700)	(4,044)	(20,326)	(4,921)

Right of Use Assets	Depreciation charge for the year	On disposals	Balance as at March 31, 2022	Balance as at March 31, 2023	Balance as at March 31, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use (Building)	2,216	2,356	6,517	16,916	13,668
Previous Year	(1,747)	0	(6,658)	(13,667)	(13,749)

NOTE 2 INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ in Lakh	₹ in Lakh
Investment in Equity instruments***	96	107
Total	96	107

(₹ in Lakh)

Particulars	2023	2022
	₹ in Lakh	₹ in Lakh
Aggregate amount of Quoted investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate amount of unquoted investments	96	107

A. Details of Trade Investments							₹ in Lakhs			
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Structured entity	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount			
			2023	2022			2023		2022	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
							FV	BV	FVT OCI	
2	Mirza Bangla Limited*	Subsidiary	46,918	46,918	Unquoted	Fully Paid	40.40	40.44	-0.04	40.40
6	Senen Mirza Industrial Supply Chain LLP**	Associate	N.A	N.A	Unquoted	Fully paid	55.00	55.00	0.00	66.00
	Total						95.40	95.44	-0.04	106.40

*1 The Company having 100% controlling stake in M/s MIRZA BANGLA LIMITED.

*2 The above investments have been acquired under the Scheme of Demerger (Refer Note 44) from the Mirza International Limited (MIL). However due to pending completion of legal formalities for transfers, Investment are still held in the name of MIL.

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

Notes to the Standalone Financial Statements

NOTE 3 OTHER FINANCIAL ASSETS (NON CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Unsecured, considered good				
Security Deposits				
Security Deposit - Rent	966		997	
Security Deposit - Others	125	1,091	31	1,028
Total		1,091		1,028

Note 3.1 OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured, considered good		
Advance for Capital Goods	458	644
Total	458	644

NOTE 4 INVENTORIES *

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Raw Materials and components	1,324		2,492	
		1,324		2,492
b. Work-in-progress	158		496	
		158		496
c. Finished goods	525		702	
d. Stock-in-trade	59,759		34,984	
Goods-in transit	2,503		955	
		62,787		36,641
e. Stores and spares	30		36	
		30		36
Total		64,299		39,665

NOTE 5 TRADE RECEIVABLES

Trade Receivables	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Trade Receivable -Related Parties*	-		-	
Trade receivables considered good- unsecured (Other then related parties)	8,411	8,411	5,617	5,617
Total		8,411		5,617

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

(₹ in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		-
A Company in which directors are members	0	0
	0	0

Notes to the Standalone Financial Statements

Note 5.2 Trade Receivable outstanding ageing schedule (FY 2022-23)

(₹ in Lakh)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	7,759	0
6 Months - 1 Year	648	0
1-2 years	2	0
2-3 years	1	0
More than 3 years	1	0
Total	8,411	-

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

NOTE 6 CASH AND CASH EQUIVALENTS

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Balances with banks		1,303		492
This includes:				
Balance with banks held as margin money deposits against guarantees*	96		300	
B. Cash in hand		182		313
Total		1,485		805

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

NOTE 7 OTHER FINANCIAL CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Incentive Receivable (Export)	3	0
Advances to Employees	39	45
Rodtep Products Licence	2	0
Interest Receivable	0	2
Foreign currency forward contract	(31)	207
Total	13	254

NOTE 8 OTHER CURRENT ASSETS

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
(i) Advances other than Capital Advance		727		351
Advance to related party	35		-	
Suppliers Advance	692		351	
(ii) Others		2144		1,344
Advance Income Tax (Net of Provision)				
Duties & Taxes (Others)	1		0	
Duties & Taxes (GST)	2,044		1,226	
Prepaid Expenses	99		118	
Total		2871		1,695

Notes to the Standalone Financial Statements

NOTE 9 EQUITY SHARE CAPITAL

Share Capital	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity Shares of ₹ 2/- each	15,00,50,000	3,001	5,00,00	1
9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each	5,00,00	1	0	0
	15,01,00,000	3,002	50,000	1
Issued, Subscribed & Paid up				
Equity Shares of ₹ 2/- each fully paid up	13,82,01,900	2764	50,000	1
9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each	5,00,00	1		
Total	13,82,51,900	2765	50,000	1
To be issued				
Equity Shares of ₹ 2/- each fully paid up- to be issued			13,82,01,900	2,764
Total	0	0	13,82,01,900	2,764

Note 9A.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	50,000	1.00	0	0.00
Shares Issued during the year	13,82,01,900	2,764	50,000	1
Shares Cancelled during the year	50,000	1.00	NIL	NIL
Preference Shares converted into Equity Shares	NIL	NIL	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	13,82,01,900	2,764	50,000	1

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.

b. Preference Shares

Terms and Conditions for allotment of Preference Shares by the Company

- As per Clause 3.10 of Composite Scheme of Arrangement the pre-Scheme issued and paid-up share capital of the 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.

Notes to the Standalone Financial Statements

- Accordingly, upon the Scheme coming into effect, the 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 Company.
- 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.
- Other Terms and Conditions

S. No.	Particulars	Details
1	Cumulative / Non – Cumulative	Non - Cumulative
2	Conversion	Non - Convertible
3	Participation	Non - Participative
4	Maturity Date	March 30, 2028
5	Voting Rights	Non - Voting Shares
6	Payment Status	Fully Paid up

Note 9A.3 The details of Shareholders holding more than 5% shares

EQUITY SHARES

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MIRZA INTERNATIONAL LIMITED	0	0	49,994	99.99
RASHID AHMED MIRZA	1,83,35,680	13.27%	1	0.002%
SHAHID AHMAD MIRZA	2,20,85,875	15.98%	1	0.002%
TAUSEEF AHMAD MIRZA	2,22,36,413	16.09%	1	0.002%
TASNEEF AHMAD MIRZA	1,95,03,504	14.11%	1	0.002%
SHUJA MIRZA	1,11,04,149	8.03%	1	0.002%

9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mirza International Ltd	49,994	99.99%	0	0.00%
RASHID AHMED MIRZA	1	0.002%	0	0.00%
SHAHID AHMAD MIRZA	1	0.002%	0	0.00%
TAUSEEF AHMAD MIRZA	1	0.002%	0	0.00%
TASNEEF AHMAD MIRZA	1	0.002%	0	0.00%
SHUJA MIRZA	1	0.002%	0	0.00%
FARAZ MIRZA	1	0.002%	0	0.00%

Notes to the Standalone Financial Statements

Note 9A.4 Details of shares held by promoters and promoter group As at March 31, 2023

Name of the promoter/ promoter group	Number of shares as at April 1, 2022	Change during the year	Number of shares as at March 31, 2023	% Holding as at year end	% Change during the year
MIRZA INTERNATIONAL LIMITED	49,994	-49,994	-	-	-
RASHID AHMED MIRZA	1*	1,83,35,679	1,83,35,680	13.27%	-
SHAHID AHMAD MIRZA	1*	2,20,85,874	2,20,85,875	15.98%	-
TAUSEEF AHMAD MIRZA	1*	2,22,36,412	2,22,36,413	16.09%	-
TASNEEF AHMAD MIRZA	1*	1,95,03,503	1,95,03,504	14.11%	-
SHUJA MIRZA	1*	1,11,04,148	1,11,04,149	8.03%	-
FARAZ MIRZA	1*	-1	-	0.00%	-
YASMIN MIRZA	0	57,70,200	5,77,02,00	4.18%	-
FAUZIA MIRZA	0	50,000	50,000	0.04%	-
NIDA MIRZA	0	2,220	2,220	0.00%	-
HAYA MIRZA	0	19,500	19,500	0.01%	-
MUSTAFA MIRZA	0	-	-	0.00%	-
FARZAN MIRZA	0	-	-	0.00%	-
AMAAN MIRZA	0	-	-	0.00%	-
IRAM MIRZA	0	21,000	21,000	0.02%	-
RAMSHA REHMAN	0	-	-	0.00%	-
FIRDAUS AMIN	0	50,000	50,000	0.04%	-

Note:* as Nominee Shareholder on behalf of Mirza International Limited

As at March 31, 2022

Name of the promoter/ promoter group	Number of shares as at April 1, 2022	Change during the year	Number of shares as at March 31, 2022	% Holding as at year end	% Change during the year
MIRZA INTERNATIONAL LIMITED (Holding Company)	0	49,994	49,994	99.99	N.A
RASHID AHMED MIRZA*	0	1	1	0.00	N.A
SHAHID AHMAD MIRZA*	0	1	1	0.00	N.A
TAUSEEF AHMAD MIRZA*	0	1	1	0.00	N.A
TASNEEF AHMAD MIRZA*	0	1	1	0.00	N.A
SHUJA MIRZA*	0	1	1	0.00	N.A
FARAZ MIRZA*	0	1	1	0.00	N.A

Note:* as Nominee Shareholder on behalf of Mirza International Limited

Information regarding issue of shares in the last five years

The Company has not issued any bonus shares during the from last 1 years.

The Company has not undertaken any buy back of shares.

Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act, 2013

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	NIL	NIL	NIL	NIL

Notes to the Standalone Financial Statements

(9B) Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus		Other Comprehensive Income	Total equity
	Capital Reserve	Retained Earnings	Hedging Reserves (Note 2)	
Balance as at March 31, 2021	-	-	-	-
Add : Profit for the year 2021-22		2,544	207	2,751
Add : Transfer from Mirza International Limited in pursuant of scheme of Demerger	27,382			27,382
Less : Income Tax Adjustment (Net)	330			330
Balance as at March 31, 2022	27,712	2,544	207	30,463
Add : Profit for the year 2022-23		13,607		13,607
Add : Other Comprehensive Income (net of tax)		(4)		(4)
Add : Change in Fair Value of Hedging instruments net of taxes			(230)	(230)
Add : Income Tax Adjustment (Net)	11			11
Balance as at March 31, 2023	27,723	16,147	(23)	43,847

NOTE 10 BORROWINGS (NON CURRENT)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Term loans				
Secured				
From banks *	2985	1603	1000	500
From banks (Auto Loan)#	86	32	152	54
Total	3,071	1,635	1,152	554

*(1) HDFC Bank term loans ₹ 7,600 Lakh secured by exclusive charged on moveable assets funded from HDFC Bank term loan and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),Pari-passu charge on current & future stocks and book debts

(2) HDFC Bank working capital ₹ 11,000 Lakh secured by Pari passu charge on current & future stocks & book debts, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),

(3) Auto Loans are secured by the respective vehicle for which was availed.

(4) All the above secured Loans are guaranteed by Mr. Shuja Mirza

Notes to the Standalone Financial Statements

Maturity Profile :

Secured against the assets purchased under the arrangements.

Maturity Profile :

(₹ in Lakh)

Term Loans from Banks Secured	Payment Type	No. Of Pending Instalment	Instalment Amount	Current			
				0- 1 Yrs	1 -2 Yrs	2 -3 Yrs	Non Current More than 3 Years
Term Loans				16,03,24,892	16,03,24,892	13,82,18,668	0
HDFC BANK TERM LOAN (2)	Quarterly	11	66,33,333	2,65,33,333	2,65,33,333	1,99,00,000	0
HDFC BANK TERM LOAN (3)	Quarterly	11	36,91,667	1,47,66,667	1,47,66,667	1,10,75,000	0
HDFC BANK TERM LOAN (4)	Quarterly	11	1,46,250	5,85,000	5,85,000	4,38,750	0
HDFC BANK TERM LOAN (5)	Quarterly	11	3,16,667	12,66,667	12,66,667	9,50,000	0
HDFC BANK TERM LOAN(6)	Quarterly	11	1,22,881	4,91,525	4,91,525	3,68,644	0
HDFC BANK TERM LOAN (7)	Quarterly	11	21,94,500	87,78,000	87,78,000	65,83,500	0
HDFC BANK TERM LOAN (8)	Quarterly	11	2,41,667	9,66,667	9,66,667	7,25,000	0
HDFC BANK TERM LOAN (9)	Quarterly	11	83,333	3,33,333	3,33,333	2,50,000	0
HDFC BANK TERM LOAN (10)	Quarterly	11	71,250	2,85,000	2,85,000	2,13,750	0
HDFC BANK TERM LOAN (11)	Quarterly	11	50,68,311	2,02,73,245	2,02,73,245	1,52,04,934	0
HDFC BANK TERM LOAN (12)	Quarterly	12	1,34,83,333	5,39,33,333	5,39,33,333	5,39,33,333	0
HDFC BANK TERM LOAN (13)	Quarterly	11	35,36,364	1,41,45,455	1,41,45,455	1,06,09,090	0
HDFC BANK TERM LOAN (14)	Quarterly	12	44,91,667	1,79,66,667	1,79,66,667	1,79,66,667	0
Auto Loans				31,54,927	31,09,057	33,08,055	21,33,608
HDFC BANK AUTO LOAN (2)	Monthly	35	2,08,30	21,04,80	2,25,744	2,21,285	0
HDFC BANK AUTO LOAN (11)	Monthly	48	19,577	1,83,187	1,96,527	2,10,839	2,26,194
HDFC BANK AUTO LOAN (12)	Monthly	48	1,32,037	12,46,409	13,33,858	14,27,443	15,27,597
HDFC BANK AUTO LOAN (13)	Monthly	48	23,968	2,24,278	2,40,609	2,58,131	2,76,928
HDFC BANK AUTO LOAN (14)	Monthly	3	84,880	2,51,176	0	0	0
HDFC BANK AUTO LOAN (15)	Monthly	37	1,03,471	10,39,397	11,12,319	11,90,357	1,02,889
Total				16,34,79,819	16,34,33,949	14,15,26,723	21,33,608

NOTE 11 PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ in Lakh	₹ in Lakh
Provision for employee benefits		
Gratuity (unfunded)	350	313
Total	350	313

Notes to the Standalone Financial Statements

NOTE 12 DEFERRED TAX LIABILITIES(NET)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Accounting profit/(loss) before income tax	18,112	3,565
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	4,600	1,000
Deferred tax expense reported in the statement of profit and loss	-95	21
Non-deductible expenses for tax purposes:		
Depreciation and amortization expense (net)	2,228	243
Other non deductible expenses	52	7
Deductible expenses for tax purposes:		
Depreciation as per IT Act, 1961	2,083	508
Impact of Lease rent Liabilities	235	-
Others	-	-
At the effective income tax rate	4,549	832
Current tax expense reported in the statement of profit and loss	4,600	1,000
Deferred tax expense/(credit) reported in the statement of profit and loss	(95)	21

Reconciliation of deferred tax liabilities (net):

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Opening balance of DTA/DTL (net)	319	298
Deferred tax income/(expense) during the period recognised in profit or loss	(95)	21
Impact of Others	-	-
Closing balance of DTA/DTL (net)	224	319

NOTE 13 OTHER NON CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Others		
Security deposits - from Franchise	12,168	9,955
Lease Rent Liabilities	16,010	13,090
Total	28,178	23,045

Notes to the Standalone Financial Statements

NOTE 14 BORROWINGS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Secured*		
Working capital loans repayable on demand		
From Other banks	3,364	244
From Foreign Bank	0	900
Current maturities of long-term debt (Refer Note No. 10)		
Term Loan From banks **	1,603	500
Term Loan From bank (Auto Loan)	32	54
Total	4,999	1,698

- * (1) HDFC Bank term loans ₹ 7600 Lakh secured by exclusive charged on moveable assets funded from HDFC Bank term loan and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),Pari-passu charge on current & future stocks and book debts
- (2) HDFC Bank working capital ₹ 11,000 Lakh secured by Pari passu charge on current & future stocks & book debts, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),
- (3) Auto Loans are secured by the respective vehicle for which was availed.
- (4) CITI Bank working capital ₹ 12,000 Lakh secured by First Pari passu charge on present & future stocks & book debts, exclusive charge on property situated at Plot No.4,5,36&37, Sector-59, Noida.
- (5) Federal Bank working capital ₹ 5,000 Lakh secured by First Pari passu charge by way of hypothecation on entire current assets present & future stocks & book debts, exclusive charge on property situated at Plot No.8, Sector-90, Noida.
- (6) All the above secured Loans are guaranteed by Mr. Shuja Mirza

NOTE 15 TRADE PAYABLE

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Micro, Small and Medium Enterprises *	1,224	784
Others	33,132	15,990
Total	34,356	16,774

* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2023/March 31, 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	1,224	33,116
1-2 years	-	3
2-3 years	-	13
More than 3 years	-	-
Total	1,224	33,132

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

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

Notes to the Standalone Financial Statements

NOTE 16 OTHER FINANCIAL CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest accrued but not due on borrowings	36	0
Commission Payable on Inland Sales	1,620	1,550
Outstanding Liabilities #	424	301
ESI & PF Payable	10	0
Salary Payable	168	146
Bonus Payable	251	218
Audit Fees Payable	14	8
Unpaid Commission on Export Sales	0	7
Rent Payable	48	65
Duties & Taxes (TDS payable)	230	108
Lease Rent Liabilities	1,906	2,778
Total	4,707	5,181

Outstanding Liabilities include Repair and Maintenance payable of ₹ 173.05 Lakhs, Freight Expenses payable 16.40 Lakhs & Electricity charges payable of ₹ 43.48 Lakhs.

Note 16.1 NON FINANCIAL CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Advance Received From Customers	117	120
Total	117	120

NOTE 17 PROVISIONS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
(a) Provision for employee benefits		
Gratuity (Unfunded)	17	20
Total	17	20

Notes to the Standalone Financial Statements

NOTE 18 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Sale of products	1,45,871	29,673
Other operating revenues	11	21
Total	1,45,882	29,694

NOTE 19 OTHER INCOME

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest Income	53	24
Other non-operating income		
Other Income	598	(18)
Total	651	6

Note 19 (i) Other Comprehensive Income- Items that will not be reclassified to Profit and Loss

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Remeasurement gain/(loss) of Defined Benefit Plan	(5)	0
Equity investments Through OCI	0	0
Total	(5)	0

Note 19 (ii) Other Comprehensive Income- Items that will be reclassified to Profit and Loss

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Hedge Reserve	(310)	207
Total	(310)	207

NOTE 20 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Others	11,300	2,147
Stores & Spares	101	18
Total	11,401	2,165

Notes to the Standalone Financial Statements

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

Particulars	For the year ended March 31, 2023		For the period ended March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Inventories (at close)				
Finished Goods	62,786		36,641	
Stock-in-Process	158	62,944	496	37,137
Inventories (at commencement)				
Finished Goods	36,641		31,137	
Stock-in-Process	496	37,137	272	31,409
Change in Inventories Decrease/(Increase)		(25,807)		(5,728)

NOTE 22 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Salaries and Wages	4,358	966
Contribution to Provident and Other Funds	154	46
Gratuity to Employees	61	-9
Staff Welfare Expenses	263	71
Total	4,836	1,074

Note 22.1 Employee benefits :

The Company is providing the following benefits to their employees :

- Gratuity
- Provident Fund
- Leave encasement

The amounts recognised in Balance Sheet are as follows:

Present value of defined benefit obligation	As at March 31, 2023	As at March 31, 2022
A) – Wholly funded	-	-
– Wholly unfunded	367	-
	367	0
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)	367	0
B) Amounts reflected in the Balance Sheet		
Liabilities	367	0
Assets	0	0
Net liability/(asset)	367	0
Net liability/(asset) - current #	17	0
Net liability/(asset) - Non-current	350	0

Notes to the Standalone Financial Statements

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

Particulars	2022-23	2021-22
	(₹ in Lakh)	(₹ in Lakh)
Current service cost	37	0
Interest cost	24	0
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	5	0
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		
Total	66	0
Amount included in "employee benefits expense"	61	0
Amount included as part of "finance cost"	-	-
Amount included as part of "other comprehensive income"	5	0

Particulars	2022-23	2021-22
	(₹ in Lakh)	(₹ in Lakh)
Opening balance of the present value of defined benefit obligation	0	0
Add: Current service cost	37	0
Add: Interest cost	24	0
Add: Contribution by plan participants		
i) Employer	0	0
ii) Employee	0	0
iii) Transfer-in/(out)	0	0
Add: Acquisitions	332	
Add/(less): Remeasurement - Actuarial losses/(gains)	0	
i) Actuarial (gains)/losses arising from changes in demographic assumption	0	0
ii) Actuarial (gains)/losses arising from changes in financial assumptions	0	0
iii) Actuarial (gains)/losses arising from changes in experience adjustments	5	0
Less: Benefits paid	(31)	0
Add: Past service cost	0	0
Add: Liabilities assumed on transfer of employees	0	0
Add: Business combination/acquisition	0	0
Add: Adjustment for earlier years	0	0
Add/(less): Translation adjustments	0	0
Closing balance of the present value of defined benefit obligation	367	0

Notes to the Standalone Financial Statements

Particulars	2022-23	2021-22
	(₹ 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	-	-
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	-	-
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows :

	2022-23	2021-22
1. Financial Assumptions		
Discount Rate	7.20% p.a.	-
Rate of increase in salaries	6.00% p.a.	-
2. Demographic Assumptions		
Mortality Rate (% of IALM 2012-14)	100.00%	-
Normal Retirement Age	60 Years	-
Attrition Rates, based on age (% p.a.) For all Ages	2	-

- The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.
- 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 determind based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

	As on March 31, 2023	As on March 31, 2022
Defined Benefit Obligation (Base)	367.19	-

Notes to the Standalone Financial Statements

Particulars	As on March 31, 2023		As on 31/03/2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	414	327	-	-
% change compared to base due to sensitivity	12.86%	-10.81%	-	-
Salary Growth Rate (- / + 1%)	326	415	-	-
% change compared to base due to sensitivity	-11.23%	13.15%	-	-
Attrition Rate (- / + 50%)	362	372	-	-
% change compared to base due to sensitivity	-1.37%	1.19%	-	-
Mortality Rate (- / + 10%)	366	368	-	-
% change compared to base due to sensitivity	-0.22%	0.22%	-	-

NOTE 23 FINANCE COST

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest & Bank Charges	1,744	397
Total	1,744	397

NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Depreciation Expenses	4,444	238
Leasehold Land Amortisation	0	5
Total	4,444	243

NOTE 25 OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Processing Charges	2,356	448
Commission	22,205	4,518
Freight and Transport	4,896	1,149
Power and Fuel	1,442	314
Selling & Advertisement Expenses	4,624	998
Rent	432	0
Vehicle Running & Maintenance	60	19
Repair and Maintenance (other than building & machinery)	774	181
Traveling & Conveyance Expenses	287	82
Insurance	194	4
Security Expenses	261	64
Postage & Courier	133	51
Telephone & Telex	66	16
Legal & Professional Chrgs	433	29

Notes to the Standalone Financial Statements

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Rates and Taxes, excluding taxes on income	365	37
Repairs to machinery	25	57
Repairs to buildings	14	6
Printing & Stationery	84	19
Donation and Subscription	23	1
(Profit)/Loss on Sale of Property, plant and equipment	(13)	31
Miscellaneous Expenses	67	1,334
Audit Fees	15	9
Loss of Partnership	11	0
Total	38,754	9,367

Payments to the auditor as	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
(I) To Statutory Auditors		
a. For Audit Services	15	0.05
Total	15	0

NOTE 26 EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	13,607	2,544
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	13,82,01,900	50,000
(iii) Basic and Diluted Earnings per share (₹)	9.85	1.84
(iv) Face Value per equity share (₹)	2	2

NOTE-27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ in Lakh	₹ in Lakh
A BILLS DISCOUNTED	Nil	Nil
B BANK GUARANTEES	Nil	Nil
C LETTER OF CREDITS	970	852
D Two cases of employee are pending at Labour Court, Kashipur	Indeterminate	Indeterminate
E COMMITMENT		
A CAPITAL EXPENDITURE (Net of fund already deployed)	4,215	3,738

Notes to the Standalone Financial Statements

NOTE 28 SEGMENT REPORTING

Segment Information for the year ended March 31, 2023

Information about Primary Business Segments

	(₹ in Lakh)			
	SHOE DIVISION	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	77113	68769	651	146533
	(14153)	(15541)	(6)	(29700)
Total Revenue	77113	68769	651	146533
	(14153)	(15541)	(6)	(29700)
Result				
Segment Result (Profit before Interest & Tax)	10449	9319	88	19856
	(1888)	(2073)	(1)	(3962)
Less: Interest Expenses	918	818	8	1744
	(189)	(208)	(0)	(397)
Profit before Taxation	9532	8500	80	18112
	(1699)	(1865)	(1)	(3565)
Provision for Taxation	2,371	2,114	20	4,505
	(486)	(534)	(1)	(1021)
Net Profit	7161	6386	60	13607
	(1212)	(1331)	(1)	(2544)
Other Information				
Segment Assets	64535	57551	545	122631
	(39004)	(42830)	(17)	(81850)
Segment Liabilities	40005	35676	338	76019
	(23170)	(25442)	(10)	(48622)
Capital Expenditure	7739	6902	65	14706
	(1154)	(1029)	(10)	(2192)
Depreciation	2339	2086	20	4444
	(116)	(127)	(0)	(243)

Information about Secondary Business Segments

	(₹ in Lakh)		
Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	146,142	391	146533
	(29540)	(160)	(29700)
Carrying amount of segment assets	122631	-	122631
	(81850)	-	(81850)
Additions to Fixed Assets	14706	-	14706
	(2192)	-	(2192)

* Includes Export incentive received on Export

Notes to the Standalone Financial Statements

Notes :

- (i) The Company is organized into two main business segments, namely:
 Garments and accessories Division
 Shoe Division
 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	For the period ended
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
No. of Non Resident Shareholders	-	-
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	NIL	NIL
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

NOTE 30 RELATED PARTY TRANSACTIONS

Particulars	Relationship	Volume of	Outstanding	Volume of	Outstanding
		Transactions	April 2022-	Transactions	January 2022-
		April 2022-	March 2023	January 2022-	March 22
		March 2023	Amount in	March 22	Amount in
		Amount in	Lakhs	Amount in	Lakhs
		Lakhs		Lakhs	
1 Purchase					
Euro Footwear Pvt. Ltd	Enterprise over which Key Management Personnel are able to exercise significant Influence	463	38 Cr.	0	-
Gempack Enterprises	-do-	185	13 Cr.	52	20 Cr.
Shoemac Leather Tech Eng. Ltd	-do-	17	3 Cr.	9	2 Cr.
World Wear Products	-do-	283	-	-	-
Sen En Mirza Industrial Supply Chain LLP	More than 52% capital is contributed by the Company	-	-	1	-
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	2840	57 Cr.	799	209 Cr.

Notes to the Standalone Financial Statements

Particulars	Relationship	Volume of Transactions	Outstanding		Volume of Transactions	Outstanding
		April 2022- March 2023	April 2022- March 2023		January 2022- March 22	January 2022- March 22
		Amount in Lakhs	Amount in Lakhs		Amount in Lakhs	Amount in Lakhs
2 Sale						
Euro Footwear Pvt. Ltd	Enterprise over which Key Management Personnel are able to exercise significant Influence	226	-		4	3 Dr.
Gempack Enterprises	-do-	2	-		0	-
RTS FASHION FZE -DUBAI	-do-	154	122	Dr.	-	-
Asian Traders	-do-	1	1	Dr.	-	-
World Wear Products	-do-	37	0	Dr.	-	-
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	619	-		122	-
3 Jobwork Expenses						
Shoemac Leather Tech Eng. Ltd	-do-	-	-		0	-
4 Jobwork Income						
Euro Footwear Pvt. Ltd		-	-		0	-
Sen En Mirza Industrial Supply Chain LLP	More than 52% capital is contributed by the Company	-	-		15	-
5 Rent and Maintenance Charges paid						
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	510	-		-	-
6 Reimbursement of Expenses						
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	614	-		-	-
7 Managerial Remuneration						
Directors Remuneration						
Mr. Shuja Mirza	Managing Director of the Company	600	50	Cr.	45	15 Cr.
Mr. Narendra Prasad Upadhyaya	Whole Time Director of the Company	43	4	Cr.	11	4 Cr.
Mr. Arvind Verma	Whole Time Director of the Company	66	4	Cr.	12	4 Cr.

Notes to the Standalone Financial Statements

NOTE 31 FOLLOWING PAYMENTS TO DIRECTORS ARE INCLUDED IN VARIOUS HEADS OF EXPENDITURE :

Particulars	2023	2022
	₹ in Lakh	₹ in Lakh
Salary	709	68
Perquisites	0	0
Sitting Fees	0	0
Guarantee Commission	0	0
Total	709	68

NOTE 32 FORWARD CONTRACTS

Forward Exchange Contracts entered into by the Company and outstanding as at the Balance Sheet date

Forward contracts USD INR 59,663.99 lakhs Purchase Hedging

NOTE 33

The immovable properties have been acquired under the Scheme of Demerger (Refer Note 44) from the Mirza International Limited (MIL). However due to pending completion of legal formalities for transfers, title deeds are still held in the name of Mirza International Limited.

NOTE 34 RELATIONSHIP WITH STRUCK OFF COMPANY

Name of Struck off Company	Name of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company , if any, to be disclosed
Nil	Investments in securities	Nil	Nil
	Receivables		
	Payables		
	Shares held by struck off company		
	Other Outstanding balance (to be specified)		

NOTE 35 FOLLOWING RATIOS TO BE DISCLOSED

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2022-23	2021-22	Variation (In %)	Explanation for Changes of 25% or More General Remark :- Higher Turnover and Net Profitability Improved During the Current year by 59.75%
1	Current Ratio	Current Assets	Current Liabilities	Times	1.74	2.02	-13.62%	
2	Debt-equity ratio	Total Debt	Equity	Times	0.17	0.09	-101.85%	Debt repayment resulted in improvement of the ratio
3	Debt service coverage ratio	Earnings available for debt service	Debt Service	Times	3.01	1.48	104.09%	Increase in Profitability lead to repayment of debt, which resulted in improvion of the ratio

Notes to the Standalone Financial Statements

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2022-23	2021-22	Variation (In %)	Explanation for Changes of 25% or More General Remark :- Higher Turnover and Net Profitability Improved During the Current year by 59.75%
4	Return on equity ratio	Net Profit after taxes	Equity Shareholder funds	%	29.19	7.66	281.29%	Higher Profitability as compared to last year has increased the return to Equity shareholders as compared to the previous year.
5	Inventory turnover ratio	Sales	Average Inventory	Times	2.81	0.73	282.72%	Higher level of Turnover has improvised the ratio
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	20.80	3.02	588.81%	Higher level of Turnover has improvised the ratio
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	3.64	1.41	157.25%	
	Trade payables turnover ratio	Purchase	Trade Payable+Short Term Borrowing	Times	2.36	1.01	134.59%	
8	Net capital turnover ratio	Sales	Working Capital	Times	4.44	1.22	262.20%	
9	Net profit ratio	Net Profit after taxes	Sales	%	9.33	8.57	8.87%	Net profit margin of current year is better than previous year due to higher sales
10	Return on capital employed	Earning before interest and taxes	Capital Employed	%	25.32	6.82	270.95%	Due to Increase in Turnover, EBIT has improvised which has inturn improved the return to shareholders
11	Return on investment	Return/ Profit/ Earnings	Investment	%	NA	NA	NA	

Since the previous year consists business for only 3 months and has been restated pursuant to scheme of arrangement, hence the figures are incomparable

Notes to the Standalone Financial Statements

NOTE-36 RELATED PARTY TRANSACTIONS

Related Party Disclosures, as required by IND-AS24, are given below:

Relationships	
i) Subsidiaries:	Mirza Bangla Limited
ii) Associates/Other body corporate	Sen En Mirza Industrial Supply Chain LLP, Mirza International Limited
iii) Key Management Personnel & Relatives:	Mr. Rashid Ahmed Mirza (Chairman), Mr. Shuja Mirza (Managing Director), Mr. Arvind Verma (Whole-time Director), Mr. Narendra Prasad Upadhyaya (Whole-time Director), CA Abhinav Jain (C.F.O.) Ms. Nandita Singh (Company Secretary), Mr. Shahid Ahmad Mirza Mr. Tauseef Ahmad Mirza Mr. Tasneef Ahmad Mirza Mrs. Yasmin Mirza Mrs. Fauzia Mirza Mrs. Haya Mirza Mrs. Nida Mirza Mrs. Firdaus Amin Mrs. Iram Mirza Mr. Farzan Mirza Mr. Amaan Mirza Ms. Sara Mirza Ms. Hiba Mirza Mr. Faraz Mirza Mr. Mustafa Mirza Mrs. Yusra Mirza Mrs. Sabiha Hussain
iv) Directors & Relatives:	Dr. Rajshree Saxena, Mr. Sanjay Bhalla, Dr. Yashvir Singh and Mr. Subhash Chander Sapra (Independent Directors)
v) Related Companies:	Shoemax Engineering Pvt. Ltd., Shoemac Leather Tech Engineers Ltd., Mirza Charitable Hospital Ltd., Euro Footwear Pvt. Ltd., Emgee Projects Pvt. Ltd., Genesisriverview Resorts Pvt. Ltd., Aarem Heights Pvt. Ltd., Mirza (U.K.) Ltd., Mirza Investment Pvt. Ltd., Silver Spark Pvt. Ltd., Empire Holdings Ltd Kasi 1981 Alumni Foundation, Empire Holdings Ltd., Industrial Infrastructure Services (India), Olive Shoes Private Limited
vi) Related Parties/Firms:	UEM Trading LLP, Achee Shoes LLP, Red Tape International LLP, Mirza Holdings LLP, Mughal Express LLP, RTS Fashion LLC,

Notes to the Standalone Financial Statements

Relationships

World Wear Products
 Mirza Projects,
 Gempack Enterprises,
 Asian Traders
 Waves International,
 Mirza Foundation,
 Kilkari Charitable Trust,
 RTS Fashion FZE, UAE
 Chowdhary Ajab Singh & Co.

NOTE-37

Since the Composite Scheme of Arrangement has been given effect to in the current year Financial Statements as well as restatement made in the previous year Financial Statements, as explained elsewhere, the current year figures are not comparable with the previous year figures.

NOTE-38 LEASES

Right-of-use assets and Lease Liability:

Information about leases for which the company is a lessee is presented below:

Right-of-use assets (ROU Assets)

	Amount in Lakhs
Balance as on March 31, 2022	13,668
Addition for the new leases*	6,909
Depreciation charge for the year	2,216
Deletions for terminated leases	1,445
Balance as on March 31, 2023	16,916

*included initial direct cost.

The aggregate depreciation expense on ROU assets amounting to ₹ 22,16 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 March 31, 2023:

	Amount in Lakhs
Lease Liability	March 31, 2023
Balance as on March 31, 2022	15,867
Addition for New leases	6,887
Accreditation of Interest	986
Payment of Lease Liability	(3,786)
Deletions for Terminated Leases	(2,238)
Balance as on March 31, 2023	17,916

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.

Notes to the Standalone Financial Statements

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

	Amount in Lakhs
Maturity analysis – contractual undiscounted cash flows	March 31, 2023
Less than one year	3,115
After one year but not longer than five years	10,822
More than five years	6,636
Total	20,573

Lease liabilities included in the statement of financial position at March 31, 2023

	Amount in Lakhs
	March 31, 2023
Current	1,906
Non-Current	16,009
Total	17,916

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE-39 IND AS 107, FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Investment, Cash and Cash equivalents	Aging analysis	Bank deposits, diversification of asset base
Liquidity Risk	Borrowing and other Liabilities	Cash flow forecast	Availability of borrowing facilities

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk Company uses forward exchange contracts to hedge its foreign exchange risk of anticipated sales or purchase transactions in the normal course of business, which occur within the next twelve months, for which it has a firm commitment from a customer or to a supplier.

Notes to the Standalone Financial Statements

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 on March 31, 2023:

	(Amount in Lakh)	
	USD	Others
Net financial assets	-	
Net financial liabilities	718.14	

(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 Lakh)	
Credit rating	Particulars	March 31, 2023	March 31, 2022
Low Credit Risk	Cash and cash equivalents investments and other financial assets	14,85	8,05

b) Credit exposure

Provisions for expected credit losses:

The Company provides for 12 month expected credit losses for following financial assets:

Notes to the Standalone Financial Statements

As at March 31, 2023

(₹ in Lakh)

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	8,411			8,411
Cash and cash equivalents	1,485			1,485
Other financial assets	13			13

As at March 31, 2022

(₹ in Lakh)

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	5,617			5,617
Cash and cash equivalents	805			805
Other financial assets	254			254

(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, 2023 and March 31, 2022 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.

Notes to the Standalone Financial Statements

NOTE: 40 MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006. Beyond the statutory period of 45 days

Particulars	As at March 31, 2023	As at March 31, 2022
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 declare to shareholders, return capital to shareholders.

Particulars	(₹ in Lakh)	
	March 31, 2023	March 31, 2022
Net Debt*	65,85	20,45
Total Equity	466,12	332,28

*Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

Notes to the Standalone Financial Statements

NOTE: 42 FINANCIAL INSTRUMENTS -FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

Set out below, are the fair values of the financial instruments of the Company, including their accounting classifications:

Amount in Lakh

Particulars	Note No.	March 31, 2023			March 31, 2022		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial assets							
Investments	2	96			107		
Security deposits	3	1,091			1,028		
Trade receivables	5	8,411			5,617		
Cash and cash equivalent	6	1,485			805		
Incentive Receivable (Export)	7	3			0		
Rodtep Products Licence	7	2			0		
Advances to Employees	7	39			45		
Advance to Other	8	727			351		
Interest Receivable	7	0			2		
Others	8	2,144			1,344		
Total		13,998			9,299		
Financial liabilities							
Term loan from bank	10	4,706			1,706		
Provision- Gratuity	11	350			313		
Security deposits - for franchise	13	12,168			9,955		
Lease Rent Liabilities (net)	13	17,929			15,882		
Working Capital Loan from banks	14	3,364			1,144		
Trade Payable	15	34,356			16,774		
Commission Payable on Inland Sales	16	1,620			1,550		
Outstanding Liabilities	16	424			301		
Salary Payable	16	168			146		
Bonus Payable	16	251			218		
Audit Fees Payable	16	14			8		
Unpaid Commission on Export Sales	16	0			7		
Duties & Taxes (TDS payable)	16	230			108		
Total		75,580			48,112		

Financial instruments- Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Notes to the Standalone Financial Statements

The following table provides the fair value measurement hierarchy of the financial assets and financial liabilities of the Company:

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at period end:

Amount in Lakh

	March 31, 2023				March 31, 2022			
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		
		Level I	Level II	Level III		Level I	Level II	Level III
A Financial Assets								
a) Measured at amortised cost								
Security deposits	1,091	1,091			1,028	1,028		
Trade receivables	8,411	8,411			5,617	5,617		
Cash and cash equivalent	1,485	1,485			805	805		
Incentive Receivable (Export)	3	3			0	0		
Advances to Employees	39	39			45	45		
Advance to Other	727	727			351	351		
Interest Receivable	0	0			2	2		
Others	2,144	2,144			1,344	1,344		
Sub Total	13,900	13,900			9,192	9,192		
b) Measured at Fair value through OCI								
Investment	96		96		107		107	
Sub Total	96		96		107		107	
c) Measured at Fair value through profit or loss								
Total	13,996	13,900	96		9,299	9,192	107	
B Financial Liabilities								
a) Measured at amortised cost								
Term loan from bank	4,706	4,706			1,706	1,706		
Provision- Gratuity	350	350			313	313		
Security deposits - for franchise	12,168	12,168			9,955	9,955		
Lease Rent Liabilities (net)	17,929	17,929			15,882	15,882		
Working Capital Loan from banks	3,364	3,364			1,144	1,144		
Trade Payable	34,356	34,356			16,774	16,774		
Commission Payable on Inland Sales	1,620	1,620			1,550	1,550		
Outstanding Liabilities	424	424			301	301		
Salary Payable	168	168			146	146		
Bonus Payable	251	251			218	218		
Audit Fees Payable	14	14			8	8		
Unpaid Commission on Export Sales	0	0			7	7		
Duties & Taxes (TDS payable)	230	230			108	108		
Forward Contract due to bank	(31)	(31)			207	207		
Total	75,549	75,549			48,319	48,319		

Notes to the Standalone Financial Statements

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 March 31, 2023 and March 31, 2022.

NOTE: 43 FRAUD

The Company deals in Fashion Items such as Footwear, Apparel, Accessories etc. Company has made its sales network through its retail stores pan India at various remote locations. The Company operates these retail stores, through its owned stores or stores operated by its Franchisee. Due to remote locations and volumes of transactions, there are few instances where employees of the company misappropriated the Cash of the sale proceeds of the retail store.

During the year under Audit there are three cases reported where they have misappropriated ₹ 19.01 lakh (₹36.77 lakh) constitute even less than 0.01% of the total sales proceeds of company owned stores. This is general trend of the industry. Although due to efficient internal checks and controls, we could unearth these misappropriations and took the legal action against such employees of the company.

NOTE 44

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

I. COMPANY OVERVIEW:

REDTAPE Limited ('The Company') is a public limited company incorporated in India on 8th Dec, 2021 having its registered office located at Plot No. 08, Sector 90, Noida - 201301, Uttar Pradesh, India.

Pursuant to the Scheme of the Arrangement as approved by the Hon'able National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated February 21, 2023 approved the Composite Scheme of Arrangement (refer sub note 28 of Note 44). The Scheme become operative on filing

of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur on February 25, 2023. The Scheme is to take effect from January 1, 2022, being the Appointed Date of the Scheme.

The Company is in the retail sale of Footwear, garments & apparels and allied products and also a manufacturer of footwear.

II. 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.

III. 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.

Notes to the Standalone Financial Statements

IV. 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.

V. PROPERTY PLANT AND EQUIPMENT:

i. 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.

ii. 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.

VI. 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) Depreciation on all assets except intangible assets and assets held under lease are provided as per Schedule II to the Companies Act, 2013. Management believes that useful life of assets are same as those prescribed in Schedule II to the Companies Act, 2013.
- 3) 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.
- 4) Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.
- 5) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

VII. 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."

VIII. 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

Notes to the Standalone Financial Statements

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.

IX. LEASES:

The Company's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores company also has taken Land as lease from Development Authorities. 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 or risk-free rate as the case may be. 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.

X. 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:

Notes to the Standalone Financial Statements

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

Notes to the Standalone Financial Statements

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.

XI. 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.

XII. INVENTORIES:

Manufactured Goods: Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on a weighted average cost basis.

Traded Goods: Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

Goods in Process: At cost plus estimated value addition/cost of conversion at each major stage of production.

Provision on Inventory –

The company has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non – core (fashion) and sub categorised into finished goods and raw materials. The company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods

Notes to the Standalone Financial Statements

Provision for discount and sales return -

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

XIII. FOREIGN CURRENCY TRANSACTIONS

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), 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.

XIV. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

XV. 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.

XVI. REVENUE RECOGNITION:

Revenue from Sale of Goods, 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.

Notes to the Standalone Financial Statements

XVII. 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.

XVIII. 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.

XIX. 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.

Notes to the Standalone Financial Statements

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

XX. 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 its put to use.

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.

XXI. 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.

XXII. 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

Notes to the Standalone Financial Statements

XXIII. 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

XXIV. 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 the life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

XXV. 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.

XXVI. 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.

Notes to the Standalone Financial Statements

XXVII. 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.

XXVIII. Composite Scheme of Arrangement

- a) A Composite Scheme of Arrangement of RTS Fashions Pvt. Ltd, Mirza International Ltd and REDTAPE Limited (hereinafter referred to as the Composite Scheme of Arrangement/the Scheme) was 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.
- b) The aforesaid Composite Scheme of Arrangement provides for:
 - i. Amalgamation of RTS Fashions Pvt. Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company);
 - ii. Demerger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd into REDTAPE Limited (the Resulting Company) on going concern basis; and
 - iii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.
- c) Salient features of the Composite Scheme of Arrangement are as follows:

Being part of composite scheme:

- i. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt. Ltd (the Transferor Company) will be transferred to and vest in Mirza International Ltd (the Transferee Company).
- ii. 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 (the Transferee Company) will be transferred to and vest in REDTAPE Limited (the Resulting Company) on going-concern basis.

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.

The Resulting Company-REDTAPE Limited 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.

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 and 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.

Appointed Date for the Scheme will be January 1, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

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

Post-Scheme, REDTAPE Limited will be listed on BSE and NSE.

- d) The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated February 21, 2023 (date of pronouncement of Order) approved the Composite Scheme of Arrangement. The Scheme has become operative with effect from the Effective Date: February 25, 2023, on filing of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur. The Scheme is effective from January 1, 2022, being the Appointed Date of the Scheme.
- e) In terms of the Scheme, RTS Fashions Pvt Ltd. has been merged into Mirza International Ltd along with all the assets and liabilities; and entire REDTAPE Business of Mirza International Limited has been demerged into Redtape Limited, with effect from January 1, 2022.

Notes to the Standalone Financial Statements

- f) The present Financial Statements of the Company have been prepared after giving effect of the Amalgamation and Demerger in terms of the Scheme. Further, figures of the previous Financial Year ended March 31, 2022, have also been restated to give effect to the Scheme with effect from January 1, 2022.
- g) Prior to the Scheme, the Transferee Company-Mirza International Limited was 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.
- h) The Resulting Company-Redtape Ltd was newly incorporated on December 8, 2021, to carry on the Demerged Business-REDTAPE Business after the Demerger in terms of the Scheme.

i) Accounting Treatment for Demerger

1. The details of assets and liabilities transferred from Mirza International Limited (Transferee Company) to Redtape Limited (resulting Company) are as under:

Particulars	₹ in Lacs As at December 31, 2021
Asset	
Non Current Assets	
Property Plant & Equipment (Net of Accumulated Depreciation)	13,521
Capital Work in Progress	2,013
Right of Use Assets	14,551
Financial Assets	
(i) Investments	97
Total Non Current Assets	30,182
Current Assets	
(i) Inventories	33,186
Financial Assets	
(i) Trade receivables	6,845
(ii) Cash and Bank Balances	3,641
(iii) Loans and Advances	3,420
Total Current Assets	47,091
Total assets transferred to REDTAPE LIMITED (A)	77,273
Liabilities	
Non Current Liabilities	
(i) Secured Loans	4,174
(ii) Deferred Tax	466
Total Non Current Liabilities	4,640
Current Liabilities	
(i) Current Liabilities	26,117
(ii) Provisions	235
(iii) Lease Rent Liabilities (Net)	16,135
Total Current Liabilities	42,487
Total liabilities transferred to REDTAPE (B)	47,127
Net Amount (A-B)	30,146

The transactions pertaining to the transferred business of the Company from the appointed date upto the effective date of the Scheme have been deemed to be made by Redtape Limited.

As per the Order, the assets of the Company stand free from all charges, mortgages and encumbrances relating to liabilities

relating to business transferred to Redtape Ltd. The Company had created charges over its assets (including those which now belong to Redtape Ltd) under section 77 of the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of Redtape Ltd. The Company continues to enjoy credit facilities by the subsisting

Notes to the Standalone Financial Statements

charges, mortgages and encumbrances over such assets. Vice-versa, Redtape Ltd enjoys credit facilities by the subsisting charges, mortgages and encumbrances over assets retained by the Redtape Ltd. Till creation/ modification/ satisfaction of Charges, as the case may be, in favour of the various banks of the respective Companies in terms of the applicable laws/sanction terms.

2. The Impact of the Demerger on these financial statements is as under:

The Company has given effect to the Scheme for the year ended March 31, 2023 considering it to be an adjusting event and has accounted the same as per the pooling of interest method since the conditions as per the requirements of Ind AS 103 – Business Combinations of entities under common control are met. The Company came under common control on January 1, 2022 and hence the comparative numbers have to be restated for the period of March 31, 2022. However it is not practically possible to arrive at Financial Results of Demerged Undertakings for the period one day i.e. January 1, 2022, therefore, in order to present the actual scale of operations of the Demerged Undertakings for the financial year ended March 31, 2022, the management has presented the Financial Information of the Demerged Undertakings for the period

of Nine months ended December 31, 2021 as additional disclosure and not restated the statement of profit and loss account for the year ended March 31, 2022. The said Financial Information for nine months periods of the Financial Year 2021-22 have been extracted from the disclosure in the financial Information of the Demerged Company, for the year ended March 31, 2022, which has not been separately subject to audit or review and has been presented as 'Unaudited' Supplementary Information herein after.

As per the share swap ratio approved in the Order, the Company has issued equity shares of ₹ 2/- each in the ratio of 1:1 to the shareholders of Demerged Company on March 31, 2023.

The assets and liabilities pertaining to the Demerged Undertakings, transferred to and vested in the Resulting Company pursuant to the Composite Scheme are recorded at their respective carrying values as appearing in the books of Demerged Company. The Share capital account has been credited with the aggregate face value of the shares issued to the Shareholders pursuant to the Scheme and the difference has been accounted in the appropriate reserves within "Other Equity".

Particular	₹ In Lakhs		
	Net Assets/ (Liability) acquired (reserves)	Value of Equity Shares Issued	Other Equity
Demerger of branded business/REDTAPE from Mirza International Limited (Demerged Company) to REDTAPE Limited (Resulting Company)	30,416	2,764	27,382

Balance Sheet

The restated Financial Information as at December 31, 2021 are as under:

Particular	₹ In Lakhs	
	As per Restated Financials as at December 31, 2021	
Assets		
Non-Current Assets		
Property, Plant and Equipment		13,521
Capital Work-in-progress		2,013
Right-of-Use Assets		14,551
Financial Assets		
(i) Investments		97
Total Non-Current Assets	(a)	30,182

Notes to the Standalone Financial Statements

Particular	₹ In Lakhs
	As per Restated Financials as at December 31,2021
Current Assets	
Inventories	33,186
Financial Assets	
(i) Trade Receivables	6,845
(ii) Cash and Cash Equivalents	3,641
(iii) Loans and Advances	3,420
Total Current Assets	(b) 47,091
Total Assets	(a+b) 77,273
Equity And Liabilities	
Equity	
Equity Share Capital to be issued	2,764
Other Equity	27,382
Total Equity	(c) 30,146
Non-Current Liabilities	
(i) Secured Loans	4,174
(ii) Deferred Tax	466
Total Non-Current Liabilities	(d) 4,640
Current Liabilities	
(i) Current Liabilities	26,117
(ii) Provisions	235
(iii) Lease Rent Liabilities (Net)	16,135
Total Current Liabilities	(e) 42,487
Total Equity And Liabilities	(c+d+e) 77,273

The following accounting treatment has been given to some of the issues pertaining to the Demerger:

- i. REDTAPE Ltd has recorded the assets and liabilities pertaining to the Demerged Business vested in it pursuant to the Scheme, at the values as appearing in the books of the Transferee Company as on the Appointed Date.
- ii. In terms of the Scheme, the Company has issued 13,82,01,900 Equity Shares of ₹2/- each, credited as fully paid up, aggregating ₹27,64 Lakh to the members of the Transferee Company in exchange of 100% post-amalgamation share capital of the Transferee Company.
- iii. Pursuant to the Scheme, the Company has issued 50,000 9% Compulsorily Redeemable Preference Shares of ₹2/- each, credited as fully paid-up, aggregating ₹1,00,000/-; and entire pre-Scheme issued and paid-up share capital of the Company consisting of 50,000 Equity Shares of ₹2/- each aggregating ₹1,00,000/- stands cancelled.
- iv. Surplus of ₹ 273,82 Lakhs arising on Demerger being difference between the value of the assets and the liabilities pertaining to the Demerged Business after taking into account the face value of the Equity Shares issued by the Company has been credited to the Capital Reserve Account in the books of the Company.

For Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOG1549

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida

Date : May 30, 2023

CA Abhinav Jain

(Chief Financial Officer)
Noida

CS Nandita Singh

(Company Secretary)
Noida

Independent Auditor's Report

To
The Members of REDTAPE Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of REDTAPE Limited (hereinafter referred to as the 'Holding Company') and its subsidiary and associate (Holding Company and its subsidiary and associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the Consolidated financial statements in terms of Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other Ethical responsibilities in accordance with

these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor referred in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

We draw attention to Note No 44 of the consolidated financial statements with respect to the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Limited and REDTAPE Limited; and their respective shareholders and creditors (the 'Scheme') which provides for the following:

1. Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd;
2. De-merger of Branded Business/REDTAPE Business of Mirza International Ltd ("Demerged Undertaking") into REDTAPE Ltd on going concern basis.

The Scheme has been given effect to from the Appointed Date, i.e., January 1, 2022, as approved by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("Hon'ble NCLT") and which is deemed to be the date of amalgamation of RTS Fashions Private Limited and also the date of demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited.

Figures of the previous financial year ended March 31, 2022, have been restated to give effect to the Scheme with effect from January 1, 2022.

As a result of Composite Scheme of Arrangement, REDTAPE Limited is now an independent Demerged Entity. Mirza Bangla Limited is subsidiary and Sen En Mirza Industrial Supply Chain LLP will be associate of REDTAPE Limited.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key Audit Matter	How the key audit matter was addressed in the audit
<p>1. Demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited (Refer Note No 44 of the Consolidated Financial Statements)</p> <p>The Branded Business/ REDTAPE Business of Mirza International Limited has been transferred into REDTAPE Limited pursuant to the Scheme of Arrangement ('the Scheme'). The Scheme was approved by the National Company Law Tribunal (NCLT) with the Appointed date - January 1, 2022.</p> <p>The Company has given effect of the Scheme in the consolidated financial statements considering business combination under common control as per the requirements of Ind AS 103.</p> <p>The Scheme has a significant impact on the consolidated financial statements of the Company including reserve and comparative figures basis which the same is considered as a key audit matter for the year.</p>	<p>Our audit procedure includes the following:</p> <p>We gone through the Composite Scheme of Arrangement approved by Hon'ble NCLT for demerger to take effect from 1st January 2022.</p> <p>Compared the assets and liabilities pertaining to demerged undertakings considered for accounting as per the Scheme.</p> <p>Assessed the accounting as per applicable accounting standards including for issuance of equity shares by REDTAPE Limited to the shareholders of Mirza International Limited and cancellation of pre-scheme equity shares of REDTAPE Limited in terms of the Scheme of Arrangement.</p> <p>Assessment of reasonableness of the method of accounting adopted regarding Assets and Liabilities transferred under the scheme and disclosures relating to the transfer of it in the Company.</p> <p>The demerger was effective from January 1, 2022. Hence, we assessed the working of restatement of financial statements of the Company for previous year ended March 31, 2022.</p>
<p>Valuation of Inventory (refer Note No.44 to the consolidated financial statement)</p> <p>Inventory is carried in the Financial Statements of the Company at the lower of cost and net realisable value in accordance with the Ind AS 2.</p> <p>The major portion of the Company's inventory consist of finished goods which are lying at multiple locations such as retail stores, depots, warehouse and factories.</p> <p>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, which pertains to fashion industry, sales in the fashion industry can be extremely volatile with consumer preferences changing frequently based on fashion trend.</p> <p>As a result, the carrying value of inventory may exceed its net realizable value. The Management, as a policy, recognizes the provision for inventory considering the assessments of future trend.</p> <p>The Valuation of Inventory is considered as Key Audit Matter, as determination of provision of inventory involves significant management judgement and estimates.</p>	<p>Our audit procedure includes the following:</p> <p>Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season.</p> <p>Derived the methodology to analyze the operating effectiveness of the Company's controls to assess the adequacy of provision for inventory obsolescence.</p> <p>Evaluated whether the method is consistent with that applied in the prior year and is in accordance with the Company's policy.</p> <p>Assessment done based on our knowledge of the business of the Company and the market, the appropriateness of the provisions made by the Company to the extent to which older season's inventory can be sold through various channels.</p> <p>Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors of Holding company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements / financial information of subsidiary Mirza Bangla Limited included in the consolidated financial results, whose financial statements / financial information for the year ended on that date reflect the following:

Description	Mirza Bangla Limited (In ₹ lacs)
Total Assets	1,284
Total Revenue	949
Net Profit / (Loss) after Tax	607
Comprehensive Income / (Loss)	(93)

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such

subsidiary which were audited by other auditor, as noted in the 'Other Matters' paragraph, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to other matter to be included in the auditor's report in accordance with the requirements of the section 197 (16) of the Act, as amended:
 2. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to director by the Holding company and its Subsidiary companies is not in excess of the limit prescribed under section 197 of the Act.
 2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note No-44
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or its Subsidiary companies incorporated in India to or in any other persons or entities including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate beneficiaries") by or on behalf of the Holding company or its Subsidiary Companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - b) The management has represented that to the best of its knowledge and belief, no funds have been received by the Holding company or its Subsidiary company incorporated in India from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing

or otherwise, that the Holding company or its Subsidiary Company incorporated in India shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“ultimate beneficiaries”) by or on behalf of the company or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub clause (iv)(a) and (iv)(b) contain any material misstatement.

- v. No dividend has been declared or paid, during the year, by the Holding company.

For: **Khamesra Bhatia & Mehrotra**
Chartered Accountants
FRN:001410C

CA Vineet Roongta
Partner
M.No.410958
UDIN: 23410958BGXZOH7708

Date: May 30, 2023
Place: Noida

Annexure “A” to the Independent Auditor’s Report on Consolidated Financial Statements

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

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of REDTAPE LIMITED (hereinafter referred to as “the Company”) and its subsidiary companies as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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: **Khamesra Bhatia & Mehrotra**

Chartered Accountants

FRN:001410C

CA Vineet Roongta

Partner

M.No.410958

UDIN: 23410958BGXZOH7708

Date: May 30, 2023

Place: Noida

Consolidated Balance Sheet

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2023	As at March 31, 2022*
ASSETS			
Non-current assets			
Property, plant and equipment & intangible assets	1		
(i) Property, plant and equipment		19,902	16,698
(ii) Capital work-in-progress of properties, plant & equipment		6,508	1,223
(iii) Intangible assets		1	0
(iv) Capital work-in-progress of intangible assets		601	483
Right of Use Assets	1B	16,931	13,682
Financial Assets			
Investments	2	56	66
Other Financial Assets	3	1,091	1,028
Other Non Current assets	3.1	458	644
Total Non-Current assets		45,548	33,824
Current assets			
Inventories	4	64,299	39,665
Financial Assets			
Trade receivables	5	8,411	5,617
Cash and cash equivalents	6	2,618	1,426
Other financial current assets	7	126	327
Other current assets	8	2,871	1,695
Total Current assets		78,325	48,730
Total Assets		1,23,873	82,554
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9A	2,765	1
Other Equity	9B	44,911	30,823
Equity share capital to be issued pursuant to the scheme of Arrangement	9A	0	2,764
Total Equity		47,676	33,588
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	10	3,071	1,152
Provisions	11	350	313
Deferred tax liabilities (Net)	12	224	319
Other non-current Liabilities	13	28,179	23,050
Total Non-current liabilities		31,824	24,834
Current liabilities			
Financial Liabilities			
Borrowings	14	4,999	1,698
Trade payables	15		
(i) MSME		1,224	784
(ii) Trade Payables other than MSME		33,132	15,990
Other financial current liabilities	16	4,677	5,314
Non financial current liabilities	16.1	117	138
Provisions	17	224	208
Total current liabilities		44,373	24,132
Total Liabilities		76,197	48,966
Total Equity and Liabilities		1,23,873	82,554
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

* Restated pursuant to the Scheme of Arrangement (Refer note 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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOH7708

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida
Date : May 30, 2023

CA Abhinav Jain
(Chief Financial Officer)
Noida

CS Nandita Singh
(Company Secretary)
Noida

Consolidated Statement of Profit and Loss

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2023	period ended March 31, 2022*
INCOME			
Revenue from operations	18	1,46,831	30,322
Other income	19	533	6
Ceaser of Lease Rent Liability		119	0
Total Income		1,47,483	30,328
EXPENSES			
Cost of materials consumed	20	11,401	2,165
Purchases of Stock-in-Trade		93,049	18,617
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(25,807)	(5,728)
Employee benefits expense	22	4,986	1,185
Finance costs	23	1,746	399
Depreciation	24	4,444	243
Other expenses	25	38,754	9,367
Total Expenses		1,28,573	26,248
Profit before tax		18,910	4,080
Tax Expense			
Current tax		4,791	1156
Deferred tax		(96)	20
Profit for the Year		14,215	2,904
Other comprehensive Income:			
i. Items that will not be reclassified to Statement of Profit and Loss			
Income tax relating to items that will not be reclassified to Profit and Loss	19 (i)	(5)	-
		1	-
ii. Items that will be reclassified to Statement of Profit and Loss			
Income Tax on above	19(ii)	(310)	207
		80	-
Other Comprehensive Income for the year		(234)	207
Total comprehensive income for the year		13,981	3,111
Earning per equity share of face value of ₹ 2 each			
Basic (in ₹)	26	10.29	2.10
Diluted (in ₹)		10.29	2.10
See accompanying Notes to the Financial Statements	1-43		
Significant Accounting Policies	44		

* Restated pursuant to the Scheme of Arrangement (Refer note 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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOH7708

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida
Date : May 30, 2023

CA Abhinav Jain
(Chief Financial Officer)
Noida

CS Nandita Singh
(Company Secretary)
Noida

Consolidated Statement of changes in Equity

for the year ended March 31, 2023

(A.1) Equity Share Capital

	(₹ in Lakh)
As at March 31, 2021	-
Changes in equity share capital	1
As at March 31, 2022	1
Cancelled during the year pursuant to the scheme of arrangement	1
Issued during the year	2,764
As at March 31, 2023	2,764

(A.2) Preference Share Capital

	(₹ in Lakh)
As at March 31, 2021	-
Changes in preference share capital	-
As at March 31, 2022	-
Issued during the year pursuant to the scheme of arrangement	1
As at March 31, 2023	1

(B) OTHER EQUITY

Other Equity	Reserves & surplus		Other	Total equity
	Capital Reserve	Retained Earnings	Comprehensive Income Hedging Reserves (Note 2)	
Balance as at March 31, 2022	0	0	0	0
Add : Profit for the year 2021-22	0	2,904	207	3,111
Add : Other Comprehensive Income (net of tax)	0	0	0	0
Add : Being Surplus resulted pursuant to the scheme of arrangement	27,382	0	0	27,382
Less : Income Tax Adjustment (Net)	330	0	0	330
Less : Transferred from Profit & Loss Account	0	0	0	0
Balance as at March 31, 2023	27,712	2,904	207	30,823
Add : Profit for the year 2022-23	0	14,215	0	14,215
Add : Other Comprehensive Income (net of tax)	0	(4)	0	(4)
Add : Change in Fair Value of Hedging instruments net of taxes	0	0	(230)	(230)
Add : Income Tax Adjustment (Net)	106	0	0	106
Balance as at March 31, 2023	27,818	17,116	(23)	44,911

Note-1 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

For Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOH7708

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida

Date : May 30, 2023

CA Abhinav Jain

(Chief Financial Officer)
Noida

CS Nandita Singh

(Company Secretary)
Noida

Consolidated Statement of Cash Flow

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FROM OPERATING ACTIVITIES		
Net profit before tax	18,910	4,080
Adjustments for		
Add :		
(Profit)/Loss on sale of Property, Plant & Equipment	(13)	31
Depreciation & amortisation for the year	4,444	243
Finance cost	1,746	399
	6,177	673
Less :		
Interest & Other Income	533	6
Income from Govt. Grant	0	0
Ceaser of Lease Liability	119	0
Operating Profit before Working Capital Changes	24,435	4,747
Adjustments For		
Trade & other Receivables	(3,769)	(721)
Inventory	(24,634)	(6,437)
Trade Payables	17,132	1,908
Others	(5,347)	3,771
Cash Generated from Operations	7,817	3,268
Direct Taxes Paid	4,602	1,156
Cash flow before extra ordinary items	12,419	4,424
Net Cash generated from Operating Activity	12,419	4,424
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(16,301)	(2,731)
Sales of Property, Plant & Equipment	1,306	(2,192)
Government Grant Received	0	0
Interest & Other Income Received	533	6
Purchase of Investment	(239)	0
Net Cash used in Investing Activities	(14,701)	(4,917)

Consolidated Statement of Cash Flow

(₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	0	0
Dividend Tax Paid		
Short Term Borrowing	3,301	(1,135)
Proceeds from Long Term Borrowings	1,919	(188)
Repayment of Long Term Borrowings	0	0
Repayment of Short Term Borrowings	0	0
Payment of lease liabilities	0	0
Finance cost	(1,746)	(399)
Net cash used in financing activities	3,474	(1,722)
Net Increase/(Decrease) in Cash & Equivalents	1,192	(2,215)
Cash & Equivalents at the beginning of the year	1,426	3,641
Cash & Equivalents at the end of the year	2,618	1,426
Components of cash and cash equivalents		
Cash and cheques on hand	183	314
Balances with banks:	-	-
- On current accounts	2,435	1,112
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	-	-
	2,618	1,426
Less: Fixed deposits with original maturity of between 3 months and 12 months	0	
Total cash and cash equivalents (note 6)	2,618	1,426

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 Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOH7708

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida
Date : May 30, 2023

CA Abhinav Jain
(Chief Financial Officer)
Noida

CS Nandita Singh
(Company Secretary)
Noida

Notes to the Consolidated Financial Statements

NOTE 1 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment	Gross Block			Accumulated Depreciation			Net Block			
	As at April 1, 2022	Additions	Deductions	Transfer to ROU	Balance as at March 31, 2023	Balance as at 1st April 2022	Depreciation charge for the year	On disposals	Balance as at March 31, 2023	Balance as at March 31, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
A Land										
Land Freehold	187	0	-	-	187	-	-	-	187	187
Land Leasehold	1,291	0	-	1,291	0	295	0	295	0	996
Buildings	6,968	1,034	0	0	8,002	2,005	200	0	2,205	4,963
Plant & Machinery										
Machinery	5,294	2,547	730	0	7,111	2,906	529	238	3,197	2,405
Effluent Treatment Plant	0	0	-	-	0	0	0	-	0	0
Tools & Shoe Lasts	286	0	0	0	286	213	0	19	194	73
Furniture Fixtures, Office Equipments & Electrical Installation	11,068	3,456	424	0	14,100	3,624	1,258	72	4,810	7,444
Vehicles	675	193	152	0	716	173	176	74	275	502
Computers	535	118	0	0	653	407	65	0	472	181
Total	26,304	7,348	1,306	1,291	31,055	9,623	2,228	698	11,153	16,698
b Intangible Assets										
1A Capital Work In Progress	0.2	1	0	0	1.2	0.1	0.1	0	0.2	0.2
Capital work-in-progress of properties, plant & equipment										
Capital work-in-progress of intangible assets										
Total	26,304	7,349	1,306	1,291	31,056	9,623	2,228	698	11,153	18,404
Previous Year : Property Plant & Equipment	(23,242)	(3,079)	0	0	(26,321)	(9,380)	(243)	0	(9,623)	(13,521)

Note 1.1 Capital - Work-in Progress

Property, plant and equipment	Gross Block			Accumulated Depreciation			Net Block			
	As at April 1, 2022	Additions	Deductions	Transfer to ROU	Balance as at March 31, 2023	Balance as at 1st April 2022	Depreciation charge for the year	On disposals	Balance as at March 31, 2023	Balance as at March 31, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Capital -Work-in Progress	(2,013)		(790)		(1,223)	0	0	0	0	(2,013)

Notes to the Consolidated Financial Statements

Note 1.1 Capital -Work-in Progress (CWIP)

Capital Work-in Progress	Amount in CWIP for a Period of				Balance as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
Unit-5	6,375	-	-	-	6,375
Unit-3	88	45	-	-	133
	6,462				6,508

Note 1.2 Intangible Assets under Development

Intangible assets under development	Amount in CWIP for a Period of				Balance as at March 31, 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
SAP	118	148	111	224	601
	118	148	111	224	601

Intangible assets under development	Amount in CWIP for a Period of				Balance as at March 31, 2022
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Asset details:					
SAP	148	111	224	0	483
	148	111	224	0	483

Note 1.3 Intangible Assets under Development

Intangible assets under development	To be Completed in as on March 31, 2023			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Project 1	0	86	158	0
Total	0	86	158	0

Intangible assets under development	To be Completed in as on March 31, 2022			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Project 1	0	158	0	0
Total	0	158	0	0

Notes to the Consolidated Financial Statements

Note 1B Right of Use Assets

Right of Use Assets	As at April 1, 2022	Additions	Deductions	Balance as at March 31, 2023	Balance as at April 1, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use (Building)	20,325	6,909	3,801	23,433	6,658
Previous Year	(18,670)	(5,700)	(4,044)	(20,326)	(4,921)

Right of Use Assets	Depreciation charge for the year	On disposals	Balance as at March 31, 2022	Balance as at March 31, 2023	Balance as at March 31, 2022
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Right of Use (Building)	2,216	2,356	6,517	16,931	13,682
Previous Year	(1,747)	0	(6,658)	(13,682)	(13,749)

NOTE 2 INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ in Lakh	₹ in Lakh
Investment in Equity instruments***	56	66
Total	56	66

(₹ in Lakh)

Particulars	2023	2022
	₹ in Lakh	₹ in Lakh
Aggregate amount of Quoted investments	0	0
Aggregate Market Value of Quoted Investments	0	0
Aggregate amount of unquoted investments	56	66

A. Details of Trade Investments							₹ in Lakhs			
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Structured entity	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount			
			2023	2022			2023		2022	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) FV	(9) BV	(10) FVT OCI	(11)
1	Senen Mirza Industrial Supply Chain LLP**	Associate	N.A	N.A	Unquoted	Fully paid	55.00	55.00	0.00	66.00
Total							55.00	55.00	0.00	66.00

*1 The above investments have been acquired under the Scheme of Demerger (Refer Note 44) from the Mirza International Limited (MIL). However due to pending completion of legal formalities for transfers, Investment are still held in the name of MIL.

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

Notes to the Consolidated Financial Statements

NOTE 3 OTHER FINANCIAL ASSETS (NON CURRENT)

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Unsecured, considered good				
Security Deposits				
Security Deposit - Rent	966		997	
Security Deposit - Others	125	1,091	31	1,028
Total		1,091		1,028

Note 3.1 OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured, considered good		
Advance for Capital Goods	458	644
Total	458	644

NOTE 4 INVENTORIES *

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Raw Materials and components	1,324		2,492	
		1,324		2,492
b. Work-in-progress	158		496	
		158		496
c. Finished goods	525		702	
d. Stock-in-trade	59,759		34,984	
Goods-in transit	2,503		955	
		62,787		36,641
e. Stores and spares	30		36	
		30		36
Total		64,299		39,665

NOTE 5 TRADE RECEIVABLES

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Trade Receivable -Related Parties*	-		-	
Trade receivables considered good- unsecured (Other than related parties)	8,411	8,411	5,617	5,617
Total		8,411		5,617

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

(₹ in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		-
A Company in which directors are members	0	0
	0	0

Notes to the Consolidated Financial Statements

Note 5.2 Trade Receivable outstanding ageing schedule (FY 2022-23)

(₹ in Lakh)

Particulars	(i) Undisputed Trade receivables - Considered Good*	(ii) Undisputed Trade Receivables - Considered Doubtful*
Less than 6 Months	7,759	0
6 Months - 1 Year	648	0
1-2 years	2	0
2-3 years	1	0
More than 3 years	1	0
Total	8,411	-

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

NOTE 6 CASH AND CASH EQUIVALENTS

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
a. Balances with banks		2,435		1,112
This includes:				
Balance with banks held as margin money deposits against guarantees*	96		300	
B. Cash in hand		183		314
Total		2,618		1,426

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

NOTE 7 OTHER FINANCIAL CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Incentive Receivable (Export)	3	0
Advances to Employees	39	45
Rodtep Products Licence	2	0
Interest Receivable	0	2
Foreign currency forward contract	(31)	207
Security and other advances	113	73
Total	126	327

NOTE 8 OTHER CURRENT ASSETS

	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
(i) Advances other than Capital Advance		727		351
Advance to related party	35		-	
Suppliers Advance	692		351	
(ii) Others		2,144		1,344
Advance Income Tax (Net of Provision)				
Duties & Taxes (Others)	1		0	
Duties & Taxes (GST)	2,044		1226	
Prepaid Expenses	99		118	
Total		2,871		1,695

Notes to the Consolidated Financial Statements

NOTE 9 EQUITY SHARE CAPITAL

Share Capital	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorised				
Equity Shares of ₹ 2/- each	15,00,50,000	3,001	50,000	1
9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each	50,000	1	0	0
	15,01,00,000	3,002	50,000	1
Issued, Subscribed & Paid up				
Equity Shares of ₹ 2/- each fully paid up	13,82,01,900	2,764	50,000	1
9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each	50,000	1		
Total	13,82,51,900	2,765	50,000	1
To be issued				
Equity Shares of ₹ 2/- each fully paid up- to be issued			13,82,01,900	2,764
Total	0	0	13,82,01,900	2,764

Note 9A.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	50,000	1	0	0.00
Shares Issued during the year	13,82,01,900	2,764	50,000	1
Shares Cancelled during the year	50,000	1	NIL	NIL
Preference Shares converted into Equity Shares	NIL	NIL	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	13,82,01,900	2,764	50,000	1

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.

b. Preference Shares

Terms and Conditions for allotment of Preference Shares by the Company

- As per Clause 3.10 of Composite Scheme of Arrangement the pre-Scheme issued and paid-up share capital of the 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.
- Accordingly, upon the Scheme coming into effect, the 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 Company.

Notes to the Consolidated Financial Statements

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.
4. Other Terms and Conditions

S. No.	Particulars	Details
1	Cumulative / Non – Cumulative	Non - Cumulative
2	Conversion	Non - Convertible
3	Participation	Non - Participative
4	Maturity Date	30-Mar-28
5	Voting Rights	Non - Voting Shares
6	Payment Status	Fully Paid up

Note 9A.3 The details of Shareholders holding more than 5% shares

EQUITY SHARES				
Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MIRZA INTERNATIONAL LIMITED	0	0	49,994	99.99%
RASHID AHMED MIRZA	1,83,35,680	13.27%	1	0.002%
SHAHID AHMAD MIRZA	2,20,85,875	15.98%	1	0.002%
TAUSEEF AHMAD MIRZA	2,22,36,413	16.09%	1	0.002%
TASNEEF AHMAD MIRZA	1,95,03,504	14.11%	1	0.002%
SHUJA MIRZA	1,11,04,149	8.03%	1	0.002%

9% (Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 2/- each				
Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mirza International Ltd	49,994	99.99%	0	0.00%
RASHID AHMED MIRZA	1	0.002%	0	0.00%
SHAHID AHMAD MIRZA	1	0.002%	0	0.00%
TAUSEEF AHMAD MIRZA	1	0.002%	0	0.00%
TASNEEF AHMAD MIRZA	1	0.002%	0	0.00%
SHUJA MIRZA	1	0.002%	0	0.00%
FARAZ MIRZA	1	0.002%	0	0.00%

Notes to the Consolidated Financial Statements

Note 9A.4 Details of shares held by promoters and promoter group As at March 31, 2023

Name of the promoter/ promoter group	Number of shares as at April 1, 2022	Change during the year	Number of shares as at March 31, 2023	% Holding as at year end	% Change during the year
MIRZA INTERNATIONAL LIMITED	49,994	-49,994	0	-	
RASHID AHMED MIRZA	1*	1,83,35,679	1,83,35,680	13.27%	
SHAHID AHMAD MIRZA	1*	2,20,85,874	2,20,85,875	15.98%	
TAUSEEF AHMAD MIRZA	1*	2,22,36,412	2,22,36,413	16.09%	
TASNEEF AHMAD MIRZA	1*	1,95,03,503	1,95,03,504	14.11%	
SHUJA MIRZA	1*	1,11,04,148	1,11,04,149	8.03%	
FARAZ MIRZA	1*	-1	0	0.00%	
YASMIN MIRZA	0	57,70,200	57,70,200	4.18%	
FAUZIA MIRZA	0	50,000	50,000	0.04%	
NIDA MIRZA	0	2,220	2,220	0.00%	
HAYA MIRZA	0	19,500	19,500	0.01%	
MUSTAFA MIRZA	0	0	0	0.00%	
FARZAN MIRZA	0	0	0	0.00%	
AMAAN MIRZA	0	0	0	0.00%	
IRAM MIRZA	0	21,000	21,000	0.02%	
RAMSHA REHMAN	0	0	0	0.00%	
FIRDAUS AMIN	0	50,000	50,000	0.04%	

Note:* as Nominee Shareholder on behalf of Mirza International Limited.

As at March 31, 2022

Name of the promoter/ promoter group	Number of shares as at April 1, 2022	Change during the year	Number of shares as at March 31, 2022	% Holding	% Change during the year
MIRZA INTERNATIONAL LIMITED (Holding Company)	0	49,994	49,994	99.99	N.A
RASHID AHMED MIRZA*	0	1	1	0.00	N.A
SHAHID AHMAD MIRZA*	0	1	1	0.00	N.A
TAUSEEF AHMAD MIRZA*	0	1	1	0.00	N.A
TASNEEF AHMAD MIRZA*	0	1	1	0.00	N.A
SHUJA MIRZA*	0	1	1	0.00	N.A
FARAZ MIRZA*	0	1	1	0.00	N.A

Note:* as Nominee Shareholder on behalf of Mirza International Limited

Information regarding issue of shares in the last five years

The Company has not issued any bonus shares during the from last 1 years.

The Company has not undertaken any buy back of shares.

Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act, 2013

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	NIL	NIL	NIL	NIL

Notes to the Consolidated Financial Statements

(9B) Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus		Other Comprehensive Income	Total equity
	Capital Reserve	Retained Earnings	Hedging Reserves (Note 2)	
Balance as at March 31, 2021	-	-	-	-
Add : Profit for the year 2021-22		2,904	207	3,111
Add : Other Comprehensive Income (net of tax)		0		0
Add : Being Surplus resulted pursuant to the scheme of arrangement	27,382			27,382
Less : Income Tax Adjustment (Net)	330			330
Balance as at March 31, 2022	27,712	2,904	207	30,823
Add : Profit for the year 2022-23		14,215		14,215
Add : Other Comprehensive Income (net of tax)		(4)		(4)
Add : Change in Fair Value of Hedging instruments net of taxes			(230)	(230)
Add : Income Tax Adjustment (Net)	106			106
Balance as at March 31, 2023	27,818	17,116	(23)	44,911

NOTE 10 BORROWINGS (NON CURRENT)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Term loans				
Secured				
From banks *	2,985	1,603	1000	500
From banks (Auto Loan)#	86	32	152	54
Total	3,071	1,635	1,152	554

* (1) HDFC Bank term loans ₹7600 Lakh secured by exclusive charged on moveable assets funded from HDFC Bank term loan and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),Pari-passu charge on current & future stocks and book debts

(2) HDFC Bank working capital ₹11,000 Lakh secured by Pari passu charge on current & future stocks & book debts, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),

(3) Auto Loans are secured by the respective vehicle for which was availed.

(4) All the above secured Loans are guaranteed by Mr. Shuja Mirza

Notes to the Consolidated Financial Statements

Maturity Profile :

Secured against the assets purchased under the arrangements.

Maturity Profile :

(₹ in Lakh)

Term Loans from Banks Secured	Payment Type	No. Of Pending Instalment	Instalment Amount	Current			
				0- 1 Yrs	1 -2 Yrs	2 -3 Yrs	Non Current More than 3 Years
Term Loans				16,03,24,892	16,03,24,892	13,82,18,668	0
HDFC BANK TERM LOAN (2)	Quarterly	11	66,33,333	2,65,33,333	2,65,33,333	1,99,00,000	0
HDFC BANK TERM LOAN (3)	Quarterly	11	36,91,667	1,47,66,667	1,47,66,667	1,10,75,000	0
HDFC BANK TERM LOAN (4)	Quarterly	11	1,46,250	5,85,000	5,85,000	4,38,750	0
HDFC BANK TERM LOAN (5)	Quarterly	11	3,16,667	12,66,667	12,66,667	9,50,000	0
HDFC BANK TERM LOAN(6)	Quarterly	11	1,22,881	4,91,525	4,91,525	3,68,644	0
HDFC BANK TERM LOAN (7)	Quarterly	11	21,94,500	87,78,000	87,78,000	65,83,500	0
HDFC BANK TERM LOAN (8)	Quarterly	11	2,41,667	9,66,667	9,66,667	7,25,000	0
HDFC BANK TERM LOAN (9)	Quarterly	11	83,333	3,33,333	3,33,333	2,50,000	0
HDFC BANK TERM LOAN (10)	Quarterly	11	71,250	2,85,000	2,85,000	2,13,750	0
HDFC BANK TERM LOAN (11)	Quarterly	11	50,68,311	2,02,73,245	2,02,73,245	1,52,04,934	0
HDFC BANK TERM LOAN (12)	Quarterly	12	1,34,83,333	5,39,33,333	53,93,3333	5,39,33,333	0
HDFC BANK TERM LOAN (13)	Quarterly	11	35,36,364	1,41,45,455	1,41,45,455	1,06,09,090	0
HDFC BANK TERM LOAN (14)	Quarterly	12	44,91,667	1,79,66,667	1,79,66,667	1,79,66,667	0
Auto Loans				31,54,927	31,09,057	33,08,055	21,33,608
HDFC BANK AUTO LOAN (2)	Monthly	35	20,830	2,10,480	2,25,744	2,21,285	0
HDFC BANK AUTO LOAN (11)	Monthly	48	19,577	1,83,187	1,96,527	2,10,839	2,26,194
HDFC BANK AUTO LOAN (12)	Monthly	48	1,32,037	12,46,409	13,33,858	14,27,443	15,27,597
HDFC BANK AUTO LOAN (13)	Monthly	48	23,968	2,24,278	2,40,609	2,58,131	2,76,928
HDFC BANK AUTO LOAN (14)	Monthly	3	84,880	2,51,176	0	0	0
HDFC BANK AUTO LOAN (15)	Monthly	37	1,03,471	10,39,397	11,12,319	11,90,357	1,02,889
Total				16,34,79,819	16,34,33,949	14,15,26,723	21,33,608

NOTE 11 PROVISIONS

PROVISIONS	As at March 31, 2023	As at March 31, 2022
	₹ in Lakh	₹ in Lakh
Provision for employee benefits		
Gratuity (unfunded)	350	313
Total	350	313

Notes to the Consolidated Financial Statements

NOTE 12 DEFERRED TAX LIABILITIES(NET)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Deferred tax relates to the following:		
Deferred tax related to items recognised in statement of profit and loss:		
Deferred tax liabilities (gross)		
Property ,Plant, Equipment & Intangible Assets :Difference in Depreciations as per books of account and tax laws	(145)	84
Impact of expenditure charges to the financial statement in the books of account & tax	(204)	-
(a)	(349)	84
Deferred tax assets (gross)		
Impact of expenditure charges to the financial statement in the current /earlier year but allowable for tax pupose on payment	30	-
(b)Deferred Tax Asset created during the year	30	-
(c) = (a) - (b)	(379)	84
Deferred tax liabilities (net)	(379)	84
Deferred tax relates to the following:		
Deferred tax related to items recognised in OCI:		
Deferred tax assets (gross)		
Re-measurement losses on defined benefit plans	0	-
Re-valuation of Equity Investments	-	-
(d)	-	-
Deferred tax liabilities (gross)		
Deferred tax related to items recognised in equity	0	0
(e)	0	0
(f)=(d) + (e)	0	0
Deferred tax liabilities (net)	(95)	21

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and April 1, 2022

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Accounting profit/(loss) before income tax	18,910	4,080
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	4791	1156
Deferred tax expense reported in the statement of profit and loss	(95)	20
Non-deductible expenses for tax purposes:		
Impact of Lease rent Liabilities	2228	243
Depreciation and amortization expense (net)	214	777

Notes to the Consolidated Financial Statements

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Other non deductible expenses		
Deductible expenses for tax purposes:	2,083	508
Depreciation as per IT Act, 1961	235	0
Others	0	0
At the effective income tax rate	4,791	1,156
Current tax expense reported in the statement of profit and loss	4,791	1,156
Deferred tax expense/(credit) reported in the statement of profit and loss	(95)	20

Reconciliation of deferred tax liabilities (net):

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Opening balance of DTA/DTL (net)	319	298
Deferred tax income/(expense) during the period recognised in profit or loss	(95)	21
Impact of Others	-	-
Closing balance of DTA/DTL (net)	224	319

NOTE 12 INCOME TAX (NET)

A) Deferred Tax expense recognised in the Statement of Profit & Loss

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
A. Liabilities:		
Related to fixed assets	(37)	21
B. Assets:		
Disallowance under the Income Tax Act, 1961	59	0
Total (A - B)	(95)	21

NOTE 13 OTHER NON CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Others		
Security deposits - from Franchise	12,168	9,955
Lease Rent Liabilities	16,011	13,095
Total	28,179	23,050

Notes to the Consolidated Financial Statements

NOTE 14 BORROWINGS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Secured*		
Working capital loans repayable on demand		
From Other banks	3,364	244
From Foreign Bank	0	900
Current maturities of long-term debt (Refer Note No. 10)		
Term Loan From banks **	1,603	500
Term Loan From bank (Auto Loan)	32	54
Total	4,999	1,698

- *(1) HDFC Bank term loans ₹7600 Lakh secured by exclusive charged on moveable assets funded from HDFC Bank term loan and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh), Pari-passu charge on current & future stocks and book debts
- (2) HDFC Bank working capital ₹11,000 Lakh secured by Pari passu charge on current & future stocks & book debts, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),
- (3) Auto Loans are secured by the respective vehicle for which was availed.
- (4) CITI Bank working capital ₹12,000 Lakh secured by First Pari passu charge on present & future stocks & book debts, exclusive charge on property situated at Plot No.4,5,36&37, Sector-59, Noida.
- (5) Federal Bank working capital ₹5000 Lakh secured by First Pari passu charge by way of hypothecation on entire current assets present & future stocks & book debts, exclusive charge on property situated at Plot No.8, Sector-90, Noida.
- (6) All the above secured Loans are guaranteed by Mr. Shuja Mirza.

NOTE 15 TRADE PAYABLE

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Micro, Small and Medium Enterprises *	1,224	784
Others	33,132	15,990
Total	34,356	16,774

* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2023/March 31, 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	1,224	33,116
1-2 years	-	3
2-3 years	-	13
More than 3 years	-	-
Total	1,224	33,132

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

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

Notes to the Consolidated Financial Statements

NOTE 16 OTHER FINANCIAL CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest accrued but not due on borrowings	36	0
Other payables		
Commission Payable on Inland Sales	1,620	1,550
Outstanding Liabilities #	382	425
ESI & PF Payable	10	0
Salary Payable	168	146
Bonus Payable	251	218
Audit Fees Payable	14	8
Unpaid Commission on Export Sales	0	7
Rent Payable	48	65
Duties & Taxes (TDS payable)	230	108
Lease Rent Liabilities	1,918	2,787
Total	4,677	5,314

Note 16.1 NON FINANCIAL CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
Advance Received From Customers	117	138
Total	117	138

NOTE 17 PROVISIONS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
(a) Provision for employee benefits		
Gratuity (Unfunded)	224	208
Total	224	208

Notes to the Consolidated Financial Statements

NOTE 18 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Sale of products	1,46,820	30,301
Other operating revenues	11	21
Total	1,46,831	30,322

NOTE 19 OTHER INCOME

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest Income	53	24
Other non-operating income		
Other Income	599	(18)
	652	6

Note 19 (i) Other Comprehensive Income- Items that will not be reclassified to Profit and Loss

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Remeasurement gain/(loss) of Defined Benefit Plan	(5)	0
Equity investments Through OCI		
Total	(5)	0

Note 19 (ii) Other Comprehensive Income- Items that will be reclassified to Profit and Loss

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Hedging Reserve	(310)	207
Total	(310)	207

NOTE 20 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Others	11,300	2,147
Stores & Spares	101	18
Total	11,401	2,165

Notes to the Consolidated Financial Statements

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

Particulars	For the year ended March 31, 2023		For the period ended March 31, 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Inventories (at close)				
Finished Goods	62,786		36,641	
Stock-in-Process	158	62,944	496	37,137
Inventories (at commencement)				
Finished Goods	36,641		31,137	
Stock-in-Process	496	37,137	272	31,409
Change in Inventories Decrease/(Increase)		(25,807)		(5,728)

NOTE 22 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Salaries and Wages	4,508	1,077
Contribution to Provident and Other Funds	154	46
Gratuity to Employees	61	-9
Staff Welfare Expenses	263	71
Total	4,986	1,185

Note 22.1 Employee benefits :

The Company is providing the following benefits to their employees :

- Gratuity
- Provident Fund
- Leave encasement

The amounts recognised in Balance Sheet are as follows:

Present value of defined benefit obligation	As at March 31, 2023	As at March 31, 2022
A) – Wholly funded	-	-
– Wholly unfunded	367	-
	367	0
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)	367	0
B) Amounts reflected in the Balance Sheet		
Liabilities	367	0
Assets	0	0
Net liability/(asset)	367	0
Net liability/(asset) - current #	17	0
Net liability/(asset) - Non-current	350	0

Notes to the Consolidated Financial Statements

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

Particulars	2022-23	2021-22
	(₹ in Lakh)	(₹ in Lakh)
Current service cost	37	0
Interest cost	24	0
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	5	0
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		
Total	66	0
Amount included in "employee benefits expense"	61	0
Amount included as part of "finance cost"	-	-
Amount included as part of "other comprehensive income"	5	0

Particulars	2022-23	2021-22
	(₹ in Lakh)	(₹ in Lakh)
Opening balance of the present value of defined benefit obligation	0	0
Add: Current service cost	37	0
Add: Interest cost	24	0
Add: Contribution by plan participants		
i) Employer	0	0
ii) Employee	0	0
iii) Transfer-in/(out)	0	0
Add: Acquisitions	332	
Add/(less): Remeasurement - Actuarial losses/(gains)	0	
i) Actuarial (gains)/losses arising from changes in demographic assumption	0	0
ii) Actuarial (gains)/losses arising from changes in financial assumptions	0	0
iii) Actuarial (gains)/losses arising from changes in experience adjustments	5	0
Less: Benefits paid	(31)	0
Add: Past service cost	0	0
Add: Liabilities assumed on transfer of employees	0	0
Add: Business combination/acquisition	0	0
Add: Adjustment for earlier years	0	0
Add/(less): Translation adjustments	0	0
Closing balance of the present value of defined benefit obligation	367	0

Notes to the Consolidated Financial Statements

Particulars	2022-23	2021-22
	(₹ 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	-	-
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	-	-
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows :

	2022-23	2021-22
1. Financial Assumptions		
Discount Rate	7.20% p.a.	-
Rate of increase in salaries	6.00% p.a.	-
2. Demographic Assumptions		
Mortality Rate (% of IALM 2012-14)	100.00%	-
Normal Retirement Age	60 Years	-
Attrition Rates, based on age (% p.a.) For all Ages	2	-

- The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.
- 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 defined 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 :

	As on March 31, 2023	As on March 31, 2022
Defined Benefit Obligation (Base)	367.19	-

Notes to the Consolidated Financial Statements

Particulars	As on March 31, 2023		As on 31/03/2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	414	327	-	-
% change compared to base due to sensitivity	12.86%	-10.81%	-	-
Salary Growth Rate (- / + 1%)	326	415	-	-
% change compared to base due to sensitivity	-11.23%	13.15%	-	-
Attrition Rate (- / + 50%)	362	372	-	-
% change compared to base due to sensitivity	-1.37%	1.19%	-	-
Mortality Rate (- / + 10%)	366	368	-	-
% change compared to base due to sensitivity	-0.22%	0.22%	-	-

NOTE 23 FINANCE COST

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Interest & Bank Charges	1,746	399
Total	1,746	399

NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Depreciation Expenses	4,444	238
Leasehold Land Amortisation	0	5
Total	4,444	243

NOTE 25 OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Processing Charges	2,356	448
Commission	22,205	4518
Freight and Transport	4,896	1149
Power and Fuel	1,442	314
Selling & Advertisement Expenses	4,624	998
Rent	432	0
Vehicle Running & Maintenance	60	19
Repair and Maintenance (other than building & machinery)	774	181
Traveling & Conveyance Expenses	287	82
Insurance	194	4
Security Expenses	261	64
Postage & Courier	133	51
Telephone & Telex	66	16
Legal & Professional Chrgs	433	29
Rates and Taxes, excluding taxes on income	365	37

Notes to the Consolidated Financial Statements

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
Repairs to machinery	25	57
Repairs to buildings	14	6
Printing & Stationery	84	19
Donation and Subscription	23	1
(Profit)/Loss on Sale of Property, plant and equipment	(13)	31
Miscellaneous Expenses	67	1334
Audit Fees	15	9
Loss of Partnership	11	0
Total	38,754	9,367

Payments to the auditor as	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
(I) To Statutory Auditors		
a. For Audit Services	15	9
(ii) To Branch Auditors for Audit Services	0	0
	-	-
Total	15	9

Note 25.2 Details of Corporate Social Responsibility Expenditure

Payments to the auditor as	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
a) Total amount required to be spent for the financial year	0	0
b) Amount spent during the financial year	0	0
Total	-	-

NOTE 26 EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	14,215	2,904
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	13,82,01,900	50,000
(iii) Basic and Diluted Earnings per share (₹)	10.29	2.10
(iv) Face Value per equity share (₹)	2	2

Notes to the Consolidated Financial Statements

NOTE-27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹ in Lakh	₹ in Lakh
A	Nil	Nil
B	Nil	Nil
C	970	852
D	Indeterminate	Indeterminate
E COMMITMENT		
A	4,215	3,738
A	CAPITAL EXPENDITURE (Net of fund already deployed)	

NOTE 28 SEGMENT REPORTING

Segment Information for the year ended March 31, 2023

Information about Primary Business Segments

	(₹ in Lakh)			
	SHOE DIVISION	GAR & ACC DIVISION	UNALLOCATED	TOTAL
External	77113	68769	1601	147483
	(14153)	(15480)	(695)	(30328)
Total Revenue	77113	68769	1601	147483
	(14153)	(15480)	(695)	(30328)
Result				
Segment Result (Profit before Interest & Tax)	10450	9319	887	20656
	(1888)	(2073)	(518)	(4479)
Less: Interest Expenses	918	818	10	1746
	(189)	(208)	(2)	(399)
Profit before Taxation	9532	8500	877	18910
	(1698)	(1865)	(516)	(4080)
Provision for Taxation	2,371	2,114	210	4695
	(486)	(534)	(156)	(1176)
Net Profit	7161	6386	667	14215
	(1212)	(1331)	(361)	(2904)
Other Information				
Segment Assets	64768	57760	1345	123873
	(39004)	(42830)	(721)	(82554)
Segment Liabilities	39841	35529	827	76197
	(23170)	(25442)	(354)	(48966)
Capital Expenditure	7739	6902	1660	16301
	(1146)	(1022)	(2755)	(4923)
Depreciation	2324	2072	48	4444
	(113)	(124)	(6)	(243)

Notes to the Consolidated Financial Statements

Information about Secondary Business Segments

	(₹ in Lakh)		
Revenue by Geographical Market	WITHIN INDIA	OUTSIDE INDIA	TOTAL
External	146,142	1,341	147483
	(29540)	(788)	(30328)
Carrying amount of segment assets	122631	1,242	123873
	(81850)	(704)	(82554)
Additions to Fixed Assets	14706	1595	16301
	(2192)	(2731)	(4923)

* Includes Export incentive received on Export

Notes :

- (i) The Company is organized into two main business segments, namely:
 Garments and accessories Division
 Shoe Division
 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 March 31, 2023	For the period ended March 31, 2022
	₹ in Lakh	₹ in Lakh
No. of Non Resident Shareholders	-	-
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	NIL	NIL
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

Notes to the Consolidated Financial Statements

NOTE 30 RELATED PARTY TRANSACTIONS

Particulars	Relationship	Volume of Transactions	Outstanding		Volume of Transactions	Outstanding	
		April 2022- March 2023	April 2022- March 2023		January 2022- March 22	January 2022- March 22	
		Amount in Lakhs	Amount in Lakhs		Amount in Lakhs	Amount in Lakhs	
1 Purchase							
Euro Footwear Pvt. Ltd	Enterprise over which Key Management Personnel are able to exercise significant Influence	463	38	Cr.	0	-	
Gempack Enterprises	-do-	185	13	Cr.	52	20	Cr.
Shoemac Leather Tech Eng. Ltd	-do-	17	3	Cr.	9	2	Cr.
World Wear Products	-do-	283	-		-	-	
Sen En Mirza Industrial Supply Chain LLP	More than 52% capital is contributed by the Company	-	-		1	-	
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	2840	57	Cr.	799	209	Cr.
2 Sale							
Euro Footwear Pvt. Ltd	Enterprise over which Key Management Personnel are able to exercise significant Influence	226	-		4	3	Dr.
Gempack Enterprises	-do-	2	-		0	-	
RTS FASHION FZE -DUBAI	-do-	154	122	Dr.	-	-	
Asian Traders	-do-	1	1	Dr.	-	-	
World Wear Products	-do-	37	0	Dr.	-	-	
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	619	-		122	-	
3 Jobwork Expenses							
Shoemac Leather Tech Eng. Ltd	-do-	-	-		0	-	
4 Jobwork Income							
Euro Footwear Pvt. Ltd		-	-		0	-	
Sen En Mirza Industrial Supply Chain LLP	More than 52% capital is contributed by the Company	-	-		15	-	
5 Rent and Maintenance Charges paid							
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	510	-		-	-	
6 Reimbursement of Expenses							
Mirza International Limited	Chairman and Managing Director are the Director in the Entity	614	-		-	-	

Notes to the Consolidated Financial Statements

Particulars	Relationship	Volume of Transactions	Outstanding		Volume of Transactions	Outstanding
		April 2022- March 2023	April 2022- March 2023		January 2022- March 22	January 2022- March 22
		Amount in Lakhs	Amount in Lakhs		Amount in Lakhs	Amount in Lakhs
7 Managerial Renumeration						
Directors Remuneration						
Mr. Shuja Mirza	Managing Director of the Company	600	50 Cr.		45	15 Cr.
Mr. Narendra Prasad Upadhyaya	Whole Time Director of the Company	43	4 Cr.		11	4 Cr.
Mr. Arvind Verma	Whole Time Director of the Company	66	4 Cr.		12	4 Cr.

NOTE 31 FOLLOWING PAYMENTS TO DIRECTORS ARE INCLUDED IN VARIOUS HEADS OF EXPENDITURE :

Particulars	2023	2022
	₹ in Lakh	₹ in Lakh
Salary	731	72
Perquisites	0	0
Sitting Fees	0	0
Guarantee Commission	0	0
Total	731	72

NOTE 32 FORWARD CONTRACTS

Forward Exchange Contracts entered into by the Company and outstanding as at the Balance Sheet date.

Forward contracts USD INR 718.14 lakhs (466.74 lakhs) Purchase Hedging.

NOTE 33

The immovable properties have been acquired under the Scheme of Demerger (Refer Note 44) from the Mirza International Limited (MIL). However due to pending completion of legal formalities for transfers, title deeds are still held in the name of MIL.

NOTE 34 RELATIONSHIP WITH STRUCK OFF COMPANY

Name of Struck off Company	Name of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company , if any, to be disclosed
Nil	Investments in securities	Nil	Nil
	Receivables		
	Payables		
	Shares held by struck off company		
	Oher Outstanding balance (to be specified)		

Notes to the Consolidated Financial Statements

NOTE 35 RATIOS

Sl. No.	Ratio Type	Numerator	Denominator	Unit	2022-23	2021-22	Variation (In %)	Explanation for Changes of 25% or More
1	Current Ratio	Current Assets	Current Liabilities	Times	1.77	2.02	-12.59%	
2	Debt-equity ratio	Total Debt [^]	"Equity	Times	0.17	0.08	-99.49%	Due to increase of the Capital work in progress Debt equity ratio increased.
3	Debt service coverage ratio	Earnings available for debt service*	Debt Service**	Times	3.11	1.66	87.72%	Increase in Profitability lead to repayment of debt, which resulted in improvisation of the ratio
4	Return on equity ratio	Net Profit after taxes	Equity Shareholder funds	%	29.82	8.65	244.82%	Higher Profitability as compared to last year has increased the return to Equity shareholders as compared to the previous year.
5	Inventory turnover ratio	Sales	Average Inventory	Times	2.82	0.75	277.23%	Higher level of Inventory has increased the ratio
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	4.36	3.08	41.32%	Higher level of Turnover has increased the ratio
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	1.20	1.41	-15.08%	
8	Net capital turnover ratio	Sales	Working Capital	Times	4.32	1.23	250.83%	Higher level of Turnover has increased the ratio
9	Net profit ratio	Net Profit after taxes	Sales	%	9.68	9.58	1.07%	
10	Return on capital employed	Earning before interest and taxes	Capital Employed***	%	25.98	7.67	238.90%	Due to Increase in Turnover, EBIT has improvised which has inturn improved the return to shareholders
11	Return on investment	Return/ Profit/ Earnings	Investment	%	NA	NA	NA	

Since the previous year consists business for only 3 months and has been restated pursuant to scheme of arrangement , hence the figures are incomparable.

Notes to the Consolidated Financial Statements

NOTE-36 RELATED PARTY TRANSACTIONS

Related Party Disclosures, as required by IND-AS24, are given below:

Relationships	
i) Holding Company:	REDTAPE Limited
ii) Associates/Other body corporate	Sen En Mirza Industrial Supply Chain LLP, Mirza International Limited
iii) Key Management Personnel & Relatives:	Mr. Shuja Mirza (Managing Director – REDTAPE Limited and Director in Mirza Bangla Limited), Mr. Rajan Wig (Director), Mr. Rashid Ahmed Mirza (Chairman – REDTAPE Limited), Mr. Arvind Verma (Whole-time Director REDTAPE Limited), Mr. Narendra Prasad Upadhyaya (Whole-time Director REDTAPE Limited), CA Abhinav Jain (C.F.O. – REDTAPE Limited) Ms. Nandita Singh (Company Secretary REDTAPE Limited), Mr. Shahid Ahmad Mirza Mr. Tauseef Ahmad Mirza Mr. Tasneef Ahmad Mirza Mrs. Yasmin Mirza Mrs. Fauzia Mirza Mrs. Haya Mirza Mrs. Nida Mirza Mrs. Firdaus Amin Mrs. Iram Mirza Mr. Farzan Mirza Mr. Amaan Mirza Ms. Sara Mirza Ms. Hiba Mirza Mr. Faraz Mirza Mr. Mustafa Mirza Mrs. Yusra Mirza Mrs. Sabiha Hussain
iv) Directors & Relatives:	Dr. Rajshree Saxena, Mr. Sanjay Bhalla, Dr. Yashvir Singh and Mr. Subhash Chander Sapra (Independent Directors of REDTAPE Limited)
v) Related Companies:	Shoemax Engineering Pvt. Ltd., Shoemac Leather Tech Engineers Ltd., Mirza Charitable Hospital Ltd., Euro Footwear Pvt. Ltd., Emgee Projects Pvt. Ltd., Genesisriverview Resorts Pvt. Ltd., Aarem Heights Pvt. Ltd., Mirza (U.K.) Ltd., Mirza Investment Pvt. Ltd., Silver Spark Pvt. Ltd., Empire Holdings Ltd Kasi 1981 Alumni Foundation, Empire Holdings Ltd., Industrial Infrastructure Services (India), Olive Shoes Private Limited
vi) Related Parties/Firms:	UEM Trading LLP, Achee Shoes LLP, Red Tape International LLP, Mirza Holdings LLP, Mughal Express LLP,

Notes to the Consolidated Financial Statements

Relationships

RTS Fashion LLC,
World Wear Products
Mirza Projects,
Gempack Enterprises,
Asian Traders
Waves International,
Mirza Foundation,
Kilkari Charitable Trust,
RTS Fashion FZE, UAE
Chowdhary Ajab Singh & Co.

NOTE-37

Since the Composite Scheme of Arrangement has been given effect to in the current year Financial Statements as well as restatement made in the previous year Financial Statements, as explained elsewhere, the current year figures are not comparable with the previous year figures.

NOTE-38 LEASES

Right-of-use assets and Lease Liability:

Information about leases for which the company is a lessee is presented below:

Right-of-use assets (ROU Assets)

	Amount in Lakhs
Balance as on March 31, 2022	13,668
Addition for the new leases*	6,909
Depreciation charge for the year	2,216
Deletions for terminated leases	1,445
Balance as on March 31, 2023	16,916

*included initial direct cost.

The aggregate depreciation expense on ROU assets amounting to ₹ 22,16 Lakhs is included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

The following is the movement in the lease liabilities during the year ended March 31, 2023:

	Amount in Lakhs
Lease Liability	March 31, 2023
Balance as on March 31, 2022	15,867
Addition for New leases	6,887
Accreditation of Interest	986
Payment of Lease Liability	(3,786)
Deletions for Terminated Leases	(2,038)
Balance as on March 31, 2023	17,916

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.

Notes to the Consolidated Financial Statements

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2023 on an undiscounted basis:

	Amount in Lakhs
Maturity analysis – contractual undiscounted cash flows	March 31, 2023
Less than one year	3,115
After one year but not longer than five years	10,822
More than five years	6,636
Total	20,573

Lease liabilities included in the statement of financial position at March 31, 2023

	Amount in Lakhs
	March 31, 2023
Current	1,906
Non-Current	16,009
Total	17,916

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE-39 IND AS 107, FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments are as follows:

Financial assets: Investments, Cash and bank balance, Loans, Trade and other receivables,

Financial liabilities: Borrowings, Trade and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Investment, Cash and Cash equivalents	Aging analysis	Bank deposits, diversification of asset base
Liquidity Risk	Borrowing and other Liabilities	Cash flow forecast	Availability of borrowing facilities

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk Company uses forward exchange contracts to hedge its foreign exchange risk of anticipated sales or purchase transactions in the normal course of business, which occur within the next twelve months, for which it has a firm commitment from a customer or to a supplier.

The terms of these contracts are consistent with the timing of the transactions being hedged. The hedges related to forecasted transactions are designated and documented at the inception of the hedge as cash flow hedges.

Notes to the Consolidated Financial Statements

The following table sets forth information relating to foreign currency exposure as on March 31, 2023:

	(Amount in Lakh)	
	USD	Others
Net financial assets	-	
Net financial liabilities	718.14	

(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 Lakh)	
Credit rating	Particulars	March 31, 2023	March 31, 2022
Low Credit Risk	Cash and cash equivalents investments and other financial assets	26,18	14,26

Notes to the Consolidated Financial Statements

b) Credit exposure

Provisions for expected credit losses:

The Company provides for 12 month expected credit losses for following financial assets:

As at March 31, 2023

(₹ in Lakh)				
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	8,411			8,411
Cash and cash equivalents	2,618			2,618
Other financial assets	126			126

As at March 31, 2022

(₹ in Lakh)				
Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	5,617			5,617
Cash and cash equivalents	1,426			1,426
Other financial assets	327			327

(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, 2023 and March 31, 2022 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.

Notes to the Consolidated Financial Statements

NOTE: 40 MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006. Beyond the statutory period of 45 days

Particulars	As at March 31, 2023	As at March 31, 2022
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 declare to shareholders, return capital to shareholders.

Particulars	(₹ in Lakh)	
	March 31, 2023	March 31, 2022
Net Debt*	5,452	1,424
Total Equity	47,676	33,588

*Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

Notes to the Consolidated Financial Statements

NOTE: 42 FINANCIAL INSTRUMENTS -FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

Set out below, are the fair values of the financial instruments of the Company, including their accounting classifications:

Amount in Lakh

Particulars	Note No.	March 31, 2023			March 31, 2022		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial assets							
Investments	2	56			66		
Security deposits	3	1,091			1,028		
Trade receivables	5	8,411			5,617		
Cash and cash equivalent	6	2,618			1,426		
Incentive Receivable (Export)	7	3			0		
Rodtep Products Licence	7	2			0		
Advances to Employees	7	39			45		
Advance to Other	7	113			73		
Interest Receivable	7	0			2		
Others	8	2,871			1,695		
Total		15,204			9,952		
Financial liabilities							
Term loan from bank	10	4,706			1,706		
Provision- Gratuity	11	350			313		
Security deposits - for franchise	13	12,168			9,955		
Lease Rent Liabilities (net)	13	17,929			15,882		
Working Capital Loan from banks	14	3,364			1,144		
Trade Payable	15	34,356			16,774		
Commission Payable on Inland Sales	16	1,620			1,550		
Outstanding Liabilities	16	382			425		
Salary Payable	16	168			146		
Bonus Payable	16	251			218		
Audit Fees Payable	16	14			8		
Unpaid Commission on Export Sales	16	0			7		
Duties & Taxes (TDS payable)	16	230			108		
Total		75,538			48,236		

Financial instruments- Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the financial assets and financial liabilities of the Company:

Notes to the Consolidated Financial Statements

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at period end:

Amount in Lakh

	March 31, 2023				March 31, 2022			
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		
		Level I	Level II	Level III		Level I	Level II	Level III
A Financial Assets								
a) Measured at amortised cost								
Security deposits	1,091	1,091			1,028	1,028		
Trade receivables	8,411	8,411			5,617	5,617		
Cash and cash equivalent	2,618	2,618			1,426	1,426		
Incentive Receivable (Export)	3	3			0	0		
Advances to Employees	39	39			45	45		
Advance to Other	113	113			73	73		
Interest Receivable	0	0			2	2		
Others	2,871	2,871			1,695	1,695		
Sub Total	15,146	15,146			9,886	9,886		
b) Measured at Fair value through OCI								
Investment	56		56		66		66	
Sub Total	56		56		66		66	
c) Measured at Fair value through profit or loss								
Total	15,202	15,146	56		9,952	9,886	66	
B Financial Liabilities								
a) Measured at amortised cost								
Term loan from bank	4,706	4,706			1,706	1,706		
Provision- Gratuity	350	350			313	313		
Security deposits - for franchise	12,168	12,168			9,955	9,955		
Lease Rent Liabilities (net)	17,929	17,929			15,882	15,882		
Working Capital Loan from banks	3,364	3,364			1,144	1,144		
Trade Payable	34,356	34,356			16,774	16,774		
Commission Payable on Inland Sales	1,620	1,620			1,550	1,550		
Outstanding Liabilities	382	382			425	425		
Salary Payable	168	168			146	146		
Bonus Payable	251	251			218	218		
Audit Fees Payable	14	14			8	8		
Unpaid Commission on Export Sales	0	0			7	7		
Duties & Taxes (TDS payable)	230	230			108	108		
Total	75,538	75,538			48,236	48,236		

Notes to the Consolidated Financial Statements

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 March 31, 2023 and March 31, 2022.

NOTE: 43 FRAUD

The Company deals in Fashion Items such as Footwear, Apparel, Accessories etc. Company has made its sales network through its retail stores pan India at various remote locations. The Company operates these retail stores, through its owned stores or stores operated by its Franchisee. Due to remote locations and volumes of transactions, there are few instances where employees of the company misappropriated the Cash of the sale proceeds of the retail store.

During the year under Audit there are three cases reported where they have misappropriated ₹ 19.01 lakh (₹36.77 lakh) constitute even less than 0.01% of the total sales proceeds of company owned stores. This is general trend of the industry. Although due to efficient internal checks and controls, we could unearth these misappropriations and took the legal action against such employees of the company.

NOTE 44

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1) COMPANY OVERVIEW:

REDTAPE Limited ("The Company") is a public limited company incorporated in India on December 8, 2021 having its registered office located at Plot No. 08, Sector 90, Noida - 201301, Uttar Pradesh, India.

Pursuant to the Scheme of the Arrangement as approved by the Hon'able National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated February 21, 2023 approved the Composite Scheme of Arrangement (refer sub note 28 of Note 44). The Scheme become operative on filing

of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur on February 25, 2023. The Scheme is to take effect from January 1, 2022, being the Appointed Date of the Scheme.

The Company is in the retail sale of Footwear, garments & apparels and allied products and also a manufacturer of footwear.

2) STATEMENT OF COMPLIANCE:

These consolidated 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 consolidated 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.

Notes to the Consolidated Financial Statements

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:

i. 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.

ii. 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.

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) Depreciation on all assets except intangible assets and assets held under lease are provided as per Schedule II to the Companies Act, 2013. Management believes that useful life of assets are same as those prescribed in Schedule II to the Companies Act, 2013.

3) 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.

4) Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.

5) 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

Notes to the Consolidated Financial Statements

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 company also has taken Land as lease from Development Authorities. 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 or risk-free rate as the case may be. 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:

Notes to the Consolidated Financial Statements

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 to 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

Notes to the Consolidated Financial Statements

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:

Manufactured Goods: Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on a weighted average cost basis.

Traded Goods: Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

Goods in Process: At cost plus estimated value addition/cost of conversion at each major stage of production.

Provision on Inventory –

The company has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non – core (fashion) and sub categorised into finished goods and raw materials. The company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods

Notes to the Consolidated Financial Statements

Provision for discount and sales return -

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

13) FOREIGN CURRENCY TRANSACTIONS

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), 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, 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.

Notes to the Consolidated Financial Statements

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.

Notes to the Consolidated Financial Statements

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 its put to use.

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

Notes to the Consolidated 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 the 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

Notes to the Consolidated Financial Statements

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

a) A Composite Scheme of Arrangement of RTS Fashions Pvt. Ltd, Mirza International Ltd and REDTAPE Limited (hereinafter referred to as the Composite Scheme of Arrangement/the Scheme) was 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.

b) The aforesaid Composite Scheme of Arrangement provides for:

- i. Amalgamation of RTS Fashions Pvt. Ltd (the Transferor Company) with and into Mirza International Ltd (the Transferee Company);
- ii. Demerger of Branded Business/REDTAPE Business (the Demerged Business) of Mirza International Ltd into REDTAPE Limited (the Resulting Company) on going concern basis; and
- iii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation and De-merger.

c) Salient features of the Composite Scheme of Arrangement are as follows:

Being part of composite scheme:

- i. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of RTS Fashions Pvt. Ltd (the Transferor Company) will be transferred to and vest in Mirza International Ltd (the Transferee Company).
- ii. 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 (the Transferee Company) will be transferred to and vest in REDTAPE Limited (the Resulting Company) on going-concern basis.

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.

The Resulting Company-REDTAPE Limited 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.

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 and 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.

Appointed Date for the Scheme will be January 1, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

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

Post-Scheme, REDTAPE Limited will be listed on BSE and NSE.

d) The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated February 21, 2023 (date of pronouncement of Order) approved the Composite Scheme of Arrangement. The Scheme has become operative with effect from the Effective Date: February 25, 2023, on filing of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur. The Scheme is effective from January 1, 2022, being the Appointed Date of the Scheme.

e) In terms of the Scheme, RTS Fashions Pvt Ltd. has been merged into Mirza International Ltd along with all the assets and liabilities; and entire REDTAPE Business of Mirza International Limited has been demerged into Redtape Limited, with effect from January 1, 2022.

Notes to the Consolidated Financial Statements

- f) The present Financial Statements of the Company have been prepared after giving effect of the Amalgamation and Demerger in terms of the Scheme. Further, figures of the previous Financial Year ended March 31, 2022, have also been restated to give effect to the Scheme with effect from January 1, 2022.
- g) Prior to the Scheme, the Transferee Company-Mirza International Limited was 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.
- h) The Resulting Company-REDTAPE Ltd was newly incorporated on December 8, 2021, to carry on the Demerged Business-REDTAPE Business after the Demerger in terms of the Scheme.
- i) **Accounting Treatment for Demerger**
1. **The details of assets and liabilities transferred from Mirza International Limited (Transferee Company) to Redtape Limited (resulting Company) are as under:**

Particulars	₹ in Lacs As at December 31, 2021
Asset	
Non Current Assets	
Property Plant & Equipment (Net of Accumulated Depreciation)	13,521
Capital Work in Progress	2,013
Right of Use Assets	14,551
Financial Assets	
(i) Investments	97
Total Non Current Assets	30,182
Current Assets	
(i) Inventories	33,186
Financial Assets	
(i) Trade receivables	6,845
(ii) Cash and Bank Balances	3,641
(iii) Loans and Advances	3,420
Total Current Assets	47,091
Total assets transferred to REDTAPE LIMITED (A)	77,273
Liabilities	
Non Current Liabilities	
(i) Secured Loans	4,174
(ii) Deferred Tax	466
Total Non Current Liabilities	4,640
Current Liabilities	
(i) Current Liabilities	26,117
(ii) Provisions	235
(iii) Lease Rent Liabilities (Net)	16,135
Total Current Liabilities	42,487
Total liabilities transferred to REDTAPE (B)	47,127
Net Amount (A-B)	30,146

Notes to the Consolidated Financial Statements

The transactions pertaining to the transferred business of the Company from the appointed date upto the effective date of the Scheme have been deemed to be made by Redtape Limited.

As per the Order, the assets of the Company stand free from all charges, mortgages and encumbrances relating to liabilities relating to business transferred to Redtape Ltd. The Company had created charges over its assets (including those which now belong to Redtape Ltd) under section 77 of the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of Redtape Ltd. The Company continues to enjoy credit facilities by the subsisting charges, mortgages and encumbrances over such assets. Vice-versa, Redtape Ltd enjoys credit facilities by the subsisting charges, mortgages and encumbrances over assets retained by the Redtape Ltd. Till creation/modification/satisfaction of Charges, as the case may be, in favour of the various banks of the respective Companies in terms of the applicable laws/sanction terms.

2. The Impact of the Demerger on these financial statements is as under:

The Company has given effect to the Scheme for the year ended March 31, 2023 considering it to be an adjusting event and has accounted the same as per the pooling of interest method since the conditions as per the requirements of Ind AS 103 – Business Combinations of entities under common control are met. The Company came under common control on January 1, 2022 and hence the comparative numbers have to be restated for the period of March 31, 2022. However it is not practically possible to arrive at Financial Results of Demerged Undertakings for the period one day i.e. January 1, 2022, therefore, in order to present the actual scale of operations of the Demerged Undertakings for the financial year ended March 31, 2022, the management has presented the Financial Information of the Demerged Undertakings for the period of Nine months ended December 31, 2021 as additional disclosure and not restated the statement of profit and loss account for the year ended March 31, 2022. The said Financial Information for nine months periods of the Financial Year 2021-22 have been extracted from the disclosure in the financial Information of the Demerged Company, for the year ended March 31, 2022, which has not been separately subject to audit or review and has been presented as ‘Unaudited’ Supplementary Information herein after.

As per the share swap ratio approved in the Order, the Company has issued equity shares of ₹ 2/- each in the ratio of 1:1 to the shareholders of Demerged Company on March 31, 2023.

The assets and liabilities pertaining to the Demerged Undertakings, transferred to and vested in the Resulting Company pursuant to the Composite Scheme are recorded at their respective carrying values as appearing in the books of Demerged Company. The Share capital account has been credited with the aggregate face value of the shares issued to the Shareholders pursuant to the Scheme and the difference has been accounted in the appropriate reserves within “Other Equity”.

Particular	₹ In Lakhs		
	Net Assets/ (Liability) acquired (reserves)	Value of Equity Shares Issued	Other Equity
Demerger of branded business/REDTAPE from Mirza International Limited (Demerged Company) to REDTAPE Limited (Resulting Company)	30,416	2,764	27,382

Notes to the Consolidated Financial Statements

Balance Sheet

The restated Financial Information as at December 31,2021 are as under:

Particular	Amount in Lakh	
		As per Restated Financials as at December 31,2021
Assets		
Non-Current Assets		
Property, Plant and Equipment		13,521
Capital Work-in-progress		2,013
Right-of-Use Assets		14,551
Financial Assets		
(i) Investments		97
Total Non-Current Assets	(a)	30,182
Current Assets		
Inventories		33,186
Financial Assets		
(i) Trade Receivables		6,845
(ii) Cash and Cash Equivalents		3,641
(iii) Loans and Advances		3,420
Total Current Assets	(b)	47,091
Total Assets	(a+b)	77,273
Equity And Liabilities		
Equity		
Equity Share Capital to be issued		2,764
Other Equity		27,382
Total Equity	(c)	30,146
Non-Current Liabilities		
(i) Secured Loans		4,174
(ii) Deferred Tax		466
Total Non-Current Liabilities	(d)	4,640
Current Liabilities		
(i) Current Liabilities		26,117
(ii) Provisions		235
(iii) Lease Rent Laibilities (Net)		16,135
Total Current Liabilities	(e)	42,487
Total Equity And Liabilities	(c+d+e)	77,273

The following accounting treatment has been given to some of the issues pertaining to the Demerger by REDTAPE Ltd in its books of accounts:

- i. REDTAPE Ltd has recorded the assets and liabilities pertaining to the Demerged Business vested in it pursuant to the Scheme, at the values as appearing in the books of the Transferee Company as on the Appointed Date.
- ii. In terms of the Scheme, the Company has issued 13,82,01,900 Equity Shares of ₹2/- each, credited as fully paid up, aggregating ₹27,64 Lakh to the members of the Transferee Company in exchange of 100% post-amalgamation share capital of the Transferee Company.

Notes to the Consolidated Financial Statements

- iii. Pursuant to the Scheme, the Company has issued 50,000 9% Compulsorily Redeemable Preference Shares of ₹2/- each, credited as fully paid-up, aggregating ₹1,00,000/-; and entire pre-Scheme issued and paid-up share capital of the Company consisting of 50,000 Equity Shares of ₹2/- each aggregating ₹1,00,000/- stands cancelled.
- iv. Surplus of ₹ 273,82 Lakhs arising on Demerger being difference between the value of the assets and the liabilities pertaining to the Demerged Business after taking into account the face value of the Equity Shares issued by the Company has been credited to the Capital Reserve Account in the books of the Company.

For Khamesra Bhatia & Mehrotra

Chartered Accountants
FRN 001410C

For & on behalf of the board of Directors

CA Vineet Roongta

Partner
M.No. 410958
UDIN: 23410958BGXZOH7708

Shuja Mirza

(Managing Director)
DIN: 01453110
China

Arvind Verma

(Whole Time Director)
DIN: 09429834
Noida

Place : Noida

Date : May 30, 2023

CA Abhinav Jain

(Chief Financial Officer)
Noida

CS Nandita Singh

(Company Secretary)
Noida



Concept, Content & Design **wp** (info@wyatt.co.in)



MODE
REDTAPE LONDON

www.redtape.com



REDTAPE LIMITED

CIN: U74101UP2021PLC156659

Regd. Office: Plot No. 8, Sector 90, Noida, Gautam Buddha Nagar, Uttar Pradesh -201301, India

Phone: +91 120 6994444 | +91 120 6994400

Email: compliance@redtapeindia.com Website: www.redtape.com

NOTICE is hereby given that the 2nd (Second) Annual General Meeting ('AGM') of the members of REDTAPE Limited is scheduled to be held on Saturday, September 30, 2023 at 1130 Hours (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rashid Ahmed Mirza (DIN:00049009), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Ashwani & Associates, Chartered Accountants, (Firm Registration No. 000497N) be and is hereby appointed as Statutory Auditors of the Company for a term of five consecutive years in place of M/s Khamesra Bhatia and Mehrotra, Chartered Accountants (Firm Registration No. 001410C), to hold office from the conclusion of this Annual General Meeting till the conclusion of the 7th (seventh) Annual General Meeting to be held in the year 2028, at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), the remuneration payable to Mr. A.K. Srivastava, Cost Accountant (Membership No. 10467 with the Institute of Cost Accountant of India) appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of cost records of the Company for financial year 2022-23, amounting to INR 20,000 (Rupees Twenty Thousand Only) plus applicable taxes thereon and reimbursement of out of pocket expenses on actuals incurred in connection with aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

- 5.To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), the remuneration payable to Mr. A.K. Srivastava, Cost Accountant (Membership No. 10467 with the Institute of Cost Accountant of India) appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of cost records of the Company for financial year 2023-24, amounting to INR 20,000 (Rupees Twenty Thousand Only) plus applicable taxes thereon and reimbursement of out of pocket expenses on actuals incurred in connection with aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

- 6.To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT further to the resolution passed at Extra-Ordinary General Meeting held on March 30, 2023 for appointment and remuneration payable to Mr. Shuja Mirza, Managing Director (DIN:01453110), and pursuant to the provisions of Sections 197, 198 and other

applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in its respective meetings held on May 30, 2023, the consent of the members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Shuja Mirza, Managing Director of the Company with effect from June 1, 2023, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below, be and is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors (“**the Board**”, which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board and Mr. Shuja Mirza within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. Remuneration: A sum not exceeding INR 10,00,00,000 (Rupees ten crore only) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.
- ii. Medical allowance: In addition to remuneration at clause (i) above, a sum upto INR 24,00,000 (Rupees twenty-four lakh only) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, and 198 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and
- c) Encashment of leave as per the policy of the Company.

RESOLVED FURTHER THAT payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT Mr. Shuja Mirza, being an executive director in the Company, will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

7.To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT further to the resolution passed at Extra-Ordinary General Meeting held on March 30, 2023 for appointment and remuneration payable to Mr. Arvind Verma, Whole time Director (DIN:09429834), and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in its respective meetings held on May 30, 2023, the consent of the members of the Company, be and is hereby accorded for payment of performance incentive of INR 18,00,000 (Rupees Eighteen lakhs only) for the Financial Year 2022-23 in addition to the remuneration as earlier approved by the members in the Extra-Ordinary General Meeting held on March 30, 2023.

RESOLVED FURTHER THAT the Board (“**the Board**”, which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

8.To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT further to the resolution passed at Extra-Ordinary General Meeting held on March 30, 2023 for appointment and remuneration payable to Mr. Arvind Verma, Whole time Director (DIN:09429834), and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in its respective meetings held on May 30, 2023, the consent of the members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Arvind Verma, Whole time Director of the Company with effect from April 1, 2023, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below, be and is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors (“**the Board**”, which term shall be deemed to include the

Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board and Mr. Arvind Verma within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. Remuneration: A sum not exceeding INR 1,02,00,000 (Rupees one crore two lakh) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.
- ii. Medical allowance: In addition to remuneration at clause (i) above, a sum upto INR ₹60,000 (Rupees sixty thousand) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and
- c) Encashment of leave as per the policy of the Company.

RESOLVED FURTHER THAT payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT Mr. Arvind Verma, being an executive director in the Company, will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

9.To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “**the Act**”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, Ms. Sunanda (DIN: 10243709), who was appointed by the Board of Directors on recommendation of the Nomination and Remuneration Committee as an Additional Director designated as Whole-time Director with effect from August 1, 2023, pursuant to the provisions of Section 161 and all other applicable provisions of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Director be and is hereby appointed as a Director designated as Whole-time Director of the Company, who will be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or reenactment thereof for the time being in force) and other applicable provisions, if any, and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members be and is hereby accorded for appointment of Ms. Sunanda (DIN: 10243709), as Whole-time Director of the Company for a period of 3 years from August 1, 2023 to July 31, 2026 (both days inclusive) and to approve the maximum remuneration payable to Ms. Sunanda, Whole Time Director of the Company with effect from August 1, 2023, including the remuneration to be paid to her in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below, with the liberty to the Board of Directors (“**the Board**”, which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board and Ms. Sunanda within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. Remuneration: A sum not exceeding INR 27,00,000 (Rupees twenty-seven lakhs) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.
- ii. Medical allowance: In addition to remuneration at clause (i) above, a sum upto ₹30,000 (Rupees thirty thousand) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the

Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and
- c) Encashment of leave as per the policy of the Company.

RESOLVED FURTHER THAT payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT Ms. Sunanda, being an executive director, shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and other applicable provisions, subject to the approval of the Central Government and other requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to, by the Board of Directors of the Company (“**the Board**”, which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) consent of the Members of the Company be and is hereby accorded to appoint Mr. Rashid Ahmed Mirza (DIN: 00049009) as Whole time Director (designated as “**Executive Chairman**”) of the Company for a term of five (5) years w.e.f. 1st September, 2023 or such other date, as may be approved by the Central Government, liable to retire by rotation, on the terms and conditions as set out below:

Remuneration: Nil

Sitting Fee: Nil

Reimbursements: He shall be entitled for reimbursement of expenses incurred for travelling, boarding and lodging including for any attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the aforesaid matter, including but not limited to making application to the Central Government, and to resolve and settle all questions and difficulties that may arise in relation to the aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any committee of the Board, any other director(s) or officer(s) of the Company or other authorized persons to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any other director(s) or officer(s) of the Company or any other authorized persons in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

Regd. Office:
Plot No. 8, Sector 90
Noida-201301, Uttar Pradesh

By order of the board
For REDTAPE LIMITED

Sakshi Mehta
Company Secretary

Date: September 1, 2023
Place: Noida

NOTES

1. A statement under Section 102 of the Companies Act, 2013 (“the Act”) and/or as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) concerning the business under Item Nos. 3 - 10 of the Notice is annexed hereto.
2. Pursuant to the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India (“MCA Circulars”), physical attendance of the Members to the Annual General Meeting (“AGM”) is not required and that general meeting shall be held through VC/OAVM. Hence, Members can attend and participate in ensuing AGM through VC/OAVM and thus attendance slip is not attached to this notice.
3. Details required under provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”) and Regulation 36 of SEBI Listing Regulations including brief profile of Director seeking appointment / re- appointment, is annexed hereto.
4. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for and on behalf of the members is not available for this AGM and hence Proxy Form is not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. Ms. Mallika Goel, Practicing Company Secretary of M/s. Mallika & Co. (FCS-11658; CP-23020) has been appointed as the Scrutinizer for the e-voting process in a fair and transparent manner.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF / NRI etc.) are required to send a scanned copy of its Board or governing body resolution / Authorisation etc., authorizing its representative to attend AGM through VC / OAVM on its behalf and to vote through remote evoting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to goelmallika9@gmail.com with a copy marked to compliance@redtapeindia.com .
7. In case of joint holders attending meeting, the Members whose name appears as first holder in order of names as per the Register of Members of the Company will be entitled to vote.
8. Members and authorised representatives are requested to provide duly completed and signed documents, mentioning therein details of their DP ID and Client ID / Folio No.

9. The Members can join the AGM through VC/OAVM mode 15 (fifteen) minutes before and after scheduled time of commencement of the AGM, by following procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first-come first-served basis. The limit of 1000 members will not include large Shareholders (Shareholders holding 2% or more of shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction of first-come first-served basis.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, change of e-mail address, contact numbers etc., to their depository participant (DP). Changes intimated to DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agent, M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited) to provide efficient services. Members holding shares in physical form are requested to intimate such changes to M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited), (Unit – REDTAPE Limited), Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel.No.: +91- 40 – 67162222, +91- 40 - 67161606; Email ID: einward.ris@kfintech.com quoting correct Folio Number.
11. SEBI amended relevant provisions of SEBI Listing Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares of the Company in physical form even after April 1, 2019, cannot lodge fresh request for transfer of shares with the Company / RTA after April 1, 2019 and they need to convert shares to demat form compulsorily in order to effect any transfer.
12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company at <https://redtape.com/aboutRedTape/assets/investor-pdf/notice/Actual Common PDF-40019-20230621165612.pdf> and Registrar and Share Transfer Agent at https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd
13. In compliance with the MCA Circulars, Notice of the AGM along with Annual Report for FY 2022- 23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report for FY 2022-23 will also be available on the Company's website www.redtape.com , websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India

Limited at www.bseindia.com and www.nseindia.com respectively, and on website of National Securities Depository Limited (agency for providing remote e-voting and e-voting facility) at www.evoting.nsdl.com .

14. Members attending the AGM through VC/ OAVM shall be counted for purpose of reckoning quorum under Section 103 of the Act.
15. Register of contracts or arrangements in which directors are interested will be produced at commencement of AGM and remain open and accessible during continuance of the AGM to any person attending meeting through VC/OAVM.
16. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to persons attending the AGM through VC/OAVM.
17. The AGM is being held by VC/ OAVM in compliance with MCA Circulars, since AGM has been held through VC/OAVM route map of venue of AGM is not annexed herewith and venue of AGM shall be deemed to be the Registered Office of the Company. Recorded transcript shall also be made available on website of the Company.
18. **Voting by Electronic Means:**
 - A. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), the Company has provided to members with a facility to exercise their voting right at the AGM by electronic means and business may be transacted through such voting. The facility of casting votes by members using an electronic voting system from a place other than venue of AGM (“remote e-voting”) will be provided by NSDL. The facility of voting through e-voting / insta poll will also be available at AGM and members attending AGM who have already cast their vote by remote e-voting period may attend AGM but shall not be entitled to again cast their vote again.
 - B. **The remote e-voting period begins on Wednesday, September 27, 2023 at 09:00 A.M. and ends on Friday, September 29, 2023 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Saturday, September 23, 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Saturday, September 23, 2023**.
 - C. The instructions of 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:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li data-bbox="813 745 1435 1434">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<li data-bbox="813 1444 1435 1654">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<li data-bbox="813 1665 1435 1864">3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available

	<p>under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the

	<p>meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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.

Login type	Helpdesk details
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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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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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.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goelmallika9@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an

event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com 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 or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

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

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

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

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at compliance@redtapeindia.com . Such shareholders must register their request three (3) days in advance of the AGM, i.e., on or before, September 26, 2023 with the Company.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@redtapeindia.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
8. Shareholders’ who need assistance before or during the Meeting, can contact Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400

013, at the designated email id – evoting@nsdl.co.in or call on toll free no.: 1800-1020-990 / 1800-22-44-30.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED, SETTING OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS PROPOSED TO BE TRANSACTED UNDER ITEM NOS. 3 TO 10 OF THE ACCOMPANYING NOTICE FOR THE ANNUAL GENERAL MEETING.

Items No. 3

Due to the casual vacancy caused by the disqualification of the earlier statutory auditors M/s. Gulati Sandeep & Co.; M/s Khamesra Bhatia and Mehrotra, Chartered Accountants (Firm Registration No. 001410C), a peer-reviewed firm, was appointed as the Statutory Auditors of the Company by the Board of Directors in its meeting held on April 7, 2023 for the audit of the period pertaining to the financial year 2022-23, to hold the office till the conclusion of ensuing Annual General Meeting.

M/s Khamesra Bhatia and Mehrotra, Chartered Accountants, has expressed their unwillingness to be appointed as the Statutory Auditors at this AGM. Accordingly, the Board of Directors on the recommendations of the Audit Committee vide its resolution dated July 17, 2023 had considered to appoint M/s Ashwani & Associates, Chartered Accountants (Firm Registration No. 000497N) as Statutory Auditors of the Company for a term of 5 (five) consecutive years, commencing from conclusion of 2nd AGM till conclusion of 7th AGM of the Company, subject to the approval of the members at this AGM.

M/s Ashwani & Associates, Chartered Accountants, ('the Audit Firm') is registered with the Institute of Chartered Accountants of India ('ICAI'). The Audit Firm is a peer reviewed audit firm and ensures auditor independence. The Audit Firm is primarily engaged in providing audit and assurance services to its clients.

M/s Ashwani & Associates, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Sections 139(1), 141(2) and (3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The remuneration of the Statutory Auditors for the scope of work related to the standalone and consolidated financial statements of the Company will be INR 30,00,000 (excluding taxes and out-of-pocket expenses) for FY 2023-24. The remuneration to be paid to Statutory Auditors for the remaining term, i.e., from FY 2024-25 through FY 2027-28 (till the conclusion of the 7th AGM of the Company to be held in the year 2027), shall be based on the recommendation of the Audit Committee and mutually agreed between the Board of Directors and the Statutory Auditors, from time to time.

Besides the audit services, the Company may also obtain certifications from the Statutory Auditors under various statutory regulations and other permissible non-audit services, if required from time

to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board / Audit Committee.

The Board recommends an Ordinary Resolution set forth in Item No. 3 of the Notice for approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited, Redtape Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with section 66 of the Companies Act 2013 and other applicable provisions, if any, was duly sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (“NCLT”) by way of an order dated February 21, 2023 (“**Order**”) certified copy of which order was issued on February 24, 2023. Pursuant to the Scheme the Branded Business/ REDTAPE Business of Mirza International Limited was demerged into the Company w.e.f February 25, 2023 with January 1, 2022 as the Appointed Date of Demerger (hereinafter referred to as “**Scheme**”).

In view of the above, the cost audit which was not applicable during FY 2022-23 became applicable effective February 25, 2023 under the provisions of Section 148(3) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, to have audit of its cost records conducted by a cost accountant in practice.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rules 14 of Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rule, 2014 (including any statutory modification or reenactment thereof for the time being in force), the Board of Directors of the Company based on the recommendation of the Audit Committee, approved appointment and remuneration of Mr. A. K. Srivastava, Cost Accountants within the meaning of the Cost and Works Accountants Act, 1959 (Firm Registration Number 101394 with the Institute of Cost Accountant of India), as cost auditors of the Company to conduct audit of cost records of the Company relating to products across various segments, for financial year 2022-23.

The scope of Cost Audit includes carrying out audit of cost accounting records maintained by the Company for financial year 2022- 23. In terms of provisions of section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for remuneration payable to the Cost Auditors for financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

The Board recommends an Ordinary Resolution set forth in Item No. 4 of the Notice for approval of Members.

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

Item No. 5

The Company is required, under the provisions of Section 148(3) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, to have audit of its cost records conducted by a cost accountant in practice.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rules 14 of Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rule, 2014 (including any statutory modification or reenactment thereof for the time being in force), the Board of Directors of the Company based on the recommendation of the Audit Committee, approved appointment and remuneration of Mr. A. K. Srivastava, Cost Accountants within the meaning of the Cost and Works Accountants Act, 1959 (Firm Registration Number 101394 with the Institute of Cost Accountant of India), as cost auditors of the Company to conduct audit of cost records of the Company relating to products across various segments, for financial year 2023-24.

The scope of Cost Audit includes carrying out audit of cost accounting records maintained by the Company for financial year 2023-24. In terms of provisions of section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for remuneration payable to the Cost Auditors for financial year ending March 31, 2024 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

The Board recommends an Ordinary Resolution set forth in Item No. 5 of the Notice for approval of Members.

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

Item No. 6

Mr. Shuja Mirza (DIN: 01453110) was re-designated as Managing Director of the Company effective March 22, 2023 for a period upto March 31, 2027 as approved by the members of the Company at the Extraordinary General Meeting held on March 30, 2023. Further, the members had authorised the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Shuja Mirza, but such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act').

The Board of Directors on recommendation of the Nomination and Remuneration Committee in its meeting held on May 30, 2023 had considered to increase the remuneration of Mr. Shuja Mirza as mentioned in the resolution at Item No. 6 of the Notice of the Annual General Meeting, subject to the approval of the shareholders at this AGM. In accordance with the applicable provisions of the Companies Act, 2013, approval of members is being sought, by way of special resolution, for payment to Mr. Shuja Mirza, Managing Director.

In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.

Further, as per the provisions of section II of Part II of Schedule V of the Companies Act, 2013, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

- a. **Nature of Industry:** The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparel and other accessories under REDTAPE and other Brands owned by the Company.
- b. **Date or expected date of commencement of commercial production:** The Company has carried on its operations since its incorporation.
- c. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
- d. **Financial performance based on given indicators:**

(₹ in Lakh)

Particulars	Standalone result		Consolidated result	
	FY 2022-23	From December 8, 2021 to March 31, 2022#	FY 2022-23	From December 8, 2021 to March 31, 2022#
Total Income	1,46,533	29,700	1,47,483	30,328
Profit/(Loss) after tax	13,607	2,544	14,215	2,904
Paid-up Share Capital	2,765	1*	2,765	1*
Reserves and Surplus	43,847	30,463	44,911	30,823

*Equity Share Capital issued pursuant to Scheme of Arrangement: ₹2,764 Lakh.

#Restated figures pursuant to the Scheme of Arrangement.

- e. **Foreign investments or collaborators, if any:** The Company has made investments in its foreign subsidiary i.e., Mirza Bangla Limited.

II. INFORMATION ABOUT THE APPOINTEE

- a. **Background details:** Mr. Shuja Mirza is a graduate in Science from the California State University, USA. Having a rich experience in the Field of Marketing, he has been managing the REDTAPE business in the pan-India market. He is managing Operations, Product Design, Development and Manufacturing. Mr. Shuja introduced the Retailing Units and Online Division in the Company, which helped multiply the business and expand its growth. With exposure from the international markets, he is responsible for diversifying and bringing the needed vigor to the Company.
- b. **Past remuneration:** Mr. Shuja Mirza was appointed as the Executive Director of the Company and re-designated as Managing Director of the Company effective March 22, 2023 for a period upto March 31, 2027. The remuneration paid to Mr. Shuja Mirza for FY2022-23 was INR 600 lakhs.

- c. **Recognition or awards:** N.A.
- d. **Job profile and his suitability:** Mr. Shuja Mirza designated as Managing Director of the Company. He has been managing the REDTAPE business in the pan-India market. He has overall responsibility for the regular business development and marketing activities of the Company.
- e. **Remuneration proposed:** As set out in Item No. 6 of this AGM notice. The increased remuneration is effective from June 1, 2023.
- f. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin):** The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial persons having comparative qualifications and experience.
- g. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** He is the son of Mr. Rashid Ahmed Mirza, Chairman of the Company.

III. OTHER INFORMATION

- a. **Reasons of loss or inadequate profits:** The entire REDTAPE Business of Mirza International Limited was demerged in REDTAPE LIMITED pursuant to the Scheme. Accordingly, all the assets and liabilities, including all the debtors, creditors, and employees of REDTAPE Business of Mirza International Limited have been vested in REDTAPE LIMITED. The Demerged business has adequate profit to pay the proposed remuneration. However, since the proposed remuneration is proposed for any eventuality of inadequate profit in future; it is proposed to obtain approval through special resolution.
- b. **Steps taken or proposed to be taken for improvement:** Your Directors are doing their best efforts for the growth of the business and improving its top line and bottom line.
- c. **Expected increase in productivity and profits in measurable terms:** The Company is expected to have improved sales and profitability figures in the next financial years.

IV. DISCLOSURES

The requisite disclosure of remuneration package etc. have been mentioned in the respective resolution read with the Explanatory Statement.

At present, there is no stock option scheme available in the Company.

A brief profile of Mr. Shuja Mirza and other requisite details, pursuant to the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are annexed to this notice. The above may be treated as a written memorandum setting out the terms of appointment of Mr. Shuja Mirza under Section 190 of the Act.

The Board recommends a Special Resolution set forth in Item No. 6 of the Notice for approval of members.

Save and except Mr. Shuja Mirza and Mr. Rashid Ahmed Mirza (being father of Mr. Shuja Mirza), none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 7

Mr. Arvind Verma (DIN: 09429834) was re-designated as Whole time Director of the Company effective March 22, 2023 for a period upto March 21, 2026 as approved by the members of the Company at the Extraordinary General Meeting held on March 30, 2023. Based on the enhanced financial performance in terms of the topline and bottomline of the Company during the year 2022-23 and considering the performance of Mr. Arvind Verma, the Board of Directors on recommendation of the Nomination and Remuneration Committee in its meeting held on May 30, 2023 had considered and approved to pay a performance incentive of INR 18,00,000 (Rupees Eighteen lakhs only) for the financial year 2022-23. This incentive shall be in addition to the remuneration as already approved by the members in the extra-ordinary general meeting held on March 30, 2023

The Board believes that the Company's business has grown extensively under the guidance of Mr. Arvind Verma and that he possesses the necessary expertise and experience to accelerate the Company's sales and achieve its vision and hence recommends the resolution appearing at Item No. 7 of the Notice for your approval.

The Board recommends an Ordinary Resolution set forth in Item No. 7 of the Notice for approval of members.

Save and except Mr. Arvind Verma, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 8

Mr. Arvind Verma (DIN: 09429834) was re-designated as Whole time Director of the Company effective March 22, 2023 for a period upto March 21, 2026 as approved by the members of the Company at the Extraordinary General Meeting held on March 30, 2023. Further, the members had authorized the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Arvind Verma, but such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act').

The Board of Directors on recommendation of the Nomination and Remuneration Committee in its meeting held on May 30, 2023 had considered to increase the remuneration package of Mr. Arvind Verma as mentioned in the resolution at Item No. 8 of the Notice of the Annual General Meeting, subject to the approval of the shareholders at this AGM. In accordance with the applicable provisions of the Companies Act, 2013, approval of members is being sought, by way of ordinary resolution, for payment to Mr. Arvind Verma, Whole time Director.

In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Whole-time Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.

Further, as per the provisions of section II of Part II of Schedule V of the Companies Act, 2013, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

- e. **Nature of Industry:** The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparel and other accessories under REDTAPE and other Brands owned by the Company.
- f. **Date or expected date of commencement of commercial production:** The Company has carried on its operations since its incorporation.
- g. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
- h. **Financial performance based on given indicators:**

(₹ in Lakh)

Particulars	Standalone result		Consolidated result	
	FY 2022-23	From December 8, 2021 to March 31, 2022#	FY 2022-23	From December 8, 2021 to March 31, 2022#
Total Income	1,46,533	29,700	1,47,483	30,328
Profit/(Loss) after tax	13,607	2,544	14,215	2,904
Paid-up Share Capital	2,765	1*	2,765	1*
Reserves and Surplus	43,847	30,463	44,911	30,823

*Equity Share Capital issued pursuant to Scheme of Arrangement: ₹2,764 Lakh.

#Restated figures pursuant to the Scheme of Arrangement.

- f. **Foreign investments or collaborators, if any:** The Company has made investments in its foreign subsidiary i.e., Mirza Bangla Limited.

II. INFORMATION ABOUT THE APPOINTEE

- a. **Background details:** Mr. Arvind Verma has vast experience of Sales & Marketing over 27 years in the Fashion Industry and has been associated with the brand REDTAPE for almost 24 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 has now been tasked with ensuring the same growth & presence of the brand REDTAPE in International markets.

- h. **Past remuneration:** Mr. Arvind Verma was appointed as the Executive Director of the Company and re-designated as Whole time Director of the Company effective March 22, 2023 for a period upto March 21, 2026. The remuneration paid to Mr. Arvind Verma for FY2022-23 was INR 66.11 Lakhs.
- i. **Recognition or awards:** N.A.
- j. **Job profile and his suitability:** Mr. Arvind Verma, designated as Whole time Director of the Company ensures growth and presence of the brand REDTAPE in the international markets and is 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.
- k. **Remuneration proposed:** As set out in Item No. 8 of this AGM notice. The increased remuneration is effective from April 1, 2023.
- l. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin):** The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial persons having comparative qualifications and experience.
- m. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** He is not related to any other Director and/or KMP.

III. OTHER INFORMATION

- d. **Reasons of loss or inadequate profits:** The entire REDTAPE Business of Mirza International Limited was demerged in REDTAPE LIMITED pursuant to the Scheme. Accordingly, all the assets and liabilities, including all the debtors, creditors, and employees of REDTAPE Business of Mirza International Limited have been vested in REDTAPE LIMITED. The Demerged business has adequate profit to pay the proposed remuneration. However, since the proposed remuneration is proposed for any eventuality of inadequate profit in future; it is proposed to obtain approval through ordinary resolution.
- e. **Steps taken or proposed to be taken for improvement:** Your Directors are doing their best efforts for the growth of the business and improving its top line and bottom line.
- f. **Expected increase in productivity and profits in measurable terms:** The Company is expected to have improved sales and profitability figures in the next financial years.

IV. DISCLOSURES

The requisite disclosure of remuneration package etc. have been mentioned in the respective resolution read with the Explanatory Statement.

At present, there is no stock option scheme available in the Company.

A brief profile of Mr. Arvind Verma and other requisite details, pursuant to the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are annexed to this notice. The above may be treated as a written memorandum setting out the terms of appointment of Mr. Arvind Verma under Section 190 of the Act.

The Board recommends an Ordinary Resolution set forth in Item No. 8 of the Notice for approval of members.

Save and except Mr. Arvind Verma, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 9

The Board of Directors of the Company in its meeting held on July 17, 2023, considering the recommendation of the Nomination and Remuneration Committee, declaration and consent given by Ms. Sunanda (DIN: 10243709), appointed Ms. Sunanda, as an Additional Director designated as Whole-time Director (“WTD”) of the Company for a period of three (3) years effective from August 1, 2023 to July 31, 2026, at the remuneration approved by the Board. Ms. Sunanda will be liable to retire by rotation. The aforesaid appointment and terms thereof is subject to the approval of the members and such other approvals, as may be required.

Ms. Sunanda is a Postgraduate (Geography) from Kurukshetra University and PGCHRM from XLRI, Jamshedpur. She has more than 20 years of experience in Human Resource management and other managerial positions. Ms. Sunanda has been with Redtape Limited (including Mirza International Limited) for more than 13 years and is a core member of top management team.

Her tenure of appointment and terms of remuneration are as provided in the resolution set out in Item no. 9 of this AGM Notice. Further, the office of Ms. Sunanda shall be liable to retire by rotation.

Ms. Sunanda shall perform such duties as shall from time to time be entrusted to her, subject to the superintendence, guidance and control of the Board of Directors and she shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors.

The above may be treated as a written memorandum setting out the terms of the appointment of Ms. Sunanda under section 190 of the Companies Act, 2013.

Further the details pursuant to the provisions of the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are annexed to this notice. A declaration has been received from Ms. Sunanda that she is not disqualified from being appointed as a WTD in terms of Section 164 of the Companies Act, 2013 and satisfies all the conditions set out in section 196(3) read with Part I of Schedule V of the Companies Act, 2013 for being eligible for her appointment along with her consent to act as a WTD of the Company. Ms. Sunanda is not debarred from holding the office of Director pursuant to any SEBI order or any other such authority as per the circular of the BSE Limited and the National Stock Exchange of India Limited.

The Board recommends an Ordinary Resolution set forth in Item No. 9 for approval of Members.

Save and except Ms. Sunanda, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 10

The Board of Directors of the Company (“**Board**”) upon the recommendation of the Nomination and Remuneration Committee (“NRC Committee”, at their respective meetings held on September 1, 2023 has, subject to the approval of Members and the Central Government, appointed Mr. Rashid Ahmed Mirza (DIN: 00049009) as Whole Time Director (designated as **Executive Chairman**) of the Company, for a period of 5 (five) years.

Mr. Rashid Ahmed Mirza has been a Founder and the driving force behind REDTAPE’s sustained growth and success since its inception. He holds a Diploma in Leather Technology from London. He has extensive experience of more than four decades, his expertise extends across Industrial & Leather Technology and Business Management. His active association with the Company will be of immense significance. Accordingly, it is proposed to appoint him as a whole-time director designated as Executive Chairman.

Presently, since, Mr. Rashid Ahmed Mirza is a resident outside India, approval of the Central Government is required to be obtained. So, the terms of his appointment shall be as per the terms and conditions of the approval granted by the Central Government. Mr. Rashid Ahmed Mirza satisfies all other conditions set out in Part-I of Schedule V to the Companies Act, 2013.

He shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 (“the Act”) with regard to duties of directors. He shall adhere to the Company’s Code of Conduct.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Rashid Ahmed Mirza under Section 190 of the Act.

Further the details pursuant to the provisions of the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are annexed to this notice. Mr. Rashid Ahmed Mirza is not debarred from holding the office of Director pursuant to any SEBI order or any other such authority as per the circular of the BSE Limited and the National Stock Exchange of India Limited.

The Board recommends an Ordinary Resolution set forth in Item No. 10 for approval of Members.

Save and except Mr. Rashid Ahmed Mirza and Mr. Shuja Mirza (being son of Mr. Rashid Ahmed Mirza), none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Regd. Office:
Plot No. 8, Sector 90
Noida-201301, Uttar Pradesh

By order of the board
For REDTAPE LIMITED

Sakshi Mehta
Company Secretary

Date: September 1, 2023
Place: Noida

Annexure-1**Details of Directors seeking appointment / re-appointment at the 2nd Annual General Meeting**

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

Name of Director	Mr. Rashid Ahmed Mirza	Mr. Shuja Mirza	Mr. Arvind Verma	Ms. Sunanda
DIN	00049009	01453110	09429834	10243709
Father's Name	Mr. Irshad Mirza	Mr. Rashid Ahmed Mirza	Mr. Balbir Singh Verma	Mr. Ujagar Singh
Date of Birth	26 th January, 1957	23 rd January, 1981	8 th January, 1974	12 th February, 1978
Date of first appointment on the Board of Directors of the Company	08 th December, 2021	08 th December, 2021	08 th December, 2021	1 st August, 2023
Address	Villa-122, Parkways, Dubai Hills, Dubai	65, Friends Colony East Srinivaspuri, South Delhi-110065	A-602, Stellar Greens Apartment, Plot No. D-6, Sector -44, Noida-201301	House No.-238, Panna Bichli Gali, Mangol Pur Kalan, Rohini Sector 5, Delhi-110085
Designation	Executive Chairman	Managing Director	Whole-time director	Whole-time director
Education	Diploma in Leather Technology from London	Graduate in Science from the California State University, USA.	Graduate	Postgraduate (Geography) from Kurukshetra University and PGCHRM from XLRI
Nature of Expertise /Experience in specific functional areas.	Extensive experience of more than four decades, his expertise	Rich experience in the Field of Marketing and managing	Vast experience of Sales & Marketing over 27 years in the	More than 20 years of experience in Human Resource

	extends across Industrial & Leather Technology and Business Management	operations, Product Design, Development and Manufacturing.	Fashion Industry.	management and other managerial positions.
Relationships between the Directors inter-se	Father of Mr. Shuja Mirza, Managing Director of the Company	Son of Mr. Rashid Ahmed Mirza, Chairman of the Company	Not related to any directors of the Company	Not related to any directors of the Company
No of Board Meetings attended during the year	2/9	7/9	8/9	Not Applicable
Terms and conditions of Appointment/Reappointment	Liable to retire by rotation	Liable to retire by rotation	Liable to retire by rotation	Liable to retire by rotation
Directorship held in other Indian companies (as on September 1, 2023)	1. Aarem Heights Private Limited 2. EMGEE Projects Private Limited	1. Aarem Heights Private Limited 2. Genesis Riverview Resorts Private Limited 3. Granule Infra India Private Limited	NIL	NIL
Membership/ Chairmanship of the Committee of Companies (including the Company)	NIL	1. Member of Corporate Affairs Committee of the Company; 2. Chairman of CSR Committee of the Company; and	1. Member of Audit Committee of the Company; 2. Member of Stakeholders Relationship Committee	Member of Sexual Harassment Committee of the Company

		3. Chairman of Risk Management Committee of the Company.	of the Company; 3. Member of Corporate Affairs Committee of the Company; 4. Member of Corporate Social Responsibility Committee of the Company; 5. Member of Risk Management Committee of the Company.	
Directorship held in other listed companies	Mirza International Limited (resigned effective July 18, 2023)	Mirza International Limited (resigned effective July 18, 2023)	NIL	NIL
Membership/ Chairmanship of the Committee of other listed companies	NIL	1. Chairman of Risk Management Committee of Mirza International Limited (ceased to be member effective May 27, 2023) 2. Member of Corporate	NIL	NIL

		Social Responsibility Committee (ceased to be member effective July 18, 2023 subsequent to cessation from the office of Director.)		
Shareholding in the Company (No. & %) (as on September 1, 2023)	1,83,35,680 (13.27%)	1,11,04,149 (8.03%)	2,000	NIL
Details of Remuneration sought to be paid	As mentioned in the resolution at Item No. 10	As mentioned in the resolution at Item No. 6	As mentioned in the resolution at Item No. 8	As mentioned in the resolution at Item No. 9
Remuneration last drawn (including sitting fees, if any)	NIL	INR 600 lakhs (FY 2022-23)	INR 66.11 lakhs (FY 2022-23)	INR 14.38 lakhs (FY 2022-23)