

Mirza International Limited

A-7, Mohan Coop. Indl. Estate, Mathura Road
New Delhi - 110044 (India)
Ph. +91 11 4095 9500 / 9501
CIN : L19129UP1979PLC004821
Email : marketing@mirzaindia.com
Website : www.mirza.co.in

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Scrip Code: 526642

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C-1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

NSE Symbol: MIRZAINT

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 - Update on REDTAPE LIMITED _ Publication of Statutory Advertisement before listing and trading approval

Dear Sir/Ma'am,

REDTAPE Limited ("REDTAPE") has informed about Newspaper Advertisement published in connection with the proposed listing and trading of equity shares of REDTAPE Limited on the Stock Exchanges i.e., BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), pursuant to the Scheme of Arrangement.

We would like to inform you that this information is not related to the Mirza International Limited (the "Company"). This disclosure of information is for shareholders of REDTAPE Limited and we are filing this information as facilitator for disclosure of Newspaper Advertisements of REDTAPE, without any responsibility on the part of the Company and its employees.

Copy of aforesaid Newspaper Advertisement is enclosed herewith.

Request you to take the same on your records.

Thanking you.

Yours faithfully,

For **Mirza International Limited**

Harshita Nagar

Company Secretary & Compliance Officer

Encl: a.a.

Encl.: as above

Registered & HO :

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



THIS IS A PUBLIC ANNOUNCEMENT IN COMPLIANCE WITH SEBI CIRCULARS ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES NOR IS IT A PROSPECTUS ANNOUNCEMENT



REDTAPE LIMITED

(A Company incorporated under the provisions of the Companies Act, 2013)
Regd. Office: Plot No. 08, Sector 90, Noida 201 301, Gautam Buddha Nagar, Uttar Pradesh
CIN: U74101UP2021PLC156659
Phone No.: 0120-6994444, E-Mail: compliance@redtapeindia.com
Website: www.redtape.com

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF REDTAPE LIMITED

STATUTORY ADVERTISEMENT ("ADVERTISEMENT") IN COMPLIANCE WITH PARA III (A) (5) OF ANNEXURE I TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 16, 2017, AND PARA 5 OF PART II (A) OF SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/DIL1/CIR/2021/0000000665 DATED NOVEMBER 23, 2021, AS AMENDED FROM TIME TO TIME, READ WITH RULE 19(7) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 PURSUANT TO GRANT OF RELAXATION BY SEBI FROM THE APPLICABILITY OF RULE 19(2)(B) OF SECURITIES CONTRACT (REGULATION) RULES, 1957 ("SCRR") PURSUANT TO THE SCHEME OF ARRANGEMENT OF RTS FASHIONS PRIVATE LIMITED, MIRZA INTERNATIONAL LIMITED AND REDTAPE LIMITED UNDER SECTIONS 230, 232 AND 66 OF THE COMPANIES ACT, 2013, THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND OTHER APPLICABLE PROVISIONS, IF ANY ("THE SCHEME") "THE SCHEME OF ARRANGEMENT".

This Advertisement does not include the complete information of the Company, including its business, operations, assets, and liabilities. Investors are advised to read the information memorandum of the Company available on the websites of the Company, BSE Limited and the National Stock Exchange of India Limited, at www.redtape.com, www.bseindia.com and www.nseindia.com, respectively. All capitalized terms not defined herein, shall have the meaning as ascribed to them in the Information Memorandum.

About the Scheme of Arrangement

The Hon'ble National Company Law Tribunal, Allahabad, vide its Order dated February 21, 2023 has approved the Scheme of Arrangement of RTS Fashions Private Limited ("the Transferor Company"), Mirza International Limited ("the Transferee Company"), REDTAPE Limited ("the Resulting Company"/ "the Company"/ "REDTAPE") and their respective shareholders and creditors.

The Scheme is operative from the Appointed Date i.e., January 1, 2022. However, it is effective from the date of completion of filing of the certified copies of the Order of the National Company Law Tribunal Order with the Registrar of Companies, Kanpur, i.e., February 25, 2023.

Scheme of Arrangement is framed in terms of the provisions of sections 230, 232 and 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any.

The Scheme of Arrangement provides for (i) Amalgamation of RTS Fashions Private Limited with Mirza International Limited; (ii) De-merger of Branded/REDTAPE Business (the Demerged Business) of Mirza International Limited into REDTAPE Limited; and issue of shares by REDTAPE Limited to the Shareholders of Mirza International Limited in consideration of the said de-merger; (iii) Re-organisation of pre-Scheme Share Capital of REDTAPE Limited; and (iv) Other matters connected with the aforesaid Amalgamation and De-merger.

Pursuant to the aforesaid Scheme of Arrangement, REDTAPE Limited is proposed to be listed at BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), after the grant of permission by Securities and Exchange Board of India (SEBI) vide their letter dated 18th July, 2023 for the relaxation from the applicability of rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

A. Name of the Company: REDTAPE Limited

B. Address of the Registered and Corporate Offices of the Company:

Registered and Corporate Office:	Factory Address:
Plot No. 08, Sector 90, Noida 201 301, Gautam Buddha Nagar, Uttar Pradesh	Bulkland, UPSIDC Industrial Area, Site II, Unnao – 209 801

C. Details of Change of Name and Object Clause:

REDTAPE Limited is a company incorporated and registered as a Public Limited Company under the Companies Act, 2013 vide Corporate Identification Number (CIN) U52609UP2021PLC156659, issued by the Registrar of Companies, Central Registration Centre on behalf of Registrar of Companies, Kanpur, Uttar Pradesh. There has been no change in the Name Clause since its incorporation till date.

The Object Clause of the Company was amended through special resolution of members passed on February 25, 2023. With change in Object Clause, Registrar of Companies, Kanpur, Uttar Pradesh issued new CIN U74101UP2021PLC156659 to the Company.

The present main objects of REDTAPE Limited, as set out in its Memorandum of Association, are as follows:

- To manufacture, procure, buy, sell, market, import, export, trade, retail and to otherwise deal in all kinds of footwear, shoes, sport shoes, boots, sandals and accessories such as belt, purses, wallets and to otherwise deal in all kinds of raw material, consumables required to manufacture the aforesaid items such as hide, leather, sole, inner sole, runner, raxin, synthetic material, synthetic leather, laces, and all other items required for the manufacture of footwear and accessories.
- To manufacture, procure, buy, sell, market, import, export, trade, retail and to otherwise deal in all kinds of garments, clothing, apparel, sportswear, inner wears, socks, belts, purses, wallets, bags & luggage, kits, perfumes, scent, fragrance, personal hygiene products, grooming products and other accessories and to otherwise deal in all kinds of raw material, consumables required to manufacture the aforesaid items.
- To manufacture, procure, buy, sell, market, import, export, trade, retail and to otherwise deal in all kinds of fitness and gym equipment, physical fitness machineries and equipment, sports goods & gear, health & nutrition supplements and to otherwise deal in all kinds of raw material, consumables required to manufacture the aforesaid items.
- To establish, develop, manage, run, own, engage or otherwise deal in retail business, wholesale business, e-commerce, physical stores, retail outlets, wholesale outlets, warehouses, e-commerce platforms, e-market portals, online and offline stores, virtual trading, discount stores and franchise.

D. Capital structure

Capital structure of the Company before and after the Scheme of Arrangement is as follows:

Share Capital	Pre-Scheme	
	Number of Shares	Amount (Rs.)
Authorized Share Capital		
Equity Shares of face value of Rs. 2/- each	50,000	1,00,000
Issued, Subscribed and Paid-Up Share Capital		
Equity Shares of face value of Rs. 2/- each*	50,000	1,00,000

Share Capital	Post-Scheme	
	Number of Shares	Amount (Rs.)
Authorized Share Capital		
Equity Shares of face value of Rs. 2/- each	15,00,50,000	30,01,00,000
9% (Non-Cumulative) Compulsorily Redeemable Preference shares of face value of Rs. 2/- each	50,000	1,00,000
Issued, Subscribed and Paid-Up Share Capital		
Equity Shares of face value of Rs. 2/- each**	13,82,01,900	27,64,03,800
9% (Non-Cumulative) Compulsorily Redeemable Preference Shares of face value of Rs. 2/- each***	50,000	1,00,000

* The entire Pre-Scheme Equity Capital was cancelled pursuant to the Scheme of Arrangement.

** 13,82,01,900 Equity Shares were allotted by REDTAPE Limited on March 31, 2023, pursuant to the Scheme of Arrangement, to the shareholders of Mirza International Limited, on record date i.e., March 29, 2023 as per the Share Entitlement Ratio of 1:1.

*** 9% (Non-Cumulative) Compulsorily Redeemable Preference Shares Rs. 2/- each are not proposed to be listed on any stock exchange.

E. Shareholding Pattern

Pre-Scheme: Shareholding pattern giving details of its promoter group shareholding, group companies

Table I - Summary Statement holding of specified securities

Category of Shareholder	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities	No of Shares Underlying convertible securities (Including Warrants) (as a percentage of diluted share capital)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity Shares held in dematerialized form	No of Voting Rights			Total as a % of (A+B+C)	No. As a % of total Shares held	No. As a % of total Shares held	No. As a % of total Shares held
												Class X Equity	Class Y	Total				
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)	
(A) Promoter & Promoter Group	7	50000	0	0	50000	100	50000	0	50000	100	0	0	0	0	0	0	0	50000
(B) Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C) Non Promoter- Non Public																		
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2) Shares held by Employees Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total:	7	50000	0	0	50000	100.00	50000	0	50000	100.00	0	0	0	0.00	50000			

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category of Shareholder	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B+C2))	Number of Voting Rights held in each class of securities	No of Shares Underlying convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity Shares held in dematerialized form	No of Voting Rights			Total as a % of (A+B+C)	No. As a % of total Shares held	No. As a % of total Shares held	No. As a % of total Shares held
															Class X Equity	Class Y	Total				
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)				
(1) Indian																					
(a) Individuals/Hindu undivided Family			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(b) Central Government/ State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(c) Financial Institutions/ Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(d) Any Other	Mirza International Limited along with Six Nominee Shareholders		7	50000	0	0	50000	100.00	50000	0	50000	100.00	0	0	0	0	0	50000			
Sub-Total (A)(1)			7	50000	0	0	50000	100.00	50000	0	50000	100.00	0	0	0	0	0	50000			
(2) Foreign																					
(a) Individuals (Non-Resident Individuals)/Foreign Individuals			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(b) Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(c) Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
(e) Any Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Sub-Total (A)(2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)			7	50000	0	0	50000	100.00	50000	0	50000	100.00	0	0	0	0	0	50000			

REDTAPE Limited was a Wholly-owned Subsidiary of Mirza International Limited (the "Transferee Company") and entire Equity Share Capital of the Company was held by the Transferee Company and its 6 (Six) nominee shareholders.

Post-Scheme: Shareholding pattern (Equity Shares) giving details of its promoter group shareholding, group companies

Table I - Summary Statement holding of specified securities

Category of Shareholder	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities	No of Shares Underlying convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity Shares held in dematerialized form	No of Voting Rights			Total as a % of (A+B+C)	No. As a % of total Shares held	No. As a % of total Shares held	No. As a % of total Shares held
													Class X Equity	Class Y	Total				
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)		
(A) Promoter & Promoter Group	11	99178541	0	0	99178541	71.76	99178541	0	99178541	71.76	0	0	0	0	99178541				
(B) Public	71412	39023359	0	0	39023359	28.24	39023359	0	39023359	28.24	0	0	0	0	38604782				
(C) Non Promoter- Non Public																			
(C1) Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	0	0	0	0	0	0	0	
(C2) Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0	0	
Total:	71423	138201900	0	0	138201900	100.00	138201900	0	138201900	100.00	0	0	0	0	137783303				

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category of Shareholder	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B+C2))	Number of Voting Rights held in each class of securities	No of Shares Underlying convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity Shares held in dematerialized form	No of Voting Rights			Total as a % of (A+B+C)	No. As a % of total Shares held	No. As a % of total Shares held	No. As a % of total Shares held
															Class X Equity	Class Y	Total				
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)				
(1) Indian																					
(a) Individuals/Hindu undivided Family			10	80842861	0	0	80842861	58.50	80842861	0	80842861	58.50	0	0	0	0	0	80842861			
(b) Government/ State Government(s)			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0			
(c) Financial Institutions/Banks			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0			
(d) Any Other			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0			
Sub-Total (A)(1)			10	80842861	0	0	80842861	58.50	80842861	0	80842861	58.50	0	0	0	0	0	80842861			
(2) Foreign																					
(a) Individuals (Non-Resident Individuals)/Foreign Individuals			1	18335680	0	0	18335680	13.27	18335680	0	18335680	13.27	0	0	0	0	0	18335680			
(b) Government			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0			
(c) Institutions			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0			
(d) Foreign Portfolio Investor			0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0					

Mr. Narendra Prasad Upadhyaya
Mr. Narendra Prasad Upadhyaya holds a B. Tech in Mechanical Engineering and a Post-graduate Diploma in Business Management. With an experience of over five decades in the field of Engineering and Chemicals, along with an in-depth understanding of the Leather industry, he is closely associated with the operations of the shoe units of the company.

Mr. Sanjay Bhatia
Mr. Sanjay Bhatia aged 64 years is a B. Tech Chemical graduate from Banaras Hindu University IIT, 1981 batch. He has had a wide Technical, Managerial, Administrative experience spanning 4 decades. Experience encompasses consumer products manufacturing & distribution like electronic goods, household insecticides, Commercial Building segments & Hospitality & Industry segments selling water related engineered products, Spa equipment & also as OEM supplier. Has had a wide stint of experience starting from selling Material Handling Equipment after graduating followed by start of own business in 1984 under the name of Silver Spark P Ltd. Experience ranges from manufacturing of Light engineering products, consumer goods, sanitary import substitution parts, Water treatment, Water Transfer systems, Import agencies & representation of many foreign companies in India. Also 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 Kidzoo, leathering.

Dr. Yashvir Singh
Dr. Yashvir Singh, is a Post-graduate in science as well as holds a Degree in M.Phil., PH.D. He is a scientist and has experience of more than three decades in industry, government bodies and institutions.

Mr. Subhash Saxra
Mr. Subhash Saxra aged 81 years is graduate in B.Sc (Engineering). He has over 50 years of experience in handling the production of motors and has over 15 year experience in handling the Waste Water Treatment plants.

Dr. Rajshree Saxena
Dr. Rajshree Saxena, Gynecologist by profession. She has done her MBBS and Post Graduation from King George's Medical University, Lucknow. She worked in PMS, Uttar Pradesh from 1987 to 2015. She worked in PMS at various senior administrative and clinical post and took voluntary retirement as Joint Director. She is now having own practice.

I. Business Model / Business Overview and Strategy

REDTAPE Limited having its registered office at Plot No. 8, Sector 90, Noida, Uttar Pradesh was incorporated on December 8, 2021 as a wholly owned subsidiary of Mirza International Limited.
However, post approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal, Allahabad Bench vide its order dated February 21, 2023, REDTAPE Limited has become an independent Company and is proposed to be listed on National Stock Exchange of India Limited and BSE Limited. Pursuant to the approval of scheme of arrangement, as aforesaid, the Branded business/REDTAPE business of Mirza International Limited has been transferred to REDTAPE Limited.
REDTAPE Limited Business: The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparels and other accessories under REDTAPE and other Brands owned by the Company.
The major brands, in which the Company is doing its business are:



has emerged as a well-known brand in leather and sports footwear, garments & apparels in India.
Over the years, REDTAPE has become India's one of the leading fashion and lifestyle brand for men, women and kids with over 390+ physical/offline stores across the country. The Company is also in the online retail segment for its products through major e-retail portals/platforms.
REDTAPE has emerged as a complete family fashion destination by providing one of the best international styles and world-class quality. Apart from India, our brand has gained a strong foothold in the niche markets of UK, Australia, Turkey, UAE and Gulf Region and some of the neighboring countries of India.

J. Reasons for the Arrangement

The circumstances which justify and/or necessitate the proposed Amalgamation of RTS Fashions Private Limited with Mirza International Limited are, inter alia, as follows:

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

The circumstances which justify and/or necessitate the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited are, inter alia, as follows:

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

K. Restated Audited Financials for the previous three financial year prior to the date of listing:

(1) The Company was incorporated on 8th December, 2021. The standalone financial statements for financial year ended March 31, 2023 and March 31, 2022 is as below:

AUDITED STANDALONE BALANCE SHEET			
Particulars	(Rs. in Lakhs)		
	As at 31st March, 2023 Audited	As at 31st March, 2022 Audited	
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	19882	16661	
(b) Capital work in Progress	7109	7706	
(c) Right of Use Assets	16916	13668	
(d) Financial Assets:			
(i) Investment in Subsidiary	96	107	
(ii) Other Financial Assets	1091	1028	
(e) Other Non-Current Assets	458	644	
Total Non-Current Assets	45552	33814	
2. Current Assets			
(a) Inventories	64299	39665	
(b) Financial Assets			
(i) Trade Receivables	8411	5617	
(ii) Cash and Cash Equivalents	182	313	
(iii) Bank Balances other than (i) above	1303	492	
(iv) Loans			
(v) Other Financial Assets	13	254	
(c) Other Current Assets	2871	1695	
Total Current Assets	77079	48036	
Total Assets	122631	81850	
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2764	1	
(b) 9% Compulsory Redeemable Preference shares	1	0	
(c) Other Equity	43847	33227	
Total Equity	46612	33228	
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3071	1152	
(ii) Leased Liabilities	16010	10905	
(iii) Other Financial Liabilities	12168	9359	
(b) Provisions	350	313	
(c) Deferred Tax Liabilities / (Assets)	224	319	
Total Non-Current Liabilities	31823	24829	
2. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	4999	1698	
(ii) Leased Liabilities	1906	2778	
(b) Trade Payables:			
- total outstanding dues of micro enterprises and small enterprises	1224	784	
- total outstanding dues of creditors other than micro enterprises and small enterprises	33132	15590	
(iii) Other Financial Liabilities	2801	2403	
(b) Other Current Liabilities	117	120	
(c) Provisions	17	20	
Total Current Liabilities	44196	23793	
Total Liabilities	76019	48622	
Total Equity and Liabilities	122631	81850	

AUDITED STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
I Revenue from Operations	145882	29694	
II Other Income	651	6	
III Total Income (HII)	146533	29700	
IV Expenses:			
Cost of Materials Consumed	11401	2165	
Purchases of Stock-in-Trade	93049	18617	
Changes in Inventory of Finished Goods, Work-in-Process and Stock-in-Trade	(25807)	(5728)	
Employee Benefits Expense	4836	1074	
Finance Costs	1744	397	
Depreciation & Amortization Expense	4444	243	
Other Expenses	38754	9367	
Total Expenses (IV)	128421	26135	
V Profit before tax (V)	18112	3565	
VI Tax Expenses: Deferred Tax	4505	1021	
VII Profit for the period / year (V-VI)	13607	2544	
VIII Other Comprehensive Income:			
A. Items that will not be reclassified to profit or loss:			
(i) Fair Value of Investments in Equity	(5)	0	
(ii) Actuarial (Losses)/ Gain on defined benefit plans	0	0	
(iii) Tax impact on above	1	0	
B. Items that will be reclassified to profit or loss:			
(i) Hedging Reserve	(310)	207	
(ii) Tax impact on above	80	0	
IX Total Comprehensive Income for the year (VII+VIII)	13373	2751	
X Earnings per Share:			
Basic: (Rs.)	9.85	1.84	
Diluted: (Rs.)	9.85	1.84	

AUDITED STANDALONE STATEMENT OF CASH FLOW			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax	18112	3564	
Non cash adjustment to Profit Before Tax:			
Interest Income	(501)	(7)	
Depreciation and amortization	4444	243	
Interest expenses	1713	397	
Remeasurement of the Defined Benefit Plan	0	0	
Ind AS adjustment	(119)	0	
Provision for Expected Credit Loss	(2)	21	
Operating profit before working capital changes	23647	4218	
Net Change in:			
Inventories	(24634)	(6437)	
Trade Receivables	(7988)	(721)	
Other Bank Balances	0	0	
Other Financial Assets	0	0	
Other Current Assets	0	0	
Other Non Current Assets	0	0	
Trade Payables	17582	1906	
Other Current Financial Liabilities	0	0	
Other Current Liabilities	4417	3771	
Other Non-Current Financial Liabilities	0	0	
Cash Used from Operation	13023	2739	
Income Taxes paid (net)	0	(1000)	
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	13023	1739	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of Property, Plant and Equipment & Capital WIP	(14085)	(2192)	
Payment for investment in Equity shares	-	-	
Investment in Subsidiary	-	-	
Interest Received	501	7	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(13584)	(2185)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(758)	(397)	
Payment of Lease Liabilities	(3219)	(670)	
Net Change in Borrowings	5219	(1323)	
Money Received against Share issued	0	0	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	1242	(2389)	
Net increase(decrease) in Cash and Cash Equivalents (A+B+C)	680	(2836)	
Margin Money received	0	0	
OPENING BALANCE CASH AND CASH EQUIVALENTS	805	3641	
CLOSING BALANCE CASH AND CASH EQUIVALENTS	1485	805	

(2) The Consolidated financial statements of the Company for financial year ended March 31, 2023 with corresponding figures as on March 31, 2022 is as below:

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 to 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 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 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 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
1. Demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited (Refer Note No 44 of the Standalone Financial Statements) 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. 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. 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.	Our audit procedure includes the following: We conducted our audit of the Composite Scheme of Arrangement approved by Hon'ble NCLT for demerger to take effect from 1st January 2022. Compared the assets and liabilities pertaining to demerged undertakings according to the accounting as per the Scheme. 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. 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. 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.
Valuation of Inventory (refer Note No.44 to the standalone financial statement) 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. 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. 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. Since the Company is dealing in footwear, apparel and accessories, which pertain to fashion industry, sales in the fashion industry can be extremely volatile with consumer preferences changing frequently based on fashion trend. 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. The Valuation of Inventory is considered as Key Audit Matter, as determination of provision of inventory involves significant management judgement and estimates.	Our audit procedure includes the following: Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season. Derived the methodology to analyze the operating effectiveness of the Company's controls to assess the adequacy of provision for inventory obsolescence. Evaluated whether the method is consistent with that applied in the prior year and is in accordance with the Company's policy. 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. Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.

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 terms 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 thereon. 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 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 Company and that 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 Rs. lacs)
Total Assets	1284
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

Mr. Narendra Prasad Upadhyaya
Mr. Narendra Prasad Upadhyaya holds a B. Tech in Mechanical Engineering and a Post-graduate Diploma in Business Management. With an experience of over five decades in the field of Engineering and Chemicals, along with an in-depth understanding of the Leather industry, he is closely associated with the operations of the shoe units of the company.

Mr. Sanjay Bhatia
Mr. Sanjay Bhatia aged 64 years is a B. Tech Chemical graduate from Banaras Hindu University IIT, 1981 batch. He has had a wide Technical, Managerial, Administrative experience spanning 4 decades. Experience encompasses consumer products manufacturing & distribution like electronic goods, household insecticides, Commercial Building segments & Hospitality & Industry segments selling water related engineered products, Spa equipment & also as OEM supplier. Has had a wide stint of experience starting from selling Material Handling Equipment after graduating followed by start of own business in 1984 under the name of Silver Spark P Ltd. Experience ranges from manufacturing of Light engineering products, consumer goods, sanitary import substitution parts, Water treatment, Water Transfer systems, Import agencies & representation of many foreign companies in India. Also 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 Kidzoo, leathering.

Dr. Yashvir Singh
Dr. Yashvir Singh, is a Post-graduate in science as well as holds a Degree in M.Phil., PH.D. He is a scientist and has experience of more than three decades in industry, government bodies and institutions.

Mr. Subhash Saxena
Mr. Subhash Saxena aged 81 years is graduate in B.Sc (Engineering). He has over 50 years of experience in handling the production of motors and has over 15 year experience in handling the Waste Water Treatment plants.

Dr. Rajshree Saxena
Dr. Rajshree Saxena, Gynecologist by profession. She has done her MBBS and Post Graduation from King George's Medical University, Lucknow. She worked in PMS, Uttar Pradesh from 1987 to 2015. She worked in PMS at various senior administrative and clinical post and took voluntary retirement as Joint Director. She is now having own practice.

I. Business Model / Business Overview and Strategy

REDTAPE Limited having its registered office at Plot No. 8, Sector 90, Noida, Uttar Pradesh was incorporated on December 8, 2021 as a wholly owned subsidiary of Mirza International Limited.
However, post approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal, Allahabad Bench vide its order dated February 21, 2023, REDTAPE Limited has become an independent Company and is proposed to be listed on National Stock Exchange of India Limited and BSE Limited. Pursuant to the approval of scheme of arrangement, as aforesaid, the Branded business/REDTAPE business of Mirza International Limited has been transferred to REDTAPE Limited.
REDTAPE Limited Business: The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparels and other accessories under REDTAPE and other Brands owned by the Company.
The major brands, in which the Company is doing its business are:



has emerged as a well-known brand in leather and sports footwear, garments & apparels in India.
Over the years, REDTAPE has become India's one of the leading fashion and lifestyle brand for men, women and kids with over 390+ physical/offline stores across the country. The Company is also in the online retail segment for its products through major e-retail portals/platforms.
REDTAPE has emerged as a complete family fashion destination by providing one of the best international styles and world-class quality.
Apart from India, our brand has gained a strong foothold in the niche markets of UK, Australia, Turkey, UAE and Gulf Region and some of the neighboring countries of India.

J. Reasons for the Arrangement

The circumstances which justify and/or necessitate the proposed Amalgamation of RTS Fashions Private Limited with Mirza International Limited are, inter alia, as follows:

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

The circumstances which justify and/or necessitate the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited are, inter alia, as follows:

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

K. Restated Audited Financials for the previous three financial year prior to the date of listing:

(1) The Company was incorporated on 8th December, 2021. The standalone financial statements for financial year ended March 31, 2023 and March 31, 2022 is as below:

AUDITED STANDALONE BALANCE SHEET			
Particulars	(Rs. in Lakhs)		
	As at 31st March, 2023 Audited	As at 31st March, 2022 Audited	
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	19882	16661	
(b) Capital work in Progress	7109	7706	
(c) Right of Use Assets	16916	13668	
(d) Financial Assets:			
(i) Investment in Subsidiary	96	107	
(ii) Other Financial Assets	1091	1028	
(e) Other Non-Current Assets	458	644	
Total Non-Current Assets	45552	33814	
2. Current Assets			
(a) Inventories	64299	39665	
(b) Financial Assets			
(i) Trade Receivables	8411	5617	
(ii) Cash and Cash Equivalents	182	313	
(iii) Bank Balances other than (ii) above	1303	492	
(iv) Loans			
(v) Other Financial Assets	13	254	
(c) Other Current Assets	2871	1695	
Total Current Assets	77079	48036	
Total Assets	122631	81850	
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2764	1	
(b) 9% Compulsory Redeemable Preference shares	1	0	
(c) Other Equity	43847	33227	
Total Equity	46612	33228	
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3071	1152	
(ii) Leased Liabilities	16010	10905	
(iii) Other Financial Liabilities	12168	9350	
(b) Provisions	350	313	
(c) Deferred Tax Liabilities / (Assets)	224	319	
Total Non-Current Liabilities	31823	24829	
2. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	4999	1698	
(ii) Leased Liabilities	1906	2778	
(b) Trade Payables:			
- total outstanding dues of micro enterprises and small enterprises	1224	784	
- total outstanding dues of creditors other than micro enterprises and small enterprises	33132	15590	
(iii) Other Financial Liabilities	2801	2403	
(b) Other Current Liabilities	117	120	
(c) Provisions	17	20	
Total Current Liabilities	44196	23793	
Total Liabilities	76019	48622	
Total Equity and Liabilities	122631	81850	

AUDITED STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
I Revenue from Operations	145882	29694	
II Other Income	651	6	
III Total Income (HII)	146533	29700	
IV Expenses:			
Cost of Materials Consumed	11401	2165	
Purchases of Stock-in-Trade	93049	18617	
Changes in Inventory of Finished Goods, Work-in-Process and Stock-in-Trade	(25807)	(5728)	
Employee Benefits Expense	4836	1074	
Finance Costs	1744	397	
Depreciation & Amortization Expense	4444	243	
Other Expenses	38754	9367	
Total Expenses (IV)	128421	26135	
V Profit before tax (V)	18112	3565	
VI Tax Expenses: Deferred Tax	4505	1021	
VII Profit for the period / year (V-VI)	13607	2544	
VIII Other Comprehensive Income:			
A. Items that will not be reclassified to profit or loss:			
(i) Fair Value of Investments in Equity	0	0	
(ii) Actuarial (Losses)/ Gain on defined benefit plans	(5)	0	
(iii) Tax impact on above	1	0	
B. Items that will be reclassified to profit or loss:			
(i) Hedging Reserve	(310)	207	
(ii) Tax impact on above	80	0	
IX Total Comprehensive Income for the year (VII+VIII)	13373	2751	
X Earnings per Share:			
Basic: (Rs.)	9.85	1.84	
Diluted: (Rs.)	9.85	1.84	

AUDITED STANDALONE STATEMENT OF CASH FLOW			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax	18112	3564	
Non cash adjustment to Profit Before Tax:			
Interest Income	(501)	(7)	
Depreciation and amortization	4444	243	
Interest expenses	1713	397	
Remeasurement of the Defined Benefit Plan	0	0	
Ind AS adjustment	(119)	0	
Provision for Expected Credit Loss	(2)	21	
Operating profit before working capital changes	23647	4218	
Net Change in:			
Inventories	(24634)	(6437)	
Trade Receivables	(7988)	(721)	
Other Bank Balances	0	0	
Other Financial Assets	0	0	
Other Current Assets	0	0	
Other Non Current Assets	0	0	
Trade Payables	17582	1906	
Other Current Financial Liabilities	0	0	
Other Current Liabilities	4417	3771	
Other Non-Current Financial Liabilities	0	0	
Cash Used from Operation	13023	2739	
Income Taxes paid (net)	0	(1000)	
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	13023	1739	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of Property, Plant and Equipment & Capital WIP	(14085)	(2192)	
Payment for investment in Equity shares	-	-	
Investment in Subsidiary	-	-	
Interest Received	501	7	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(13584)	(2185)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(758)	(397)	
Payment of Lease Liabilities	(3219)	(670)	
Net Change in Borrowings	5219	(1323)	
Money Received against Share issued	0	0	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	1242	(2389)	
Net increase(decrease) in Cash and Cash Equivalents (A+B+C)	680	(2836)	
Margin Money received	0	0	
OPENING BALANCE CASH AND CASH EQUIVALENTS	805	3641	
CLOSING BALANCE CASH AND CASH EQUIVALENTS	1485	805	

(2) The Consolidated financial statements of the Company for financial year ended March 31, 2023 with corresponding figures as on March 31, 2022 is as below:

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 to 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 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 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 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
1. Demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited (Refer Note No 44 of the Standalone Financial Statements) 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. 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. 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.	Our audit procedure includes the following: We went through the Composite Scheme of Arrangement approved by Hon'ble NCLT for demerger to take effect from 1st January 2022. Compared the assets and liabilities pertaining to demerged undertakings recorded as accounting as per the Scheme. 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. 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. 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.
Valuation of Inventory (refer Note No.44 to the standalone financial statement) 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. 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. 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. Since the Company is dealing in footwear, apparel and accessories, which pertain to fashion industry, sales in the fashion industry can be extremely volatile with consumer preferences changing frequently based on fashion trend. 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. The Valuation of Inventory is considered as Key Audit Matter, as determination of provision of inventory involves significant management judgement and estimates.	Our audit procedure includes the following: Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season. Derived the methodology to analyze the operating effectiveness of the Company's controls to assess the adequacy of provision for inventory obsolescence. Evaluated whether the method is consistent with that applied in the prior year and is in accordance with the Company's policy. 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. Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.

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 terms 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 thereon. 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 Company and that 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 Rs. lacs)
Total Assets	1284
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

- 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:
 - 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.
 - 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.
 - 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 the Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 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 31st March, 20

PROVISIONS	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Deferred tax liabilities (Net)		
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 financial year but allowable for tax purpose 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)	0	0
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 31 March 2023 and 1 April 2022

Particulars	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Accounting profit/loss before income tax	1810	4080
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
Other non deductible expenses		
Deductible expenses for tax purposes:		
Depreciation as per IT Act, 1961	235	598
Others	0	0
At the effective income tax rate	4791	1156
Current tax expense reported in the statement of profit and loss	4791	1156
Deferred tax expense/credit reported in the statement of profit and loss	(95)	20

Reconciliation of deferred tax liabilities (net):

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

Note 12 INCOME TAX (NET)

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

Particulars	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ 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 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Others		
Security deposits - from Franchise	12168	9955
Lease Rent Liabilities	16011	13095
Total	28179	23050

Note 14 BORROWINGS

BORROWINGS	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Secured*		
Working capital loans repayable on demand		
From Other banks	3384	244
From Foreign Bank	0	900
Current maturities of long-term debt (Refer Note No. 10)		
Term Loan From banks **	1603	500
Term Loan From bank (Auto Loan)	32	54
Total	4999	1698

- *1) HDFC Bank term loans Rs 7600 Lakh secured by exclusive charge on moveable assets funded from HDFC Bank term loan and exclusive charge on industrial property measuring 272646.39 square meters located in Industrial Area Unnao Site 2 (Utter Pradesh), Pari-passu charge on current & future stocks and book debts
- (2) HDFC Bank working capital Rs 11000 Lakh secured by Pari passu charge on current & future stocks & book debts, exclusive charge on industrial property measuring 272646.39 square meters located in Industrial Area Unnao Site 2 (Utter Pradesh).
- (3) Auto Loans are secured by the respective vehicle which was availed.
- (4) CITI Bank working capital Rs 12000 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 Rs 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

TRADE PAYABLE	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Micro, Small and Medium Enterprises *	1224	784
Others	33132	15990
Total	34356	16774

* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March 2023/31st March 2022, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

Note 15.1 Trade Payables due for payment ageing schedule (current year)

Particulars	(i) MSME*	(ii) Others*
Less than 1 year	1,224	33,116
1-2 years	-	3
2-3 years	-	13
More than 3 years	-	0
Total	1,224	33,132

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

Note 16 OTHER FINANCIAL CURRENT LIABILITIES

OTHER FINANCIAL CURRENT LIABILITIES	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Interest accrued but not due on borrowings	36	0
Other payables		
Commission Payable on Inland Sales	1620	1550
Outstanding Liabilities on	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
Income Tax Liability payable	0	0
Installment payable (Land at Unnao, U-5)	1918	2787
Lease Rent Liabilities	4677	5314
Total	117	138

Note 16.1 NON FINANCIAL CURRENT LIABILITIES

NON FINANCIAL CURRENT LIABILITIES	As at 31 March 2023 ₹ in Lakh	As at 31 March 2022 ₹ in Lakh
Advance Received From Customers	117	138
Total	117	138

Note 17 PROVISIONS

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

Note 18 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Sale of products	146820	30301
Other operating revenues	11	21
Total	146831	30322

Note 19 OTHER INCOME

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

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

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Re-measurement gain/(loss) of Defined Benefit Plan	(5)	0
Equity investments Through OCI	(5)	0
Total	(10)	0

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

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Hedge Reserve	(310)	207
Total	(310)	207

Note 20 COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Others	11300	2147
Stores & Spares	101	18
Total	11401	2165

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

Particulars	For the Year ended 31 March 2023		For the Period ended 31 March 2022	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
Inventories (at close)				
Finished Goods	62788	36641	147483	147483
Stock-in-Process	158	496	30328	30328
Inventories (at commencement)				
Finished Goods	36641	31137	147483	147483
Stock-in-Process	496	37137	30328	30328
Change in Inventories Decrease/(Increase)	-25807	-5728		

Note 22 EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Salaries and Wages	4509	1077
Contribution to Provident and Other Funds	254	46
Gratuity to Employees	61	9
Staff Welfare Expenses	183	71
Total	4966	1185

Note 23 FINANCE COST

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Interest & Bank Charges	1746	398
Total	1746	398

Note 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Depreciation Expenses	4444	238
Leasehold Land Amortisation	0	5
Total	4444	243

Note 25 OTHER EXPENSES

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
Processing Charges	2356	448
Commission	22205	4518
Freight and Transport	4896	1149
Power and Fuel	1442	314
Selling & Advertisement Expenses	4624	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	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
Repairs to machinery	25	57
Repairs to buildings	14	6
Printing & Stationery	84	19
Donation and Subscription	23	31
(Profit)/Loss on Sale of Property, plant and equipment	(13)	3
Miscellaneous Expenses	67	134
Audit Fees	15	9
Loss of Partnership	11	0
Total	38754	9367

Note 25.1 Payments to the auditor as

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ 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

Corporate Social Responsibilities	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ 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	0	0

Note 26 EARNINGS PER SHARE (EPS)

Particulars	For the Year ended 31 March 2023 ₹ in Lakh	For the Period ended 31 March 2022 ₹ in Lakh
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	14215	2904
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	138201900	50000
(iii) Basic and Diluted Earnings per share (₹)	10.29	2.10
(iv) Face Value per equity share (₹)	2	2

Note 22.1 Employee benefits :

The Company is providing the following benefits to their employees :
a) Gratuity
b) Provident Fund
c) Leave encasement
(i) The amounts recognised in Balance Sheet are as follows:
Present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
A) - Wholly funded	-	-
- Wholly unfunded	367	0
Total	367	0
Less: Fair value of plan assets	0	0
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

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

Particulars	2022-23 (₹ in Lakh)	2021-22 (₹ 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 (₹ in Lakh)	2021-22 (₹ 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	0	0
i) Employer	0	0
ii) Employee	0	0
iii) Transfer-in/(out)	0	0
Add: Acquisitions	332	0
Add/(less): Remeasurement - Actuarial losses/(gains)		

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

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

	USD	(Amount in Lakh)
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:

Cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. Assets under Low credit risk

Credit rating	Particulars	31-03-2023	31-03-2022
Low Credit Risk	Cash and cash equivalents investments and other financial assets	28,18	14,26

b) Credit exposure

Provisions for expected credit losses:

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

As at 31st March, 2023

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	84.11			84.11
Cash and cash equivalents	26.18			26.18
Other financial assets	1.26			1.26

As at 31st March, 2022

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	56.17			56.17
Cash and cash equivalents	14.26			14.26
Other financial assets	3.27			3.27

(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 these 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.

Note: 40 Micro, Small and Medium Enterprises as defined under the MSME 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 31st March 2023	As at 31st March 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 makes 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	31st March 2023	31st March 2022
Net Debt*	54.52	14.24
Total Equity	476.76	335.88

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

Note: 42 Financial Instruments - Fair values and accounting classifications

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

Particulars	Note No.	31st March 2023			31st March 2022		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial assets							
Investments	2	56		66			
Security deposits	3	10.91		10.28			
Trade receivables	5	84.11		56.17			
Cash and cash equivalent	6	26.18		14.26			
Incentive Receivable (Export)	7	3		0			
Rodtep Products Licence	7	2		0			
Advances to Employees	7	39		45			
Advance to Other	7	1.13		73			
Interest Receivable	7	0		2			
Others	8	28.71		16.95			
Total		152.04		99.52			
Financial liabilities							
Term loan from bank	10	47.06		17.06			
Provision- Gratuity	11	3.50		3.13			
Security deposits - for franchise	13	121.68		99.55			
Lease Rent Liabilities (net)	13	179.29		158.82			
Working Capital Loan from banks	14	33.64		11.44			
Trade Payable	15	343.56		167.74			
Commission Payable on Inland Sales	16	16.20		15.50			
Outstanding Liabilities	16	3.82		4.25			
Salary Payable	16	1.68		1.46			
Bonus Payable	16	2.51		2.18			
Audit Fees Payable	16	14		8			
Unpaid Commission on Export Sales	16	0		7			
Duties & Taxes (TDS payable)	16	2.30		1.08			
Total		755.38		482.36			

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 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.

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

	31-Mar-23						31-Mar-22					
	Level of Input used in			Level of Input used in			Level of Input used in			Level of Input used in		
	Carrying Amount	Level I	Level II	Level III	Carrying Amount	Level I	Level II	Level III	Carrying Amount	Level I	Level II	Level III
A Financial Assets												
a) Measured at amortised cost												
Security deposits	10.91	10.91			10.28	10.28						
Trade receivables	84.11	84.11			56.17	56.17						
Cash and cash equivalent	26.18	26.18			14.26	14.26						
Incentive Receivable (Export)	3	3			0	0						
Advances to Employees	39	39			45	45						
Advance to Other	1.13	1.13			73	73						
Interest Receivable	0	0			2	2						
Others	28.71	28.71			16.95	16.95						
Sub Total	151.46	151.46			98.86	98.86						
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	152.02	151.46	56		99.52	98.86	66					
B Financial Liabilities												
a) Measured at amortised cost												
Term loan from bank	47.06	47.06			17.06	17.06						
Provision- Gratuity	3.50	3.50			3.13	3.13						
Security deposits - for franchise	121.68	121.68			99.55	99.55						
Lease Rent Liabilities (net)	179.29	179.29			158.82	158.82						
Working Capital Loan from banks	33.64	33.64			11.44	11.44						
Trade Payable	343.56	343.56			167.74	167.74						
Commission Payable on Inland Sales	16.20	16.20			15.50	15.50						
Outstanding Liabilities	3.82	3.82			4.25	4.25						
Salary Payable	1.68	1.68			1.46	1.46						
Bonus Payable	2.51	2.51			2.18	2.18						
Audit Fees Payable	14	14			8	8						
Unpaid Commission on	0	0			7	7						
Export Sales												
Duties & Taxes (TDS payable)	2.30	2.30			1.08	1.08						
Total	755.38	755.38			482.36	482.36						

Notes:

i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.

ii) Fair value of non-current financial assets has not been disclosed as these are bank deposits with maturity more than 12 months, and there are no significant differences between their carrying value and fair value.

iii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 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 franchise. 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 Rs. 19.01 Lakh (Rs.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 08 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'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated 21st February 2023 approved the Composite Scheme of Arrangement (refer sub note 28 of Note 44). The Scheme became operative on filing of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur on 25th Feb,2023. The Scheme is to take effect from 1st January, 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 thereat. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

Fair value measurement under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date. Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

4) USE OF ESTIMATES AND JUDGEMENT:

The preparation of the financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

5) PROPERTY PLANT AND EQUIPMENT:

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, where appropriate, 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 may be.

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</

Appointed Date for the Scheme will be 1st January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
BSE 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 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- 23rd 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.
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 1st January, 2022.
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 31st March, 2022, have also been restated to give effect to the Scheme with effect from 1st January, 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 8th December, 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	Rs. In Lacs As at December 31st 2021	
Assets		
Non Current Assets		
Property Plant & Equipment (Net of Accumulated Depreciation)	13521	
Capital Work-in-Progress	2013	
Right-of-Use Assets	14551	
Financial Assets		
(i) Investments	97	
Total Non-Current Assets	30182	
Current Assets		
Inventories	33186	
Financial Assets		
(i) Trade receivables	6845	
(ii) Cash and Bank Balances	3641	
(iii) Loans and Advances	3420	
Total Current Assets	47991	
Total assets transferred to REDTAPE LIMITED (A)	77273	

Particulars	Rs. In Lacs As at December 31st 2021	
Liabilities		
Non Current Liabilities		
(i) Secured Loans	4174	
(ii) Deferred Tax	466	
Total Non-Current Liabilities	4640	
Current Liabilities		
(i) Current Liabilities	26117	
(ii) Provisions	235	
(iii) Lease Rent Liabilities (Net)	16135	
Total Current Liabilities	42487	
Total liabilities transferred to REDTAPE (B)	47127	
Net Amount (A-B)	30146	

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/sections.

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 1st, 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 1st, 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 31st, 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 31st, 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 Rs. 2/- each in the ratio of 1:1 to the shareholders of Demerged Company on 31st March 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	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)	30416	2764	27382

Particular	As per Restated Financials as at December 31, 2021	
Assets		
Non-Current Assets		
Property, Plant and Equipment	13521	
Capital Work-in-Progress	2013	
Right-of-Use Assets	14551	
Financial Assets		
(i) Investments	97	
Total Non-Current Assets (a)	30182	
Current Assets		
Inventories	33186	
Financial Assets		
(i) Trade Receivables	6845	
(ii) Cash and Cash Equivalents	3641	
(iii) Loans and Advances	3420	
Total Current Assets (b)	47991	
Total Assets (a+b)	77273	

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

- 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.
- In terms of the Scheme, the Company has issued 13,82,01,900 Equity Shares of Rs.2/- each, credited as fully paid up, aggregating Rs.27,64 Lakh to the members of the Transferee Company in exchange of 100% post-amalgamation share capital of the Transferee Company.
- Pursuant to the Scheme, the Company has issued 50,000 9% Compulsorily Redeemable Preference Shares of Rs.2/- each, credited as fully paid up, aggregating Rs. 1,00,000/-, and entire pre-Scheme issued and paid-up share capital of the Company consisting of 50,000 Equity Shares of Rs.2/- each aggregating Rs. 1,00,000/- stands cancelled.
- Surplus of Rs. 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.

Particular	As per Restated Financials as at December 31, 2021	
Equity And Liabilities		
Equity		
Equity Share Capital to be issued	2764	
Other Equity	27382	
Total Equity (c)	30146	
Non-Current Liabilities		
(i) Secured Loans	4174	
(ii) Deferred Tax	466	
Total Non-Current Liabilities (d)	4640	
Current Liabilities		
(i) Current Liabilities	26117	
(ii) Provisions	235	
(iii) Lease Rent Liabilities (Net)	16135	
Total Current Liabilities (e)	42487	
Total Equity And Liabilities (c+d+e)	77273	

For Khamesha Bhatia & Mehrotra Chartered Accountants FRN 001410C
CA Vineet Roongta Partner M.No. 410958 UDIN: _____
Place : Noida Date : May 30, 2023
CA Abhinav Jain (Chief Financial Officer) Noida
CS Nandita Singh (Company Secretary) Noida

(3) The un-audited financial results of the Company (subjected to limited review by the statutory auditors) for the quarter ended 30th June, 2023 (Standalone and Consolidated) are as below:

REDTAPE LIMITED									
Regd. Office : Plot No. 08, Sector-90, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201305									
CIN - U74101UP2021PLC156659									
Website: www.redtapeindia.com E-mail: compliance@redtapeindia.com									

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2023
(Rupees in Lakhs except Earning per share data)

Sr. No.	Particulars	Standalone			Consolidated			Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2023 (Un-audited)
		30.06.2023 (Un-audited)	31.03.2023 (Audited)	30.06.2023 (Un-audited)	31.03.2023 (Audited)	30.06.2023 (Un-audited)	31.03.2023 (Audited)		
I	Revenue from Operations	39,174.40	37,606.89	30,331.14	1,45,892.08	39,378.77	37,877.60	30,556.65	1,46,630.23
II	Other Income								
III	Gains on Termination on 116	58.31	-250.34	110.89	119.42	58.31	-250.34	110.89	119.42
IV	Lease Contracts - IND AS Others	144.11	317.12	71.07	531.60	147.20	317.12	71.07	533.31
III	Total Income (H+I)	39,376.82	37,673.67	30,513.10	1,46,533.10	39,594.28	37,944.38	30,740.61	1,47,482.96
IV	Expenses:								
a	Cost of material consumed	1,433.97	2,615.33	3,487.41	11,400.90	1,433.97	2,615.33	3,487.41	11,400.90
b	Purchase of Stock-in-Trade	19,922.53	32,142.89	12,475.35	93,048.86	19,922.53	32,142.89	12,475.35	93,048.86
c	Change in inventories of	-1,814.59	-14,678.70	41.89	-25,807.18	-1,814.59	-14,678.70	41.89	-25,807.18
d	Employee Benefit Expenses finished goods, work-in-progress and Stock-in-Trade	1,289.85	1,126.58	1,249.60	4,836.24	1,324.19	1,155.72	1,267.81	4,986.35
e	Finance Costs	615.02	523.88	359.71	1,744.31	615.28	524.60	359.73	1,745.73
f	Depreciation and amortization expenses	1,233.20	1,319.04	1,095.14	4,444.11	1,239.70	1,317.88	1,097.92	4,444.11
g	Other Expenses	10,450.43	10,667.20	7,904.87	38,765.07	10,453.92	10,691.28	7,942.02	38,764.66
h	Total Expenses (IV)	33,130.41	33,716.22	26,813.97	1,28,432.31	33,178.60	33,769.00	26,672.15	1,28,583.43
V	Profit / (loss) before exceptional items and tax (III-IV)	6,246.41	3,957.45	3,899.13	18,100.79	6,408.28	4,175.39	4,068.49	18,899.53
VI	Exceptional Items								
VII	Share of Profit/ (Loss) of Associates and Joint Ventures	-9.19	-10.90		-10.90	-9.19	-10.90		-10.90
VIII	Profit / (loss) before tax (V+VI-VII)	6,255.60	3,988.35	3,899.13	18,111.69	6,417.47	4,186.29	4,068.49	18,910.43
IX	Tax Expenses								
(1) Current Tax	1,635.01	826.80	1,269.51	4,600.00	1,675.48	880.73	1,308.16	4,791.94	
(2) Deferred Tax	68.72	-147.84	-47.50	-95.46	68.72	-149.18	-47.50	-96.79	
X	Profit for the period (VIII-IX)	4,551.87	3,289.39	2,677.12	13,607.15	4,673.27	3,454.73	2,807.83	14,215.28
XI	Other comprehensive income, net of income tax								
a	Items that will not be reclassified to profit or loss	-211.83	-1,085.04	872.17	-234.00	-211.83	-1,085.04	872.17	-234.00
b	Items that will be reclassified to profit or loss								
XII	Total Comprehensive Income for the period (X+XI)	4,340.04	2,204.35	3,549.29	13,373.15	4,461.44	2,369.69	3,680.00	13,981.28
XIII	Paid-up Equity Share Capital (Face Value of Rs. 2 each)	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03
XIV	Other Equity excluding Revaluation Reserve			43,847.44					44,910.74
XV	Earning Per Share (EPS)								
(i) Basic	3.29	2.38	1.94	9.85	3.38	2.50	2.03	10.29	
(ii) Diluted	3.29	2.38	1.94	9.85	3.38	2.50	2.03	10.29	

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Standalone				Consolidated			
	Quarter Ended 30.06.2023 (Un-audited)	31.03.2023 (Audited)	30.06.2023 (Un-audited)	31.03.2023 (Audited)	Quarter Ended 30.06.2023 (Un-audited)	31.03.2023 (Audited)	30.06.2023 (Un-audited)	31.03.2023 (Audited)
Segment Revenue								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	22,287.35	19,600.58	15,984.99	77,113.31	22,287.35	19,600.58	15,984.99	77,113.31
Total	22,287.35	19,600.58	15,984.99	77,113.31	22,287.35	19,600.58	15,984.99	77,113.31
Segment (B)								
Garment & Accessories								
Under Brand Redtape)	16,886.41	17,636.57	14,457.04	68,768.79	16,886.41	17,636.57	14,457.04	68,768.79
Unallocated	203.06	436.52	71.07	651.00	410.52	707.23	298.58	1,600.86
Income from operations	39,376.82	37,673.67	30,513.10	1,46,533.10	39,594.28	37,944.38	30,740.61	1,47,482.96
Segment Results (Profit before Interest & tax)								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	3,888.78	3,288.69	2,265.42	10,449.30	3,888.78	3,288.69	2,265.42	10,449.30
Total	3,888.78	3,288.69	2,265.42	10,449.30	3,888.78	3,288.69	2,265.42	10,449.30
Segment (B)								
Garment & Accessories	2,946.41	1,038.45	2,007.16	9,318.19	2,946.41	1,038.45	2,007.16	9,319.09
Unallocated	35.43	-126.28	71.08	88.20	198.57	92.37	240.45	887.20
Total	6,870.62	4,200.86	4,343.66	19,955.69	7,033.76	4,419.51	4,513.03	20,655.59
Less: Interest	615.02	523.88	359.71	1,744.00	616.28	524.26	359.73	1,746.00
Unallocable expenditure net of other unallocable income	0.00	-291.03	84.83	0.00	0.00	-291.03	84.83	0.00
Total Profit/(Loss) Before Tax	6,255.60	3,988.35	3,899.12	18,111.69	6,417.48	4,186.29	4,068.48	18,909.59
Segment Assets								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	72,181.82	64,534.71	40,879.15	64,534.71	72,181.82	64,768.49	41,663.71	64,768.49
Total	72,181.82	64,534.71	40,879.15	64,534.71	72,181.82	64,768.49	41,663.71	64,768.49
Segment (B)								
Garment & Accessories	54,689.90	57,551.31	43,896.34	57,551.31	54,689.90	57,759.80	43,896.34	57,759.80
Unallocated	657.62	544.81	0.00	544.81	1,888.75	1,344.70	0.00	1,344.70
Total	1,27,529.34	1,22,630.83	84,775.49	1,22,630.83	1,28,760.47	1,23,872.99	85,560.05	1,23,872.99 </

Mr. Narendra Prasad Upadhyaya
Mr. Narendra Prasad Upadhyaya holds a B. Tech in Mechanical Engineering and a Post-graduate Diploma in Business Management. With an experience of over five decades in the field of Engineering and Chemicals, along with an in-depth understanding of the Leather industry, he is closely associated with the operations of the shoe units of the company.

Mr. Sanjay Bhatta
Mr. Sanjay Bhatta aged 64 years is a B. Tech Chemical graduate from Banaras Hindu University IIT, 1981 batch. He has had a wide Technical, Managerial, Administrative experience spanning 4 decades. Experience encompasses consumer products manufacturing & distribution like electronic goods, household insecticides, Commercial Building segments & Hospitality & Industry segments selling water related engineered products. Spn equipment & also as OEM supplier. Has had a wide stint of experience starting from selling Material Handling Equipment after graduating followed by start of own business in 1984 under the name of Silver Spark P. Ltd. Experience ranges from manufacturing of Light engineering products, consumer goods, sanitary import substitution parts, Spv equipment, Water Transfer systems, Import agencies & representation of many foreign companies in India. Also currently engaged in Natural Organic Farming under the style of The Way We Were based on BCZ model along with experience of Retail in Kids clothing under the name of kiddoz, leatherite.

Dr. Yashvir Singh
Dr. Yashvir Singh, is a Post-graduate in science as well as holds a Degree in M.Phil., Ph.D. He is a scientist and has experience of more than three decades in industry, government bodies and institutions.

Mr. Subhash Saxena
Mr. Subhash Saxna aged 81 years is graduate in B.Sc (Engineering). He has over 50 years of experience in handling of motors and has over 15 years experience in handling the Waste Water Treatment plants.

Dr. Rajshree Saxena
Dr. Rajshree Saxena, Gynecologist by profession. She has done her MBBS and Post Graduation from King George's Medical University, Lucknow. She has worked in PMS, Uttar Pradesh from 1987 to 2015. She worked in PMS at various senior administrative and clinical post and took voluntary retirement as Joint Director. She is now having own practice.

I. Business Model / Business Overview and Strategy

REDTAPE Limited having its registered office at Plot No. 8, Sector 90, Noida, Uttar Pradesh was incorporated on December 8, 2021 as a wholly owned subsidiary of Mirza International Limited.

The proposed Amalgamation was approved by the Hon'ble National Company Law Tribunal, Allahabad Bench vide its order dated February 21, 2023. REDTAPE Limited has become an Independent Company and is proposed to be listed on National Stock Exchange of India Limited and BSE Limited. Pursuant to the approval of scheme of arrangement, as aforesaid, the Branded Business/REDTAPE business of Mirza International Limited has been transferred to REDTAPE Limited.

REDTAPE Limited Business: The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparels and other accessories under REDTAPE and other Brands owned by the Company. The major brands, in which the Company is doing its business are:



has emerged as a well-known brand in leather and sports footwear, garments & apparels in India. Over the years, REDTAPE has become India's one of the leading fashion and lifestyle brand for men, women and kids with over 300+ physical/offline stores across the country. The Company is also in the online retail segment for its products through major e-retail portals/platforms. REDTAPE has emerged as a complete family fashion destination by providing one of the best international styles and world-class quality. Apart from India, our brand has gained a strong foothold in the niche markets of UK, Australia, Turkey, UAE and Gulf Region and some of the neighboring countries of India.

J. Reasons for the Arrangement

The circumstances which justify and/or necessitate the proposed Amalgamation of RTS Fashions Private Limited with Mirza International Limited are, inter alia, as follows:

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

The circumstances which justify and/or necessitate the proposed De-merger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited are, inter alia, as follows:

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

K. Restated Audited Financials for the Previous three financial year prior to the date of listing:

(1) The Company was incorporated on 08th December, 2021. The standalone financial statements for financial year ended March 31, 2023 and March 31, 2022 is as below:

AUDITED STANDALONE BALANCE SHEET			
Particulars	(Rs. in Lakhs)		
	As at 31st March, 2023 Audited	As at 31st March, 2022 Audited	
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	19882	16661	
(b) Capital work in Progress	7109	1706	
(c) Right of Use Assets	16916	13668	
(d) Financial Assets:			
(i) Investment in Subsidiary	96	107	
(ii) Other Financial Assets	1091	1028	
(e) Other Non-Current Assets	458	644	
Total Non-Current Assets	45552	33814	
2. Current Assets			
(a) Inventories	64299	39665	
(b) Financial Assets			
(i) Trade Receivables	8411	5617	
(ii) Cash and Cash Equivalents	182	313	
(iii) Bank Balances other than (i) above	1303	492	
(iv) Loans			
(v) Other Financial Assets	13	254	
(c) Other Current Assets	2871	1695	
Total Current Assets	77079	48036	
Total Assets	122631	81850	
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2764	1	
(b) 9% Compulsory Redeemable Preference shares	1	0	
(c) Other Equity	43847	33227	
Total Equity	46612	33228	
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3071	1152	
(ii) Leased Liabilities	16010	13090	
(iii) Other Financial Liabilities	12168	9955	
(b) Provisions	350	313	
(c) Deferred Tax Liabilities / (Assets)	224	319	
Total Non-Current Liabilities	31823	24629	
2. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	4999	1698	
(ii) Leased Liabilities	1906	2778	
(iii) Trade Payables:			
- total outstanding dues of micro enterprises and small enterprises	1224	784	
- total outstanding dues of creditors other than micro enterprises and small enterprises	33132	15990	
(iv) Other Financial Liabilities	2801	2403	
(b) Other Current Liabilities	117	120	
(c) Provisions	17	20	
Total Current Liabilities	44196	23793	
Total Liabilities	76019	48622	
Total Equity and Liabilities	122631	81850	

AUDITED STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
I Revenue from Operations	145882	29694	
II Other Income	651	6	
III Total Income (+/-)	146533	29700	
IV Expenses:			
Cost of Materials Consumed	11401	2165	
Purchases of Stock-in-Trade	93049	18617	
Changes in Inventory of Finished Goods, Work-in-Process and Stock-in-Trade	(25807)	(5726)	
Employee Benefits Expense	4836	1074	
Finance Costs	1744	397	
Depreciation & Amortization Expense	4444	243	
Other Expenses	38754	9367	
Total Expenses (IV)	128411	26135	
V Profit before tax (V)	18122	3565	
VI Tax Expenses: Deferred Tax	4505	1021	
VII Profit for the period / year (V-VI)	13607	2544	
VIII Other Comprehensive Income:			
A. Items that will not be reclassified to profit or loss:			
(i) Fair Value of Investments in Equity	0	0	
(ii) Actuarial (Losses)/ Gain on defined benefit plans	(5)	0	
(iii) Tax impact on above	1	0	
B. Items that will be reclassified to profit or loss:			
(i) Hedging Reserve	(310)	207	
(ii) Tax impact on above	80	0	
IX Total Comprehensive Income for the year (VII-VII)	13373	2751	
X Earnings per Share:			
Basic: (Rs.)	9.85	1.84	
Diluted: (Rs.)	9.85	1.84	

AUDITED STANDALONE STATEMENT OF CASH FLOW			
Particulars	(Rs. in Lakhs)		
	Year ended 31st March, 2023 Audited	Year ended 31st March, 2022 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax	18112	3564	
Non cash adjustment to Profit Before Tax:			
Interest Income	(501)	(7)	
Depreciation and amortization	4444	243	
Interest expenses	1713	397	
Remeasurement of the Defined Benefit Plan	0	0	
Ind AS adjustment	(119)	0	
Provision for Expected Credit Loss	(2)	21	
Operating profit before working capital changes	23647	4218	
Net Change in:			
Inventories	(24634)	(6437)	
Trade Receivables	(7988)	(721)	
Other Bank Balances	0	0	
Other Financial Assets	0	0	
Other Current Assets	0	0	
Other Non Current Assets	0	0	
Trade Payables	17582	1908	
Other Current Financial Liabilities	0	0	
Other Current Liabilities	4417	3771	
Other Non-Current Financial Liabilities	0	0	
Cash Used from Operation	13023	2739	
Income Taxes paid (net)	0	(1000)	
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	13023	1739	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of Property, Plant and Equipment & Capital WIP	(14085)	(2192)	
Payment for investment in Equity shares	-	-	
Investment in Subsidiary	-	-	
Interest Received	501	7	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(13584)	(2185)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(758)	(397)	
Payment of Lease Liabilities	(3219)	(670)	
Net Change in Borrowings	5219	(1323)	
Money Received against Share issued	0	0	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	1242	(2389)	
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	680	(2836)	
Margin Money received	0	0	
OPENING BALANCE CASH AND CASH EQUIVALENTS	805	3641	
CLOSING BALANCE CASH AND CASH EQUIVALENTS	1485	805	

(2) The consolidated financial statements of the Company for financial year ended March 31, 2023 with corresponding figures as on March 31, 2022 is as below:

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 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:

- Amalgamation of RTS Fashions Pvt Ltd with and into Mirza International Ltd.
- 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 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
1. Demerger of Branded Business/REDTAPE Business of Mirza International Limited into REDTAPE Limited (Refer Note No 44 of the Standalone Financial Statements)	Our audit procedure includes the following: We went through the Composite Scheme of Arrangement approved by Hon'ble NCLT for Demerger to take effect from 1st January 2022. Compared the assets and liabilities pertaining to demerged undertakings considered for accounting as per the Scheme. 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. 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. 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.
Valuation of Inventory (refer Note No.44 to the standalone financial statement)	Our audit procedure includes the following: Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to session. Derived the methodology to analyze the operating effectiveness of the Company's controls to assess the adequacy of provision for inventory obsolescence. Evaluated whether the method is consistent with that applied in the prior year and is in accordance with the Company's policy. 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. Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.

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 terms 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 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:</

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

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

	USD	(Amount in Lakh)
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

Credit rating	Particulars	31-03-2023	31-03-2022
Low Credit Risk	Cash and cash equivalents investments and other financial assets	26.18	14.26

b) Credit exposure

Provisions for expected credit losses:
The Company provides for 12 month expected credit losses for following financial assets:
As at 31st March, 2023

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	84.11			84.11
Cash and cash equivalents	26.18			26.18
Other financial assets	1.26			1.26

Particulars	Estimated gross carrying amount	Expected credit loss	Expected credit losses	Carrying amount net of impairment provision
Trade Receivable	56.17			56.17
Cash and cash equivalents	14.26			14.26
Other financial assets	3.27			3.27

(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.

Note: 40. Micro, Small and Medium Enterprises as defined under the MSME Act, 2006

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

Particulars	As at 31 March 2023	As at 31 March 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 beyond the appointed day during the year but without adding the interest specified under Micro Small and Medium Enterprises 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 makes 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	31st March 2023	31st March 2022
Net Debt ¹	54.52	14.24
Total Equity	476.76	335.88

¹Net debt = Long Term Borrowings + Short Term borrowings - Cash & cash equivalents

Note: 42 Financial Instruments - Fair values and accounting classifications

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

Particulars	Note No.	31st March 2023	31st March 2022
Financial assets			
Investments	2	56	66
Security deposits	3	10.91	10.28
Trade receivables	5	84.11	56.17
Cash and cash equivalent	6	26.18	14.26
Incentive Receivable (Export)	7	3	0
Rodtap Products Licence	7	2	0
Advances to Employees	7	39	45
Advance to Other	7	1.13	7.3
Interest Receivable	7	0	2
Others	8	28.71	16.95
Total		152.04	99.52
Financial liabilities			
Term loan from bank	10	47.06	17.06
Provision- Gratuity	11	3.50	3.13
Security deposits - for franchise	13	121.68	99.55
Lease Rent Liabilities (net)	13	179.29	158.82
Working Capital Loan from banks	14	33.64	11.44
Trade Payable	15	343.56	167.74
Commission Payable on Inland Sales	16	16.20	15.50
Outstanding Liabilities	16	3.82	4.25
Salary Payable	16	1.68	1.46
Bonus Payable	16	2.51	2.18
Audit Fees Payable	16	14	7
Unpaid Commission on Export Sales	16	0	0
Duties & Taxes (TDS payable)	16	2.30	1.08
Total		755.38	482.36

Financial Instruments - Fair value hierarchy

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

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

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

	31-Mar-23			31-Mar-22		
	Level of Input used in Carrying Amount	Level II	Level III	Level of Input used in Carrying Amount	Level II	Level III
A Financial Assets						
a) Measured at amortised cost						
Security deposits	10.91	10.91		10.28	10.28	
Trade receivables	84.11	84.11		56.17	56.17	
Cash and cash equivalent	26.18	26.18		14.26	14.26	
Incentive Receivable (Export)	3	3		0	0	
Advances to Employees	39	39		45	45	
Advance to Other	1.13	1.13		7.3	7.3	
Interest Receivable	0	0		2	2	
Others	28.71	28.71		16.95	16.95	
Sub Total	151.46	151.46		98.86	98.86	
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	152.02	151.46	56	99.52	98.86	66
B Financial Liabilities						
a) Measured at amortised cost						
Term loan from bank	47.06	47.06		17.06	17.06	
Provision- Gratuity	3.50	3.50		3.13	3.13	
Security deposits - for franchise	121.68	121.68		99.55	99.55	
Lease Rent Liabilities (net)	179.29	179.29		158.82	158.82	
Working Capital Loan from banks	33.64	33.64		11.44	11.44	
Trade Payable	343.56	343.56		167.74	167.74	
Commission Payable on Inland Sales	16.20	16.20		15.50	15.50	
Outstanding Liabilities	3.82	3.82		4.25	4.25	
Salary Payable	1.68	1.68		1.46	1.46	
Bonus Payable	2.51	2.51		2.18	2.18	
Audit Fees Payable	14	14		7	7	
Unpaid Commission on Export Sales	0	0		0	0	
Export Sales	2.30	2.30		1.08	1.08	
Duties & Taxes (TDS payable)	2.30	2.30		1.08	1.08	
Total	755.38	755.38		482.36	482.36	

- Notes:
- Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
 - Fair value of non-current financial assets has not been disclosed as these are bank deposits with maturity more than 12 months, and there are no significant differences between their carrying value and fair value.
 - Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 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 Rs. 19.01 lakh (Rs.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 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'ble National Company Law Tribunal, Allahabad Bench, Prayagraj (the Tribunal) vide its Order dated 21st February 2023 approved the Composite Scheme of Arrangement (refer sub note 28 of Note 44). The Scheme became operative on filing of the NCLT Order with the Registrar of Companies, Uttar Pradesh, Kanpur on 25th Feb.2023. The Scheme is to take effect from 1st January, 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 liability in an orderly transactions between market participants at the measurement date.
Fair value measurement under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

4) USE OF ESTIMATES AND JUDGEMENT:

The preparation of the financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.
This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

5) PROPERTY PLANT AND EQUIPMENT:

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 at 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 as appropriate.

- 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

- 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.
- Depreciation on all assets except intangible assets and assets held under lease is 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.
- 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.
- Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case may be.
- Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

7) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
Cash and cash equivalents include bank overdrafts are form an integral part of Company's cash management."

8) BORROWING AND BORROWING COST

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets, all other borrowing cost are charged to the Statement of Profit & Loss. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

9) LEASES:

The Company's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores company also has taken Land as lease from Development Authorities. In addition 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 are measured 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:

- Debt instruments at amortized cost**
A debt instrument is measured at 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.
- 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.
- 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 has assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And
Either the Company:
(a) has transferred substantially all the risks and rewards of the asset, or
(b) has neither transferred nor retained substantially

Appointed Date for the Scheme will be 1st January, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
BSE 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.
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.
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 1st January, 2022.
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 31st March, 2022, have also been restated to give effect to the Scheme with effect from 1st January, 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 8th December, 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	Rs. in Lacs As at December 31st 2021
Assets	
Non-Current Assets	
Property Plant & Equipment (Net of Accumulated Depreciation)	13521
Capital Work-in-Progress	2013
Right of Use Assets	14551
Financial Assets	
(i) Investments	97
Total Non-Current Assets	30182
Current Assets	
(i) Inventories	33186
Financial Assets	
(i) Trade receivables	6845
(ii) Cash and Bank Balances	3641
(iii) Loans and Advances	3420
Total Current Assets	47991
Total assets transferred to REDTAPE LIMITED (A)	77273

Particulars	Rs. in Lacs As at December 31st 2021
Liabilities	
Non-Current Liabilities	
(i) Secured Loans	4174
(ii) Deferred Tax	466
Total Non-Current Liabilities	4640
Current Liabilities	
(i) Current Liabilities	26117
(ii) Provisions	235
(iii) Lease Rent Liabilities (Net)	16135
Total Current Liabilities	42487
Total liabilities transferred to REDTAPE (B)	47127
Net Amount (A-B)	30146

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 existing charges, mortgages and encumbrances over such assets. Vice-versa, Redtape Ltd enjoys credit facilities by the existing 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 1st, 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 1st 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 31st, 2021 and additional disclosure and 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 31st, 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 Rs. 2/- each in the ratio of 1:1 to the shareholders of Demerged Company on 31st March 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	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)	30416	2764	27382

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

Particular	As per Restated Financials as at December 31, 2021
Assets	
Non-Current Assets	
Property, Plant and Equipment	13521
Capital Work-in-progress	2013
Right of Use Assets	14551
Financial Assets	
(i) Investments	97
Total Non-Current Assets	30182
Current Assets	
Inventories	33186
Financial Assets	
(i) Trade Receivables	6845
(ii) Cash and Cash Equivalents	3641
(iii) Loans and Advances	3420
Total Current Assets	47991
Total Assets	77273

Particular	As per Restated Financials as at December 31, 2021
Equity And Liabilities	
Equity	
Equity Share Capital to be issued	2764
Other Equity	27382
Total Equity	30146
Non-Current Liabilities	
(i) Secured Loans	4174
(ii) Deferred Tax	466
Total Non-Current Liabilities	4640
Current Liabilities	
(i) Current Liabilities	26117
(ii) Provisions	235
(iii) Lease Rent Liabilities (Net)	16135
Total Current Liabilities	42487
Total Equity And Liabilities	77273

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

- 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.
- In terms of the Scheme, the Company has issued 13,82,01,900 Equity Shares of Rs.2/- each, credited as fully paid up, aggregating Rs.27,64 Lakh to the members of the Transferee Company in exchange of 100% post-amalgamation share capital of the Transferee Company.
- Pursuant to the Scheme, the Company has issued 50,000 9% Compulsorily Redeemable Preference Shares of Rs.2/- each, credited as fully paid up, aggregating Rs.1,00,000/-; and entire pre-Scheme issued and paid-up share capital of the Company consisting of 50,000 Equity Shares of Rs.2/- each aggregating Rs.1,00,000/- stands cancelled.
- Surplus of Rs. 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

CA Vineet Roongta Partner M.No. 410958 UDN: Place : Noida Date : May 30, 2023

Shuja Mirza (Managing Director) DIN: 01453110 China

Arvind Verma (Whole Time Director) DIN: 09429834 Noida

CA Abhinav Jain (Chief Financial Officer) Noida

CS Nandita Singh (Company Secretary) Noida

(3) The un-audited financial results of the Company (subjected to limited review by the statutory auditors) for the quarter ended 30th June, 2023 (Standalone and Consolidated) is as below:

REDTAPE LIMITED
Regd. Office : Plot No. 08, Sector -90, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201305
CIN - U74101UP2021PLC156659
Website: www.redtapeindia.com E-mail: compliance@redtapeindia.com

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2023
(Rupees in Lakhs except Earning per share data)

Sr. No.	Particulars	Standalone		Consolidated		Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2023 (Audited)
		30.06.2023 (Un-audited)	31.03.2023 (Audited)	30.06.2023 (Un-audited)	31.03.2023 (Audited)		
I	Revenue from Operations	39,174.40	37,096.89	30,331.14	1,45,892.08	39,378.77	37,877.60
II	Other Income					30,558.65	1,46,830.23
III	Gains on Termination on Others	58.31	-250.34	110.89	119.42	58.31	-250.34
IV	Losses Contracts - IND AS 116	144.11	317.12	71.07	531.60	147.20	317.12
V	Total Income (III+IV)	39,376.82	37,673.67	30,513.10	1,46,533.10	39,584.28	37,944.38
VI	Expenses:						
a	Cost of material consumed	1,433.97	2,615.33	3,487.41	11,400.90	1,433.97	2,615.33
b	Purchase of Stock-in-Trade	19,922.53	32,142.89	12,475.35	93,048.86	19,922.53	32,142.89
c	Change in inventories of	-1,814.59	-14,678.70	41.89	-25,807.18	-1,814.59	-14,678.70
d	Employee Benefit Expenses	1,289.85	1,126.58	1,249.60	4,836.24	1,324.19	1,155.72
e	Finance Costs	615.02	523.88	359.71	1,744.31	615.02	524.60
f	Depreciation and amortization expenses	1,233.20	1,319.04	1,095.14	4,444.11	1,239.70	1,317.88
g	Other Expenses	10,450.43	10,667.20	7,904.87	38,765.07	10,453.92	10,691.28
h	Total Expenses (VI)	33,130.41	33,716.22	26,613.92	1,28,432.31	33,176.00	26,672.13
VII	Profit/(Loss) before exceptional items and tax (III-VI)	6,246.41	3,957.45	3,899.13	18,100.79	6,408.28	4,175.39
VIII	Share of Profit/(Loss) of Associates and Joint Ventures	-9.19	-10.90	-10.90	-10.90	-9.19	-10.90
IX	Profit/(Loss) before tax (VII-VIII)	6,255.60	3,968.35	3,899.13	18,111.69	6,417.47	4,186.29
X	Tax Expenses						
(1) Current Tax	1,635.01	826.80	1,269.51	4,600.00	1,675.48	880.73	
(2) Deferred Tax	68.72	-147.84	-47.50	-85.46	68.72	-149.18	
Profit for the period (VII-IX)	4,551.87	3,289.39	2,677.12	13,607.15	4,673.27	3,454.73	
XI	Other comprehensive income, net of income tax:						
a	Items that will not be reclassified to profit or loss	-211.83	-1,085.04	872.17	-234.00	-211.83	-1,085.04
b	Items that will be reclassified to profit or loss						
XII	Total Comprehensive Income for the period (X+XI)	4,340.04	2,204.35	3,549.29	13,373.15	4,461.44	2,369.69
XIII	Paid-up Equity Share Capital (Face Value of Rs. 2 each)	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03	2,765.03
XIV	Other Equity excluding Revaluation Reserve			43,847.44			44,910.74
XV	Earning Per Share (EPS):						
(i) Basic	3.29	2.38	1.94	9.85	3.38	2.50	
(ii) Diluted	3.29	2.38	1.94	9.85	3.38	2.50	

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Standalone		Year Ended		Consolidated		Year Ended	
	30.06.2023 (Un-audited)	31.03.2023 (Audited)						
Segment Revenue								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	22,287.35	19,600.58	15,984.99	77,113.31	22,287.35	19,600.58	15,984.99	77,113.31
Total	22,287.35	19,600.58	15,984.99	77,113.31	22,287.35	19,600.58	15,984.99	77,113.31
Segment (B)								
Garment & Accessories (Under Brand Redtape)	16,866.41	17,636.57	14,457.04	68,768.79	16,866.41	17,636.57	14,457.04	68,768.79
Unallocated	203.06	436.52	71.07	651.00	410.52	707.23	298.58	1,600.86
Income from operations	39,376.82	37,673.67	30,513.10	1,46,533.10	39,584.28	37,944.38	30,740.61	1,47,482.96
Segment Results (Profit before interest & tax)								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	3,888.78	3,288.69	2,265.42	10,449.30	3,888.78	3,288.69	2,265.42	10,449.30
Total	3,888.78	3,288.69	2,265.42	10,449.30	3,888.78	3,288.69	2,265.42	10,449.30
Segment (B)								
Garment & Accessories (Under Brand Redtape)	2,946.41	1,038.45	2,007.16	9,318.19	2,946.41	1,038.45	2,007.16	9,319.09
Unallocated	35.43	-128.28	71.08	88.20	198.57	92.37	240.45	887.20
Total	6,870.62	4,200.66	4,343.66	19,856.69	7,033.76	4,419.51	4,513.03	20,655.59
Less: Interest	615.02	523.54	359.71	1,744.00	616.28	524.26	359.73	1,746.00
Unallocable expenditure net of other unallocable income	0.00	-291.03	84.83	0.00	0.00	-291.03	84.83	0.00
Total Profit/(Loss) Before Tax	6,255.60	3,968.35	3,899.12	18,111.69	6,417.48	4,186.29	4,068.48	18,909.59
Segment Assets								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	72,181.82	64,534.71	40,879.15	64,534.71	72,181.82	64,768.49	41,663.71	64,768.49
Total	72,181.82	64,534.71	40,879.15	64,534.71	72,181.82	64,768.49	41,663.71	64,768.49
Segment (B)								
Garment & Accessories (Under Brand Redtape)	54,689.90	57,551.31	43,896.34	57,551.31	54,689.90	57,759.80	43,896.34	57,759.80
Unallocated	657.62	544.81	0.00	544.81	1,888.75	1,344.70	0.00	1,344.70
Total	1,27,529.34	1,22,630.83	84,775.49	1,22,630.83	1,28,760.47	1,23,872.99	85,560.05	1,23,872.99
Segment Liabilities								
Segment (A)								
Footwear								
(A1) Domestic & Export Sale under brand - Redtape & Bondstreet	43,017.20	40,005.14	23,930.60	40,005.14	43,017.20	39,840.52	24,137.67	39,840.52
Total	43,017.20	40,005.14	23,930.60	40,005.14	43,017.20	39,840.52	24,137.67	39,840.52
Segment (B)								
Garment & Accessories (Under Brand Redtape)	32,592.78	35,676.13	28,797.91	35,676.13	32,592.78	35,529.32	28,797.91	35,529.32
Unallocated	391.92	337.73	711.60	337.73	425.97	827.16	711.60	827.16
Total	76,001.90	76,019.00	53,440.11	76,019.00	76,035.95	76,19		