

Mirza International Limited

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New Delhi - 110044 (India)
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CIN : L19129UP1979PLC004821
Email : marketing@mirzaindia.com
Website : www.mirza.co.in

May 27, 2023

| | |
|---|---|
| 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: MIRZAIN |
|---|---|

Dear Sir,

Sub.: Outcome of Board Meeting

Further to our letter dated May 18, 2023, the Board of Directors of the Company in its meeting held on Saturday, May 27, 2023 approved, inter-alia the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2023 and Auditors' Reports with unmodified opinion on the aforesaid Audited Financial Results of the Company. A copy of the said results (Standalone and Consolidated) along with Audit Reports are enclosed herewith in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Meeting of the Board of Directors commenced at 01:00 p.m. and was adjourned at 1.45 P.M. The meeting was reconvened at 6.30 P.M. and concluded at 11:00 p.m.

For **Mirza International Limited**



Harshita Nagar

Company Secretary & Compliance Officer

Encl.: As above

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON MARCH 31, 2023

(Rupees in Lakh except Earning per share)

| Sr. No. | Particulars | Standalone | | | | Consolidated | | | |
|---------|--|-------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|-------------------------|
| | | Quarter Ended | | Year Ended | | Quarter Ended | | Year Ended | |
| | | 31.03.2023 (Audited) | 31.12.2022 (Un-audited) | 31.03.2022 (Audited) | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2023 (Audited) | 31.12.2022 (Un-audited) | 31.03.2022 (Audited) |
| I | Revenue from Operations | 15,030.45 | 11806.51 | 15,674.29 | 62,705.69 | 138562.58 | 15,331.06 | 12987.16 | 16512.53 |
| II | Other Income | | | | | | | | |
| | Gains on Tennination on Lease Contracts - IND AS 116 | - | - | - | - | 1609.58 | - | - | 0.00 |
| | Others | 451.61 | 14.21 | 8.95 | 502.71 | 111.57 | 460.64 | 15.63 | 8.84 |
| III | Total Income (I+II) | 15,482.05 | 11820.72 | 15683.24 | 63208.40 | 140283.73 | 15,791.70 | 13002.79 | 16521.37 |
| IV | Expenses: | | | | | | | | |
| | a Cost of material consumed | 7,996.08 | 5939.01 | 6974.31 | 25,744.67 | 27522.45 | 8,105.93 | 6745.59 | 12965.86 |
| | b Purchase of Stock-in-Trade | 2,454.34 | 732.88 | 3793.57 | 11,111.79 | 52961.57 | 2,503.43 | 806.17 | 10916.20 |
| | c Change in inventories of finished goods, work-in-progress and Stock-in-Trade | (747.64) | (228.14) | (1544.22) | 812.04 | (14.28) | (744.64) | (209.89) | (2664.14) |
| | d Employee Benefit Expenses | 1,886.67 | 1875.78 | 1800.86 | 7339.39 | 9367.76 | 1,924.41 | 2063.36 | 1897.79 |
| | e Finance Costs | 189.50 | 173.14 | 269.86 | 773.31 | 2300.63 | 192.00 | 190.45 | 309.62 |
| | f Depreciation and amortization expenses | 599.63 | 661.18 | 710.39 | 2530.30 | 5757.36 | 611.62 | 727.30 | 702.47 |
| | g Other Expenses | 2,798.14 | 2163.69 | 3139.04 | 11486.15 | 31004.17 | 2,891.52 | 2173.72 | 2770.34 |
| | Total Expenses (IV) | 15,176.71 | 11317.54 | 15143.80 | 59797.65 | 128899.66 | 15,484.26 | 12496.70 | 15981.93 |
| V | Profit / (loss) before exceptional items and tax (III-IV) | 305.35 | 503.18 | 539.44 | 3410.75 | 11384.07 | 307.43 | 506.09 | 539.44 |
| VI | Exceptional Items | | | | | | | | |
| VII | Share of Profit/ (Loss) of Associates and Joint Ventures | | | | | | | | |
| VIII | Profit / (loss) before tax (V-VI-VII) | 305.35 | 503.18 | 539.44 | 3410.75 | 11384.07 | 307.43 | 506.09 | 539.44 |
| IX | Tax Expenses | | | | | | | | |
| | (1) Current Tax | 75.00 | (200.98) | 161.81 | 700.00 | 2754.70 | 76.00 | (205.00) | (139.66) |
| | (2) Deferred Tax | 0.83 | 47.09 | (121.14) | 92.45 | 69.86 | 0.83 | 51.80 | (118.62) |
| X | Profit for the period (VIII-IX) | 229.52 | 657.06 | 498.77 | 2618.30 | 8559.52 | 230.60 | 659.29 | 797.72 |
| XI | Other comprehensive income, net of income tax | 0.00 | 0.00 | 0.00 | (72.07) | 188.61 | 55.00 | 62.30 | 84.91 |
| | a Items that will not be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | 42.48 | (6.79) | 4.50 | 9.00 | 0.00 |
| | b Items that will be reclassified to profit or loss | 0.00 | 0.00 | 0.00 | -114.55 | 195.40 | 50.50 | 53.30 | 84.91 |
| XII | Total Comprehensive Income for the period (X+XI) | 229.52 | 657.06 | 498.77 | 2546.23 | 8748.13 | 285.60 | 721.59 | 882.63 |
| XIII | Paid-up Equity Share Capital (Face Value of Rs. 2 each) | 2764.04 | 2406.12 | 2406.12 | 2764.04 | 2406.12 | 2764.04 | 2406.12 | 2764.04 |
| XIV | Other Equity excluding Revaluation Reserve | | | | 45521.33 | 43404.40 | | | |
| XV | Earning Per Share (EPS) | | | | | | | | |
| | (i) Basic | 0.17 | 0.55 | 0.41 | 1.89 | 7.11 | 0.17 | 0.55 | 0.66 |
| | (ii) Diluted | 0.17 | 0.55 | 0.41 | 1.89 | 7.11 | 0.17 | 0.55 | 0.66 |
| | | | | | | | | | |
| | | | | | | | | | |



| SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES | | | | | | | | | | (Rs. In Lakh) | | |
|---|-------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|-------------------------|----------------------------|-------------------------|--|--|
| Particulars | Standalone | | | | | Consolidated | | | | | | |
| | Quarter Ended | | Year Ended | | Quarter Ended | | Year Ended | | | | | |
| | 31.03.2023 (Audited) | 31.12.2022 (Un-audited) | 31.03.2022 (Audited) | 31.03.2023 (Audited) | 31.03.2022 (Audited) | 31.03.2023 (Audited) | 31.12.2022 (Un-audited) | 31.03.2022 (Audited) | 31.03.2023 (Un-audited) | 31.03.2022 (Audited) | | |
| Segment Revenue | | | | | | | | | | | | |
| (A1) Export & Other Sale | 11092.98 | 9654.28 | 12395.25 | 52616.85 | 50386.69 | 11402.62 | 10836.35 | 13233.38 | 55211.83 | 51744.01 | | |
| (A2) Domestic & Other Sale under own brand | 4154.22 | 3277.07 | 5620.03 | 14110.24 | 96188.79 | 4154.22 | 3277.07 | 5620.03 | 14110.24 | 96188.79 | | |
| Total | 15247.21 | 12931.35 | 18015.28 | 66727.09 | 146575.48 | 15556.85 | 14113.42 | 18853.41 | 69322.07 | 147932.80 | | |
| Unallocated | 451.61 | 14.21 | 8.95 | 502.71 | 1721.15 | 451.61 | 14.21 | 8.95 | 502.71 | 1721.20 | | |
| Total | 15698.82 | 12945.56 | 18024.23 | 67229.80 | 148296.63 | 16008.46 | 14127.63 | 18862.36 | 69824.78 | 149654.00 | | |
| Less : Inter Segment Revenue | 216.76 | 1124.84 | 2340.99 | 4021.39 | 8012.90 | 216.76 | 1124.84 | 2340.99 | 4021.39 | 8012.90 | | |
| Income from operations | 15482.05 | 11820.72 | 15683.24 | 63208.41 | 140283.73 | 15791.69 | 13002.79 | 16521.37 | 65803.39 | 141641.10 | | |
| Segment Results (Profit before interest & tax) | | | | | | | | | | | | |
| Segment (A) | | | | | | | | | | | | |
| Footwear | | | | | | | | | | | | |
| (A1) Export & Other Sale | 554.45 | 667.36 | 625.05 | 3750.53 | 6603.79 | 556.54 | 670.28 | 625.05 | 3932.72 | 4748.79 | | |
| (A2) Domestic & Other Sale under own brand | 217.20 | 226.53 | 246.89 | 541.19 | 7839.41 | 217.20 | 226.53 | 246.89 | 541.19 | 7839.41 | | |
| Total | 771.66 | 893.89 | 871.93 | 4291.72 | 14443.21 | 773.75 | 896.81 | 871.93 | 4473.91 | 12588.21 | | |
| Unallocated | 14.21 | 14.21 | 8.95 | 502.71 | 1721.15 | 14.21 | 14.21 | 8.95 | 502.71 | 1721.20 | | |
| Total | 785.87 | 908.09 | 880.88 | 4794.43 | 16164.36 | 787.96 | 911.01 | 880.88 | 4976.62 | 14309.41 | | |
| Less: Interest | 189.50 | 231.78 | 269.86 | 773.31 | 2300.63 | 189.50 | 231.78 | 269.86 | 773.31 | 2300.63 | | |
| Unallocated | 291.03 | 173.14 | 71.58 | 610.37 | 758.51 | 291.03 | 173.15 | 71.58 | 607.31 | 757.37 | | |
| Total Profit /(Loss) Before Tax | 305.34 | 503.18 | 539.44 | 3410.75 | 11384.07 | 307.43 | 506.09 | 539.44 | 3596.00 | 11251.41 | | |
| Segment Assets | | | | | | | | | | | | |
| Unallocated | 62297.45 | 56291.00 | 61733.60 | 62297.45 | 61733.60 | 62297.45 | 55634.25 | 61733.60 | 62297.45 | 73160.00 | | |
| Total | 62297.45 | 56291.00 | 61733.60 | 62297.45 | 61733.60 | 62297.45 | 55634.25 | 61733.60 | 62297.45 | 73160.00 | | |
| Segment Liabilities | | | | | | | | | | | | |
| Unallocated | 16773.50 | 53133.64 | 18330.85 | 16773.50 | 18330.85 | 22612.00 | 53633.64 | 18690.07 | 22612.00 | 18690.07 | | |
| Total | 16773.50 | 53133.64 | 18330.85 | 16773.50 | 18330.85 | 22612.00 | 53633.64 | 18690.07 | 22612.00 | 18690.07 | | |

NOTES:

- The above Standalone and Consolidated Ind AS Audited Financial Results were reviewed by Audit Committee and subsequently approved by the Board of Directors at their meeting held today.
- The above Consolidated Financial Results of Mirza International Limited (The Company) and its Wholly Owned Subsidiaries (WOS) T N S Hotels and Resorts Private Limited and RTS Fashion Ltd. are drawn in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.
- The statement have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- The format of above Financial Results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to Comply with the requirements of SEBI's Circular CIR/CFD/FAC/62/2016 dated July 05, 2016.
- (a) Company has already adopted Ind AS 116 in respect of its lease assets except for lease hold properties from development authorities. In order to align with the Ind AS 116, Company preferred to recognise all its lease hold assets as per Ind AS 116. Due to adoption of Ind AS, rent Expenses is reduced by Rs. 46 Lacs , whereas depreciation & finance cost is up by Rs. 41 Lacs & Rs. 40 Lacs respectively & the company has reassessed the Asset/Liabilities under Ind AS 116 "Leases", resulting into decrease in profit before tax of Rs. 35 Lacs
- In terms of SEBI circular CIR/CFD/CMD/56/2016 dated May/27 2016, the company hereby declares the auditors have issued audit report with unmodified opinion on annual audited financial results on year ended March 31, 2023. The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj vide its Order dated 21st February, 2023 (date of pronouncement of Order) approved the Composite Scheme of Arrangement of RTS Fashions Pvt Ltd, Mirza International Ltd and Redtape Ltd (the Scheme). The Scheme is effective from 1st January, 2022, being the Appointed Date of the Scheme. In terms of the Scheme, RTS Fashions Pvt Ltd has been merged into Mirza International Ltd along with all the assets and liabilities, and entire REDTAPE Business of Mirza International Limited has been demerged into Redtape Ltd, with effect from 1st January, 2022. The present Financial Results 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.
- Figures for the previous period/year have been regrouped/rearranged, wherever necessary to make them comparable with current period figures.

Date: 27-05-2023

Place: New Delhi



ON BEHALF OF BOARD OF DIRECTORS

Managing Director

| STATEMENT OF ASSETS AND LIABILITIES | | | | | |
|--|----------------|------------------------|----------------|------------------------|--|
| Particulars | Standalone | | Consolidated | | |
| | As at Year end | As at Year end | As at Year end | As at Year end | |
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 | |
| | | (Audited) (Refer Note) | (Audited) | (Audited) (Refer Note) | |
| ASSETS | | | | | |
| Non- current assets | | | | | |
| a Property, Plant and Equipment | 28478 | 28864 | 36107 | 36091 | |
| b Capital work-in-progress | 108 | 404 | 144 | 404 | |
| c Right of Use Assets | 2889 | 0 | 3211 | 0 | |
| d Investment Property | | | | | |
| e Goodwill | | | | | |
| f Other Intangible assets | | | | | |
| g Intangible assets under development | | | | | |
| h Biological Assets other than bearer plants | | | | | |
| i Financial Assets: | | | | | |
| i. Investments | 1498 | 973 | 1231 | 670 | |
| ii. Trade receivables | | | | | |
| iii. Loans | | | | | |
| iii. Others (advances) | 241 | 238 | 241 | 238 | |
| i Deferred tax assets (net) | | | | | |
| j Other non-current assets | 33 | 383 | 33 | 383 | |
| Sub-total- non-current assets | 33247 | 30862 | 40967 | 37786 | |
| Current assets | | | | | |
| a Inventories | 12456 | 12927 | 16076 | 15797 | |
| b Financial Assets: | | | | | |
| i. Investments | | | | | |
| ii. Trade receivables | 8030 | 10661 | 8676 | 5863 | |
| iii. Cash and cash equivalents | 600 | 705 | 1575 | 5469 | |
| iv. Bank balances other than (iii) above | | | | | |
| iii. Loans | | | | | |
| iii. Others (advances) | | | | | |
| c Current Tax Assets (Net) | | | | | |
| d Other current assets | 4932 | 6580 | 5627 | 8249 | |
| Sub-total- current assets | 26019 | 30872 | 31953 | 35378 | |
| TOTAL- ASSETS | 59266 | 61734 | 72920 | 73164 | |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| a) Equity Share Capital | 2764 | 2406 | 2764 | 2406 | |
| b) Other Equity | 42760 | 40639 | 50576 | 48061 | |
| Equity Share Capital to be Issued pursuant to scheme of Amalgamation | - | 358 | | 358 | |
| Non Controlling Interest | | | | | |
| Total Equity | 45524 | 43403 | 53340 | 50825 | |
| LIABILITIES | | | | | |
| 1 Non-current liabilities | | | | | |
| a Financial Liabilities | | | | | |
| i. Borrowings | 209 | 366 | 209 | 366 | |
| iii. Other financial liabilities (other than those specified in item (b), to be specified) | | | | | |
| b Provisions | 1048 | 1058 | 1049 | 1040 | |
| c Deferred tax liabilities (Net) | 1236 | 1235 | 1747 | 1687 | |
| d Other non-current liabilities | 863 | 0 | 944 | 0 | |
| Sub-total Non-current liabilities | 3356 | 2659 | 3949 | 3093 | |
| 2 Current liabilities | | | | | |
| a Financial Liabilities | | | | | |
| i. Borrowings | 2428 | 4579 | 2428 | 4578 | |
| ii. Trade Payables | | | | | |
| a. Micro enterprises and Small enterprises | 326 | 329 | 326 | 408 | |
| b. Other than Micro enterprises and Small enterprises | 5746 | 8827 | 9113 | 10235 | |
| iii. Other financial liabilities (other than those specified in item (b), to be specified) | 1753 | 1763 | 3631 | 3832 | |
| b Other current liabilities | 18 | 105 | 18 | 105 | |
| c Provisions | 115 | 69 | 115 | 88 | |
| d Current Tax Liabilities (Net) | 10386 | 15672 | 15631 | 19246 | |
| Sub-total-Current liabilities | 13742 | 18331 | 19580 | 22339 | |
| TOTAL- EQUITY AND LIABILITIES | 59266 | 61734 | 72920 | 73164 | |



Statement of Cash Flows for the period ended March 31, 2023

| Sr. No. | | Standalone | | Consolidated | |
|------------|--|---------------|----------------|---------------|---------------|
| | | Year Ended | Year Ended | Year Ended | Year Ended |
| | | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| (A) | CASH FROM OPERATING ACTIVITIES | | | | |
| | Net profit before tax | 3411 | 11384 | 3595 | 11250 |
| | Adjustments for | | | | |
| | Add : | | | | |
| | (Profit)/Loss on sale of Property, Plant & Equipment | (343) | (60) | (343) | (60) |
| | Depreciation & amortisation Expenses | 2530 | 5694 | 2559 | 5609 |
| | Finance cost | 773 | 2301 | 979 | 2341 |
| | | 2960 | 7935 | 3195 | 7890 |
| | Less : | | | | |
| | Interest Income | 26 | 31 | 26 | 31 |
| | Income from Govt. Grant | 22 | 22 | 22 | 3 |
| | Reversal of Depreciation and Interest on Lease | 48 | | | |
| | Operating Profit before Working Capital Changes | 6275 | 19266 | 6742 | 19106 |
| | Adjustments For | | | | |
| | Trade & other Receivables | (400) | 2694 | (2863) | (40505) |
| | Inventory | 473 | 29098 | (489) | 27042 |
| | Trade Payables | (2246) | (386) | (1003) | 1572 |
| | Others | 3956 | (13730) | 3480 | (7680) |
| | Cash Generated from Operations | 8058 | 36942 | 5867 | (465) |
| | Direct Taxes Paid | (1203) | (2834) | (1176) | 101 |
| | Cash flow before extra ordinary items | 6855 | 34108 | 4691 | (364) |
| | Net Cash generated from Operating Activity | 6855 | 34108 | 4691 | (364) |
| (B) | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Purchase of Property, Plant & Equipment | (4727) | (23485) | (4949) | 5235 |
| | Sales of Property, Plant & Equipment | 748 | 358 | (447) | 221 |
| | Interest Received | 26 | 31 | 26 | 31 |
| | Government grant received | 22 | 22 | 22 | 3 |
| | Purchase of Investment | 0 | 0 | | |
| | Net Cash used in Investing Activities | (3931) | 23074 | (5348) | 5490 |
| (C) | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Dividend Paid | (7) | (7) | (5) | (7) |
| | Dividend Tax Paid | | | | |
| | Proceeds from Long Term Borrowings | | | | |
| | Repayment of Long Term Borrowings | (541) | (1362) | (541) | 0 |
| | Proceeds from Short Term Loan Borrowings | 0 | 0 | | |
| | Repayment of Short Term Borrowings | | | (1748) | 0 |
| | Payment of Lease liability | (1708) | (7665) | 36 | 1134 |
| | Finance cost | (773) | (2301) | (979) | (2341) |
| | Net cash used in financing activities | (3029) | (11335) | (3237) | (1214) |
| | Net Increase/(Decrease) in Cash & Equivalents | (105) | (301) | (3894) | 3912 |
| | Cash & Equivalents at the beginning of the year | 705 | 1005 | 5469 | 1557 |
| | Cash & Equivalents at the end of the year | 600 | 705 | 1575 | 5469 |





Independent auditor's report

To
The Members of Mirza International Limited

Report on the Audit of the Standalone Financial Statements

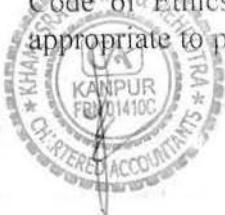
Opinion

We have audited the accompanying standalone financial statements of Mirza International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

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

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Emphasis of Matter

We draw attention to Note No. 43 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.

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. Business Combination- A. Amalgamation RTS Fashions Pvt Ltd was amalgamated into Mirza International Limited ("the Company"). The amalgamation is effective from 1 st January 2022, The Company accounted for the amalgamation under "pooling of interest" method as per Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. | Our audit procedures included the following, Evaluated Appropriateness of 'Pooling of interest' method of accounting adopted by the management. Alignment of accounting policies and estimates of erstwhile RTS Fashions Pvt Ltd and comparing with the Company's accounting policies and estimates. Understanding implementation of the Scheme of arrangements approved by |



| | |
|--|---|
| <p>We have determined this to be a key audit matter in view of volume and complexities of the transaction, involved in selection of accounting policy for amalgamation, significant management judgment involved with respect to alignment of accounting policies, estimates and accounting for integration costs post-amalgamation.</p> | <p>Hon'ble NCLT in particular for non-routine transaction.</p> <p>Performed specific procedures to validate the carrying amount of assets and liabilities merged on January 1, 2022, through evaluation of the supporting documents and explanations given to us.</p> <p>The assessments of disclosures made by the management in respect of this transaction including those disclosures related to significant accounting judgements and estimates.</p> |
| <p>B. Demerger- Discontinued Operations</p> <p>The Company has demerged its Branded Business/ REDTAPE Business into REDTAPE Limited pursuant to the Scheme of Arrangement ('the Scheme'). The Scheme was approved by the National Company Law Tribunal (NCLT) with the Appointed date - January 1, 2022.</p> <p>The Company has accounted for the demerger as per the applicable provisions of the Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015.</p> <p>We have identified this transaction relating to the demerger, as a key audit matter because of significant complexities in its accounting and disclosure requirements.</p> | <p>Principle Audit Procedures</p> <p>Our audit procedures included the following,</p> <p>We gone through the Composite Scheme of Arrangement approved by Hon'ble NCLT for demerger to take effect from 1st January 2022.</p> <p>Understanding implementation of the Scheme of Arrangement approved by Hon'ble NCLT in particular for non-routine transaction.</p> <p>The assessments of disclosures made by the management in respect of this transaction including those disclosures related to significant accounting judgements and estimates relating to the discontinued operations and the transfer of segment, as required by the accounting standards.</p> <p>Assessment of reasonableness of the method of accounting regarding assessment of Assets and Liabilities transferred under the Scheme and disclosures relating to the transfer of the Demerged Undertaking.</p> |



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude, that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation & presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March



31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to other matter to be included in the auditor's report in accordance with the requirements of the section 197 (16) of the Act, as amended; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No-27.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate beneficiaries") by or on behalf of the company or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries



b) The management has represented that to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”) with the understanding, whether recorded in writing or otherwise, that the company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“ultimate beneficiaries”) by or on behalf of the company or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to belief that the representations under sub clause (iv)(a) and (iv)(b) contain any material misstatement.

v. The company has neither declared nor paid any dividend during the year.

For: Khamesra Bhatia & Mehrotra
Chartered Accountants

FRN:001410C



CA Vineet Roongta

Partner

M.No.410958

UDIN: 2341095806XZ008736

Date: 27-05-2023

Place: New Delhi



Annexure 'A' to the Independent Auditor's Report

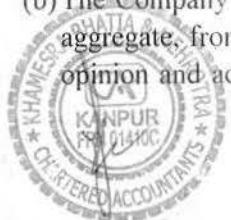
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mirza International Limited, of even date on the standalone financial statements for the year ended 31st March, 2023)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report the following:

- (i) According to the information and explanations given to us
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) The Company has a regular program of physical verification of its property, plant and equipment in a phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its Assets. Pursuant to the Program certain Property Plant and Equipment were physically verified by the management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The title deed of the Immovable properties of the company (other than Immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee, disclosed in the standalone financial statements are held in the name of the Company.
 - (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
 - (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions Prohibition Act, 1988 and rules made thereunder.

(ii) In respect of the Company's Inventory:

- (a) The management has conducted physical verification of inventory at reasonable intervals during the year. The coverage and procedure of such verification adopted by the management is appropriate having regard to the size of the company and nature of its operation. Based on documents provided and explanation given, we noticed no discrepancies of 10% or more in the aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets. In our opinion and according to the information and explanation given to us, the quarterly returns and



statements filed by the Company with such Bank & financial Institutions are generally in agreement with the Books of accounts of the company and no material discrepancy has been noticed.)

(iii) The company has made investments in TNS Hotels and Resorts Private Limited making it its wholly owned subsidiary and granted loan to the above mentioned wholly owned subsidiary. (a) (A) the aggregate amount of Loan granted was Rs. 316.58 lacs during the year, and balance outstanding at the balance sheet date is Rs. 322.63 lacs with respect to such loans to wholly owned subsidiary.

(B) However, no loan is granted to parties other than subsidiary mentioned above.

(b) The Terms and conditions of Investment made and loan granted are not prejudicial to the interest of the Company.

(c) The Schedule of repayment of Principal and payment of interest is stipulated and repayments are regular as per the terms.

(d) No amount is overdue.

(e) The repayment of Loan granted has not fallen due during the year.

(f) As mentioned in point no (iii)(c) above, the Schedule of repayment of Principal and payment of interest is stipulated, Accordingly clause 3(iii)(f) of the Order is not applicable.

The unsecured loan granted of Rs. 316.58 lacs, during the year. The amount so invested and granted as Loan have been properly dealt in the Books of Accounts

(iv) The company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has neither accepted any deposits nor amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, Cost records, prescribed by the Central Government in terms of provisions of Clause (1) of Section 148 of the Act, are being maintained by the company. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) The company is regular in depositing undisputed Statutory dues including Goods and Service Tax , Provident Fund, Employees' State Insurance, Income Tax , Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax , cess and any other statutory dues to the appropriate authorities and nothing is outstanding as at the last day of the financial year under Audit, for a period of more than six months from the date they became payable.

(b) Details of statutory dues relating to Goods and Service Tax , Provident Fund, Employees' State Insurance, Income Tax , Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax , cess and any other statutory dues, which have not been deposited on account of any dispute, are as mentioned below:



| Nature of the Statute | Nature of Dues | Amount as at 31st March 2023 Rs. in Lakh | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------|----------------|--|--|---|
| UP Entry Tax Act 2007 | Entry Tax | 4.06 | 1999-00 | Hon'ble High Court , Allahabad |
| UP VAT Act- 2008 & CST Act-1956 | VAT & CST | 10.46 | 2008-09 | Jt. Commissioner, Corporate Circle -2, Commercial Tax Department, Kanpur |
| UP VAT Act- 2008 & CST Act-1956 | VAT & CST | 61.33 | 2010-11 | Jt. Commissioner, Corporate Circle –Zone 2, Commercial Tax Department, Kanpur |
| UP VAT Act- 2008 & CST Act-1956 | VAT & CST | 13.53 | 2015-16 | Additional Commissioner Grade-2, Appeal-5, Commercial Tax Department, Kanpur |
| UP VAT Act- 2008 & CST Act-1956 | VAT & CST | 9.12 | 2016-17 | Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur |
| UP VAT Act- 2008 & CST Act-1956 | VAT & CST | 58.48 | 2017-18 | Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur |
| UP Entry Tax Act 2007 | Entry Tax | 0.33 | 2017-18 | Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur |
| UP Entry Tax Act 2007 | Entry Tax | 1.68 | 2016-17 | Additional Commissioner Grade-2, Appeal-6, Commercial Tax Department, Kanpur |
| Gujarat VAT | VAT | 50.13 | 2009-10 2010-11 2011-12 2016-17 | Deputy Commissioner (Appeal), Ahmedabad |
| Kerala VAT | VAT | 3.44 | 2012-13 | Deputy Commissioner Appeal-II, Ernakulam, Kerala |
| Haryana VAT | VAT&CST | 53.50 | 2016-17 | Excise and Taxation Officer- Cum- Assessing Authority, Ward-5, Hisar |
| Income Tax | Income Tax | 79.20 | 2016-17 | ITAT |
| Income Tax | Income Tax | 33.16 | 2017-18 | ITAT |
| Jharkhand GST | GST | 4.32 | 2019-20 | First Appellate Authority |
| Bihar GST | GST | 12.59 | 2020-21 | First Appellate Authority |
| WB GST | GST | 6.94 | 2018-19 | First Appellate Authority |



- (viii) On the basis of our examination of the Books of Accounts & other related information, we have not come across any transaction, which is not recorded in the Books of Accounts, has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or other lender.
- (c) Term loans were applied for the purposes for which the loans were obtained.
- (d) No funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year under Audit, Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

However, the Company has issued 1,78,95,900 Equity Shares of Rs 2/- each, credited as fully paid-up, aggregating to Rs. 357.92 lacs to the shareholders of the Transferor Company - RTS Fashions Private Limited pursuant to the Scheme of Arrangement as approved by Hon'ble NCLT (refer note No 40).

- (xi) During the year under Audit, Company has demerged its Branded Business to REDTAPE Limited w.e.f. 1st January 2022. The Frauds reported in earlier years belong to demerged business, accordingly, now as per scheme of arrangement all those reported cases belong to demerged entity i.e. REDTAPE limited.

Thus with the remaining business, No fraud is being reported by the company or any fraud on the company has been noticed or reported during the year,

- (b) According to the information and explanations given to us, no report under Section 143(12) of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, no whistle - blower complaints have been received during the year by the company.



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



amount under section 135(5) of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) There is no qualification or adverse Remark given by the respective Auditors in the Companies ("Auditors Report") Order (CARO) Reports of the Companies included in the Consolidated Financial Statements.

**For: Khamesra Bhatia & Mehrotra
Chartered Accountants**

FRN:001410C



**CA Vineet Roongta
Partner
M.No.410958
UDIN: 23410958B6XZ0A8736**

Date: 27-05-2023

Place: New Delhi

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

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

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

We have audited the internal financial controls over financial reporting of MIRZA INTERNATIONAL LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: Khamesra Bhatia & Mehrotra

Chartered Accountants

FRN:001410C



CA Vineet Roongta

Partner

M.No.410958

UDIN: 23410958R6XZ0D8736

Date: 27-05-2023

Place: New Delhi



Independent Auditor's Report

To
The Members of Mirza International Limited

Report on the Audit of the Consolidated Financial Statements

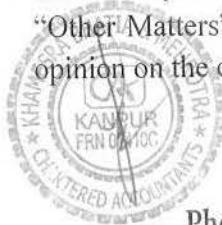
Opinion

We have audited the accompanying consolidated financial statements of Mirza International Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 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 subsidiaries as were audited by the other auditor, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 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 40 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. Further Mirza (HK) is wound up & closed its entity during the year under Audit.

Due to merger of RTS Fashion Pvt Limited, Its Subsidiary RTS Fashion Limited Dubai and its step 2 subsidiary Mirza (UK) Limited become subsidiary of Mirza International Limited. In addition to above Mirza International Limited has acquired 100% equity of T N S Hotels and Resorts Private Limited to make it wholly owned subsidiary.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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



| Key Audit Matter | How the key audit matter was addressed in the audit |
|---|---|
| <p>1. Business Combination- A. Amalgamation</p> <p>RTS Fashions Pvt Ltd was amalgamated into Mirza International Limited (“the Company”). The amalgamation is effective from 1st January 2022, The Company accounted for the amalgamation under “pooling of interest” method as per Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015.</p> <p>We have determined this to be a key audit matter in view of volume and complexities of the transaction, involved in selection of accounting policy for amalgamation, significant management judgment involved with respect to alignment of accounting policies, estimates and accounting for integration costs post-amalgamation.</p> | <p>Our audit procedures included the following,</p> <p>Evaluated Appropriateness of ‘Pooling of interest’ method of accounting adopted by the management.</p> <p>Alignment of accounting policies and estimates of erstwhile RTS Fashions Pvt Ltd and comparing with the Company’s accounting policies and estimates.</p> <p>Understanding implementation of the Scheme of arrangements approved by Hon’ble NCLT in particular for non-routine transaction.</p> <p>Performed specific procedures to validate the carrying amount of assets and liabilities merged on January 1, 2022, through evaluation of the supporting documents and explanations given to us.</p> <p>The assessments of disclosures made by the management in respect of this transaction including those disclosures related to significant accounting judgements and estimates.</p> |
| <p>B. Demerger- Discontinued Operations</p> <p>The Company has demerged its Branded Business/ REDTAPE Business into REDTAPE Limited pursuant to the Scheme of Arrangement ('the Scheme'). The Scheme was approved by the National Company Law Tribunal (NCLT) with the Appointed date - January 1, 2022.</p> <p>The Company has accounted for the demerger as per the applicable provisions of the Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015.</p> | <p>Principle Audit Procedures</p> <p>Our audit procedures included the following,</p> <p>We gone through the Composite Scheme of Arrangement approved by Hon’ble NCLT for demerger to take effect from 1st January 2022.</p> <p>Understanding implementation of the Scheme of Arrangement approved by Hon’ble NCLT in particular for non-routine transaction.</p> <p>The assessments of disclosures made by the management in respect of this transaction including those disclosures related to significant accounting judgements and</p> |



| | |
|---|--|
| <p>We have identified this transaction relating to the demerger, as a key audit matter because of significant complexities in its accounting and disclosure requirements.</p> | <p>estimates relating to the discontinued operations and the transfer of segment, as required by the accounting standards.</p> <p>Assessment of reasonableness of the method of accounting regarding assessment of Assets and Liabilities transferred under the Scheme and disclosures relating to the transfer of the Demerged Undertaking.</p> |
|---|--|

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

The respective Management and Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and



application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

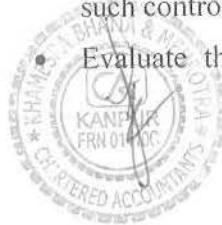
The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of



accounting estimates and related disclosures made by Management and Board of Directors of Holding company.

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

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

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

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

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



Other Matters

We did not audit the financial statements / financial information of subsidiaries RTS Fashion Limited Dubai, TNS Hotels and Resorts Private Limited, & step two subsidiary Mirza (UK) Limited included in the consolidated financial results, whose financial statements / financial information for the year ended on that date reflect the following:

| Description | RTS Fashion Limited Dubai (In Rs. Lacs) | TNS Hotels and Resorts Private Limited (In Rs.) | Mirza (UK) Limited (In Rs. Lacs) |
|----------------------------------|--|--|-------------------------------------|
| Total Assets | 1108 | 360.15 | 14722.49 |
| Total Revenue | 0 | 0.53 | 8882 |
| Net Profit / (Loss) after Tax | 1.11 | (8.70) | 4.13 |
| Comprehensive Income / (Loss) | 0.04 | 0.00 | 8.08 |

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries which were audited by other auditor, as noted in the 'Other Matters' paragraph, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

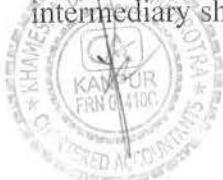
(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to other matter to be included in the auditor's report in accordance with the requirements of the section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to director by the Holding company and its Subsidiary companies is not in excess of the limit prescribed under section 197 of the Act.

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note No-28.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company or its Subsidiary companies incorporated in India to or in any other persons or entities including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall:



- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“ultimate beneficiaries”) by or on behalf of the Holding company or its Subsidiary Companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

b) The management has represented that to the best of its knowledge and belief, no funds have been received by the Holding company or its Subsidiary company incorporated in India from any persons or entities, including foreign entities (“Funding Parties”) with the understanding, whether recorded in writing or otherwise, that the Holding company or its Subsidiary Company incorporated in India shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“ultimate beneficiaries”) by or on behalf of the company or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to belief that the representations under sub clause (iv)(a) and (iv)(b) contain any material misstatement.

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

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



CA Vineet Roongta
 Partner
 M.No. 410958
 UDIN: 23410958B6XZ0E8304

Date: 27-05-2023

Place: New Delhi



Khamesra Bhatia & Mehrotra

Chartered Accountants

Annexure "A" to the Independent Auditor's Report on Consolidated Financial Statements

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: Khamesra Bhatia & Mehrotra

Chartered Accountants

FRN:001410C



CA Vineet Roongta

Partner

M.No.410958

UDIN: 23410958BGXZOE8304

Date: 27-05-2023

Place: New Delhi