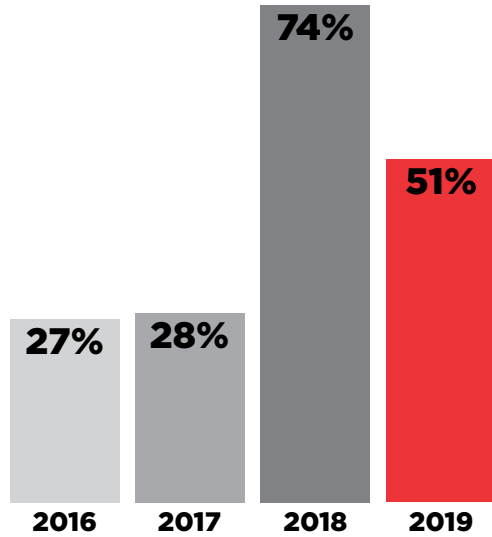




Pursuing

Annual Report
2018-19



BRANDED DOMESTIC EXPANSION



Corporate Overview



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It was a busy year for the Company, driven by an ambitious agenda. Our aggressive and proactive pursuit of domestic expansion, executed with incredible pace, has put us on a solid path for accelerating growth.





Pursuing Domestic Expansion

At Mirza International, having established our mark in the most lucrative and fashionable international markets, we are now fast-expanding our presence and portfolio in India. The reasons are not hard to find.

India is one of the world's fastest-growing major economy with an increasing GDP.





India is currently Asia's third-largest retail market and the world's fourth largest after the US, China and Japan.

India is poised to become the third-largest consumer market behind only the US and China, and consumer spending in India is expected to grow from US\$ 1.5 Trillion at present to nearly US\$ 6 Trillion by FY 2030.

India has massive opportunities for consumer markets, owing to its favourable demographics nearly 70% of the country's population falls below the age of 30 years. Steady growth in household earnings is expected to drive consumption growth further.

India's burgeoning middle-income households are likely to drive an increase in discretionary spends and create a shift in consumption patterns towards aspirational and branded products.

India's e-commerce market is on a high growth trajectory powered by high internet penetration that is expected to increase from 30% in 2016 to 59% in 2021.

India's online shoppers are expected to increase from the current 15% of the online population to 50% of the online population by 2026.

India has the world's largest millennial population (age group of 18-35 years) comprising a size of over 440 million. Constituting nearly 34% of the country's total population, the millennials are digitally empowered,

seek quality and stylish products yet have a strong value-for-money orientation, and leverage technology to drive convenience.

It is against this exciting backdrop of a growing economy and rising consumerism that we are matching step with ambitious and aspirational India. Our domestic brands come with the same promise of quality, style and comfort as our exports. Their availability across price points and categories means that we can address the demands of a larger section of the Indian population. We are pursuing an omnichannel strategy, with great emphasis on the online platform, to enhance brand connect and cater to the new-age shoppers. At the same time, we are also investing significantly in growing our physical presence to provide consumers with a personalized shopping experience.

We focused on embracing opportunities to make our brands and products more relevant in global markets. We have achieved outstanding success. The next phase of our growth is centered around the domestic expansion of our brands and business. We are taking big strides and are confident that these strides will set the momentum for accelerated and sustained progress.



Know Us

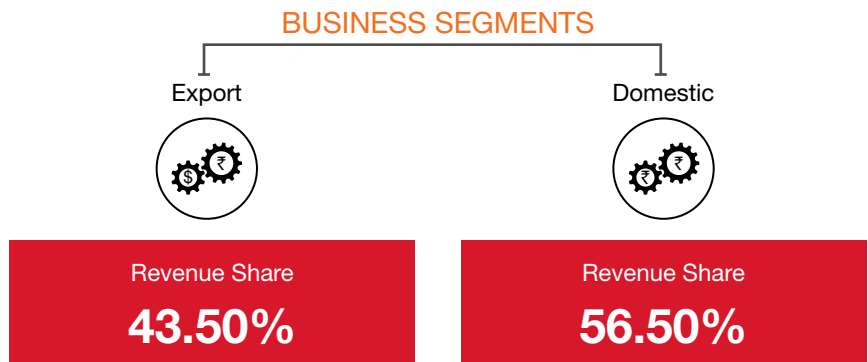


Mirza International Limited is among India's leading leather footwear manufacturer and exporter. We have carved an established market position led by our integrated manufacturing and distribution operations, our strong brand portfolio and industry-leading experience of nearly four decades. We also manufacture and sell processed leather through our tannery unit.

In the international markets, we are among the few Indian footwear companies to sell under our brand name. We are also the preferred supplier of leather footwear to leading international brands.

In the domestic markets, where we are recent entrants, we are aggressively growing the strength and sales of our multiple footwear brands through a well-thought-out market expansion strategy.


Leveraging our strong brand equity and deep understanding of the retail sector, we have also forayed into clothing and accessories segments in both domestic and global markets.



1 Corporate Overview

2 Statutory Reports

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Know our Brands  **We have a diverse portfolio of footwear brands:** For men and women. For mid and premium segments. For formal, casual and sportswear.



REDTAPE is a premium lifestyle brand offering style, quality and comfort at competitive prices. REDTAPE footwear is sold across the global markets and in India. Leveraging the strong brand equity of REDTAPE, the brand offerings have been extended to garments and accessories.



REDTAPE Athleisure offers quality sports shoes for men at attractive prices and is targeted to meet the aspirations of young Indians who are always on-the-go and also those who have embraced sports and fitness as part of their lives.



BOND STREET provides footwear in the polyurethane (PU) segment. The brand seeks to have a mass appeal by providing fashionable footwear at very low price points.



Oaktrak stands for style and comfort and is targeted at the niche consumer base of senior professionals.



MODE by the house of REDTAPE is an exclusive women's wear brand, covering a range of products from footwear to clothing. An eclectic mix of elegance and sophistication, MODE stands for being effortlessly stylish. Its fashion-forward designs are both clean and uncomplicated, marrying feminine allure with modern strength.

Our multiple footwear brands sold at various price points and our brand extensions in apparels and accessories enable us to reach out to a broad section of consumers.





Mirza in Numbers

Robust infrastructure

6

Integrated manufacturing facilities

2

In-house design studios

1

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

1

Modern 70,000 sq. ft. warehouse to serve e-commerce channels

3

Distribution branches

Extensive domestic presence

206

Exclusive REDTAPE shops

99

Cities

830

Multi-brand outlets & chain stores

210+

Shop-in-shop

(As on March 31, 2019)

Expansive global reach

28

Countries

5

Continents

1,200+

Multi-brand outlets in UK selling REDTAPE

500+

Multi-brand outlets in the US selling REDTAPE

(As on March 31, 2019)



**Strong
production
capacity**

6.4 million
pairs of footwear per annum

74.42%
footwear capacity utilization in
FY 2018-19

**Vast
industry
experience**

40
years of manufacturing operations

27
years of supplying footwear to
global brands





Letter from the CMD & CEO



“It is a great pleasure to reconnect with you at the end of another successful year for your Company and present its Annual Report. Last year, in my letter to you, I had expressed our firm intent towards enhancing our retail and online presence in the domestic market to maximize the potential of our brands. I am delighted to share that we have acted upon our strategy and this, in turn, has enabled us to deliver an impressive domestic performance.”

Global conditions have been challenging, especially with weak consumer sentiments in Europe, our key export destination. Our prudent strategy of increasing our focus on the domestic market has served us well, enabling us to offset the slowdown in revenue from exports. Powered by robust sales in the domestic market, our total revenue stood at ₹ 1,153.79 Crore in FY 2018-19 as against ₹ 972.50 Crore in the previous year, an increase of 18.64%. Our domestic revenue surged to ₹ 651.92 Crore in FY 2018-19 from ₹ 449.09 Crore in the previous year, a growth of 45%, vindicating our focus in developing and expanding the domestic market. However, Profit before Tax (PBT) declined

to ₹ 75.97 Crore in FY 2018-19 from ₹ 117.84 Crore in the previous year. The decline in profitability was primarily attributable to the rise in the cost of material imports due to adverse movement in foreign exchange, higher finance costs, and discounts offered in the domestic market as a conscious strategy to increase our consumer base.

Entering FY 2018-19, confident in the opportunities ahead of us, we proactively changed gears in the domestic market, pursuing robust and rapid expansion of our retail and online presence. During the year, we added 47 Exclusive Brand Outlets (EBOs), growing our total EBO presence by



During the year, we added

47

Exclusive Brand Outlets (EBOs),
growing our total EBO presence by

29.56%



47

EBO stores launched in FY 2018-19,

33

were online-offline stores.



Powered by robust sales in the
domestic market, our total revenue
stood at

₹ 1,153.79 Crore
FY 2018-19

29.56%. I am particularly pleased to share that the hybrid format of our EBO store, viz. online-offline store – where consumers can order online and collect the delivery at the outlet – has been extremely well-received. Spurred by their popularity, of the 47 EBO stores launched in FY 2018-19, 33 were online-offline stores. In recent years, we have also invested in increasing our digital infrastructure – be it in setting up division in Noida, U.P. to specifically cater to the e-commerce segment, setting up warehouses at strategic locations to ensure smooth and swift product flow, intensifying our focus on digital marketing or strengthening our presence on major online portals. Not surprisingly, in FY 2018-19, e-commerce-related sales registered the excellent growth among the various channels we leveraged in India to reach out to our consumers.

The best way to gauge our performance, we believe, is the success of our brands. REDTAPE has inspired trust and admiration in global markets and is now also on a solid footing in India. Sales from REDTAPE footwear, apparels and accessories continue to grow year-on-year, an endorsement of the confidence, style and comfort the brand exudes. Our younger brands – BOND STREET, REDTAPE Athleisure and MODE have also done exceptionally well. In a short span of time, each of these brands has captured the hearts of the target consumers as reflected in their strong growth in sales. We remain committed to deepening our consumer connect and enhancing the market share for all our brands.

At Mirza International, good performance goes beyond profits. It is about things that are right for our communities and planet. Passionately committed to a better and greener future for all, we embrace sustainable operations. Our tannery is equipped with a state-of-the-art effluent treatment plant, making our tannery operations environment-friendly. We have also successfully implemented various measures aimed at optimizing, recycling, recovering and reusing resources. To empower and enrich the lives of people in the areas where we live and work, we continued to undertake welfare activities in the areas of education, health and rural infrastructure.

In India, moving forward, we plan to amplify our efforts in product innovation, retail presence, distribution network and the digital space. While this will initially result in some additional expense, we have no plans to sit still amid a highly favorable market environment. India's growing economy and rising consumerism provide significant opportunities for the retail sector. To realize higher and sustained sales, we are committed to ensuring that our brands keep abreast with the upcoming trends and innovations to match consumer aspirations. We will also continue to work towards placing our brands at the right place at the right time to ensure demand fulfillment. While domestic markets will occupy center stage in our business strategies, we will also focus on key international growth markets, as we continue to leverage our global footprint. We remain mindful that today's ultracompetitive marketplace requires a highly nimble and agile organization. Consistent with this belief, we will pursue the path that makes our operations more efficient, leaner and faster.

On behalf of the Board, I would like to take this opportunity to thank our shareholders, bankers and government authorities for investing their faith and confidence in Mirza International Limited. I would also like to express my gratitude to our consumers for the patronage they have shown for our products. We aim to earn your continued trust every day. Finally, our sincere appreciation to our employees for the hard work and commitment they have demonstrated throughout another successful year.

As we move ahead in our journey, we shall continue to work diligently to take this Company to greater heights.

Thanking you,

Rashid Ahmed Mirza
CMD & CEO



Questions and Answers with the CMD & CEO

“While REDTAPE has entrenched its position as a premium lifestyle brand for the youth, our newer brands – BOND STREET, REDTAPE Athleisure and MODE have been able to garner the interests of consumers and are moving from strength to strength.”

Q What have been the most outstanding achievements for Mirza International for FY 2018-19?

Over the past couple of years, we have been intensely focusing on the domestic market to drive revenue growth. Our efforts have been vindicated as our branded domestic sales stood at ₹ 588.86 Crore in FY 2018-19 as compared to ₹ 389.98 Crore in the previous year, grown up 51% on a year-on-year basis. The strong growth demonstrates that our brands are well-accepted in the Indian market and enjoy the admiration of consumers. We also grew the market share for our brands. While REDTAPE has entrenched its position as a premium lifestyle brand for the youth, our newer brands – BOND STREET, REDTAPE Athleisure and MODE have been able to garner the interests of consumers and are moving from strength to strength.

Q What have been the reasons behind this impressive domestic growth?

The strategic initiatives we have undertaken – be it the launch of new brands, expanding our presence, foraying into new brand extensions and increasing our proficiency in the e-commerce space – have rewarded us well. With product launches, we have broadened our operations in different genres of footwear, increasing our addressable market. Responding to the way young India is shopping, we have expanded and

invested in our digital infrastructure. Our dedicated, direct e-commerce division in Noida, U.P. helps to drive e-commerce growth and connections with our consumers. We have also set up two warehouses in the strategic cities of Mumbai and Bengaluru; this helps to drive speed-to-market. Our innovative initiative of the online-offline store, wherein consumers can order online and collect products from any of our large-format stores, has also worked to our advantage. High discounts are offered at these large-format stores, which enables us to expand our consumer base. We continue to aggressively expand our presence across India through setting up of EBOs, which includes both retail and online-offline stores.

Q Will the practice of giving high discounts in online-offline stores impact margins?

Our large-format stores, also known as online-offline stores, are generally set up in the outskirts of the city. These stores are built over a large area, enabling us to stock a higher number of designs and inventory levels. The impressive store size, product display, stock collection and high discounts help us to drive an engaging consumer experience, thereby encouraging higher footfall. Margins can be maintained as the rental costs are lower vis-à-vis that of stores located within the city. In fact, despite high discounts offered at our online-offline stores, the margins do not differ much from that of our physical stores.

Q Aggressive expansion in the domestic market has led to higher inventory levels, impacting working capital cycle. Is the increase in inventory levels and working capital justified?

The pursuit of domestic expansion has led us to invest in our retail presence and distribution, which in turn has led to higher inventory levels. Our receivables have also increased due to the growth of our online and MBO businesses. The working capital requirement will remain high in the near-term as the Company is in the expansion mode. However, we firmly believe that the benefits outweigh the negative, as demonstrated by the significant increase in the sales of our branded products and jump in market share. We have also proactively invested in higher inventory levels. For example, for our garments and Athleisure footwear, which we outsource from global markets, we prefer to keep extra inventory to ensure that we have sufficient product levels to meet a sudden surge in demand rather than not being able to address it and miss out on profits.

Q While domestic sales have been impressive, global sales have witnessed a slowdown. What were the reasons behind this?

Our revenue from global markets has been slightly disappointing this year. Weak consumer demand in the European region, which is our largest export destination, dampened our performance. Notwithstanding this slowdown, we believe that our business fundamentals are robust and will drive increased revenue growth once global sentiments improve. REDTAPE is a much-appreciated brand in the overseas markets; this brand strength will help us to bounce back. Also, over the years, we have built a marquee clientele base of B2B customers. We have been conducting business with these customers over the past 27 years. Our long-standing relations and our strong track record of efficient delivery of excellent products will continue to hold us in good stead.

Q What is the outlook for store expansion and revenues in the domestic market for the current year? What is the expected capex for setting up of these stores, and how will this be funded?

In the current year, our target is to set up 40 retail stores of which 25 would be offline EBOs and 15 would be online-offline EBOs. We also plan to open more online EBOs in South and West of India, to diversify our presence beyond North India.

Q E-commerce and online presence have been pivotal to growing the Company's domestic revenues. What is the outlook for these channels in particular?

The e-commerce sector in India has undergone a sea change in recent years owing to favorable demographics, growing consumer aspirations, rapid urbanization and increased digitization. We are staying on top of this change through our proactive online and distribution efforts. Our e-commerce business has been our one of the fastest-growing channel over the last two years – with nearly 72.13% growth in FY 2018-19. We expect this growth to accelerate in FY 2019-20 as we continue to focus intensely on this channel in the domestic markets. Currently, the online channel accounts for 1/3rd of the total domestic revenues.

Q What is the final message you would like to share with your investors?

The aspirational younger generation, more connected and tech-savvy, prefers branded products. The stabilization of Goods and Services Tax (GST) also benefits the organized sector. We are well-positioned to capitalize on the unfolding opportunities through our leading brands, REDTAPE and BOND STREET. We are also upbeat about our entry into women's footwear through MODE. The steady increase in the number of working women and their growing fashion consciousness will fuel the demand for women footwear. Our experience in building the REDTAPE brand will provide valuable insights for driving the penetration of MODE. Also, as global demand revives, we are confident of driving higher capacity utilization at our tannery, which in turn, will increase our margins. Overall, the long-term fundamentals for our business are robust and led by integrated operations and strong distribution, we are confident of delivering improved shareholder value.

Stepping Up in Domestic Markets

India – the new land of opportunity:

Between FY 2010-30, India will add 241 million people in the working-age population, Brazil will add around 18 million, while China will add 10 million people during the same time. India's favorable demographics provides an excellent thrust to the lifestyle space. Further, growing urbanization and rise in the number of nuclear and double-income households will increase disposable incomes, resulting in higher spends towards fashion and lifestyle. Additionally, it's the era of the rise in Indian aspirations; India's consumers have become world-class consumers trusted and reputed brands are what they seek.

Capturing the Indian opportunity:

Amid the exciting opportunities in lifestyle and fashion retail in India, we are expanding our reach, reinforcing our relevance and deepening our engagement. Our big, bold strides are consistent with our strategy to pursue domestic expansion.

Driving exciting brands and extensions: REDTAPE is well-entrenched as a leading leather footwear brand. Our younger brands BOND STREET and REPTAPE Athleisure have resonated well with the younger male population in India, especially those residing in Tier II and Tier III cities. We have also entered women's footwear through our brand MODE, which is helping us drive incremental sales. Launch of exciting brands and addition in the product offerings to include sports shoes, casual shoes and apparel has facilitated the expansion and diversification of the clientele. Focused investments were made during the year in retail distribution, product portfolio and brand engagement to deepen consumer connect and grow each of our brands.

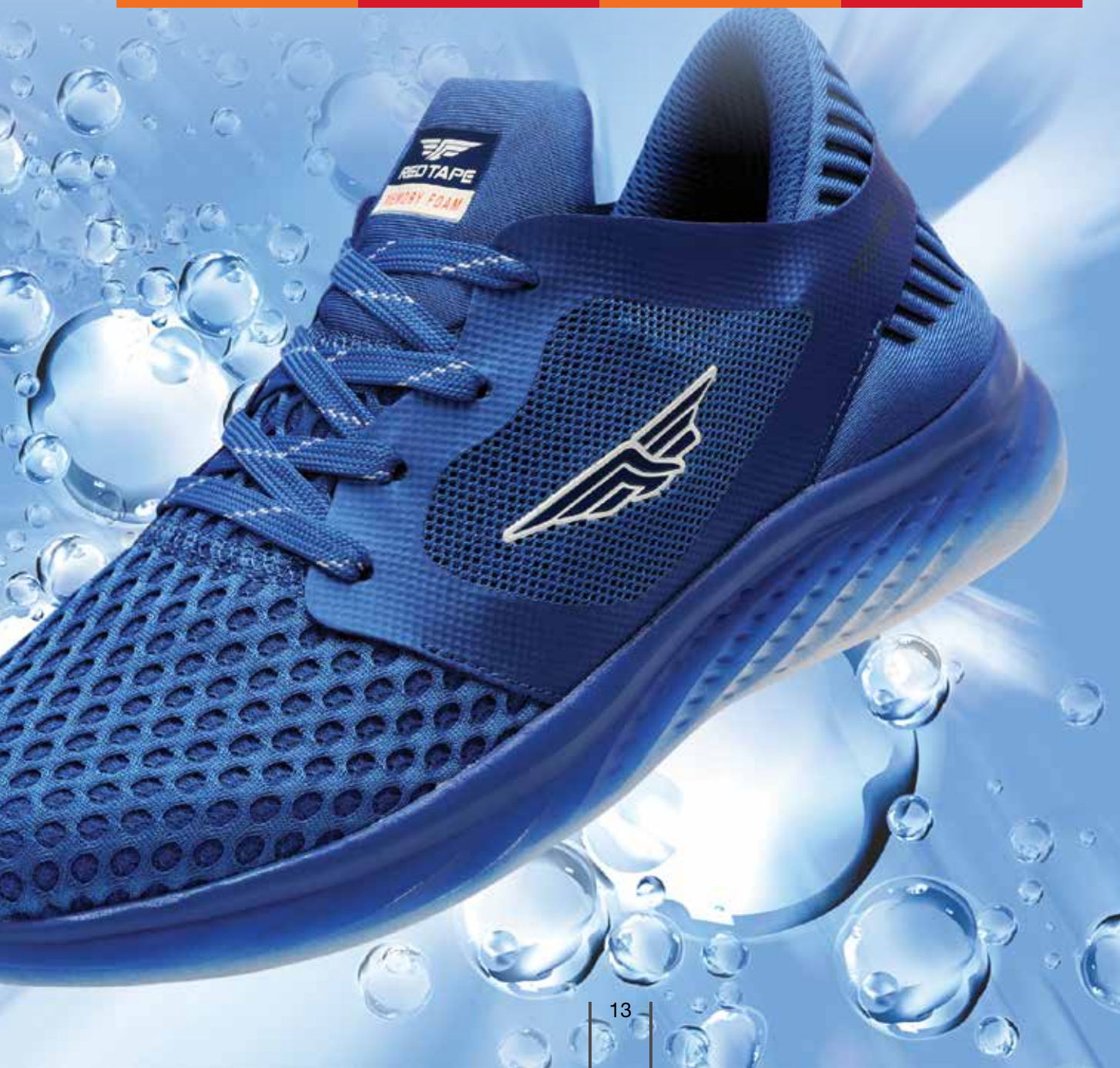
Pursuing an omnichannel strategy:

With the prolific penetration of technology, especially in retail, consumers' shopping journey is becoming more experiential. Multiple channels are being leveraged by consumers to make their purchases, including:

- selecting and shopping at physical stores
- browsing online and shopping in-store for product's look and feel
- choosing products in-store and making the purchase online for better prices and offers
- ordering products after reading reviews/recommendations on social media
- picking products from store/delivery center after ordering online to avoid last-mile delivery delays

We are responding to these market dynamics by pursuing an omnichannel strategy, which includes a healthy mix of Exclusive Brand Outlets (EBOs), Multi-brand Outlets (MBOs) and E-commerce platforms.

Channel-wise domestic branded sales	Sales in FY 2017-18 (₹ in Crore)	Sales in FY 2018-19 (₹ in Crore)	Growth (%)
EBO	136.39	267.60	96.20
MBO	127.93	104.96	(17.96)
E-commerce	125.66	216.30	72.13
Total	389.98	588.86	51.00



Stepping Up in Domestic Markets



Offline EBOs

For our EBOs, we have deployed two formats offline and offline-online. Our offline EBOs are physical stores located at prime shopping destinations such as High Street and malls. Rising purchase power driven by higher economic growth has made India's emerging cities promising yet untapped markets for retail. As per an Ernst & Young Report, ₹ 26.4 Trillion of India's household income is concentrated in Tier II-III cities as compared to ₹ 800 Billion in India's major eight metros. We are thus increasingly shifting our focus to these high potential cities for setting up our offline EBOs. During the year, we added 14 new offline EBOs of which 10 were set up in Tier II-III cities.



Online-Offline EBOs

Our online-offline EBOs are located outside the cities, and the products are priced at par with the e-commerce business sites, i.e. at a discount to the stores located deep inside the city. Consumers can check/book the products online and take the delivery by driving to the stores. We had launched our first such store in October 2017, outside Ambala city in the state of Haryana. These stores are spread over a large area, enabling us to maintain double the stock-keeping units (SKUs) and designs vis-à-vis our offline stores. The encouraging response to this format has led us to considerably expand the number of such stores within a short period.



Multi-Brand Outlets

We continue to leverage MBOs for deeper market penetration, particularly in regions where our EBOs are relatively fewer or absent. The sheer volume of shoppers visiting MBOs makes it an essential channel for strengthening brand visibility. We are present at leading retail chains and large-format stores, such as Shoppers Stop, Metro Shoes, Lifestyle, Reliance Retail, Regal Shoe and Central. At these shop-in-shops, we aim to secure the best possible presentation for our brands. At the end of FY 2018-19, our shop-in-shop presence was in 210+ stores.



E-commerce

The consumer shift to digital commerce continues. As per the Deloitte India and Retailers Association of India (RAI) report, India's e-commerce marketplace was projected to touch US\$ 84 Billion in FY 2021 from US\$ 24 Billion in FY 2017 on account of healthy growth in the organized retail sector. Staying laser-focused on digital opportunities, we operate a direct e-commerce division in Noida, U.P., being the first company in India to set up such a structure. We have also built two warehouses to meet the rising e-commerce demand. Strategically located in the well-connected cities of Mumbai and Bengaluru, these warehouses help to drive product flow, delivery speed and consumer-centricity. Currently, about 37% of our domestic footwear sales come from the online segment, where we sell directly to the consumers through the digital platform. We have tied up with major online portals such as Amazon, Myntra, Flipkart, Jabong, Paytm, Tata Cliq and Snapdeal. Our online infrastructure has helped us to pursue market expansion

Type of EBOs	Average Area (sq. ft.)	As on March 31, 2019
Offline EBOs	600-700	153
Offline-Online EBOs	3,000-4,000	53



in India's hinterlands, where consumers aspire for quality products, but stores are relatively fewer or absent. It also enables us to reach out to tech-savvy urban consumers and those looking for discounts.



Enhancing focus on apparels

Our brand extensions are steadily emerging as a strong growth driver of domestic branded sales. In FY 2018-19, 34.88% of domestic branded sales was attributable to the apparel segment as against 25.54% in the previous year or revenue from sale of apparels stood at ₹ 20.54 million as compared to ₹ 9.96 million in the previous year. Cognizant that brands must create compelling products, we significantly improved the fabric, product design and the pricing for our apparels. We have also introduced women's denim. Our apparels are sold through all the three main channels viz. EBOs, MBOs and E-commerce platforms.



Advertisement and promotions

We are aggressively raising the pitch in advertising and brand promotion to drive top-of-the-mind recall. Our advertising and promotion spend was ₹ 102 million in FY 2018-19 as compare to ₹ 160 million in FY 2017-18. Eminent Bollywood actor Jimmy Shergill is the brand ambassador for BOND STREET. Jimmy Shergill has a huge fan following in North India, a market which accounts for more than 50% of our sales. We have also signed Indian cricketer Karun Nair for the REDTAPE brand. The REDTAPE logo is featured at the back of his bat while playing the sport. Brand visibility and connect has also been enhanced through print and digital advertisements featuring the popular cricketer in REDTAPE footwear and garments. We also offered substantial discounts during the year to expand our consumer base.



In pursuit of domestic expansion

Retail footprint spread across

99 cities

as against 88
in the previous year

27.95%

increase in the number of
EBOs over the previous year

Total Domestic Revenue from
Branded Footwear, Garments
and Accessories surged by

51% Y-o-Y basis to
₹ **588.86** Crore

34%

CAGR of Domestic
Branded Revenue in last
five years

Share of Branded Revenue in
Total Revenue increased to

54.09%

from 46.71% in
the previous year

Domestic Revenue from Branded
Footwear surged by

32%

on a Y-o-Y basis to
₹ **383.47** Crore

Domestic Revenue from Branded
Garments & Accessories surged

by **106.17%**

on a Y-o-Y basis to
₹ **205.39** Crore

Established Position in International Markets

Our continued success of over three decades in the international markets is a testament to our world-class quality and designs. In a fast-changing global retail environment, success is also a function of staying agile and nimble. By staying focused on consumer-centricity and acting with speed and urgency in everything that we do – from developing the right product to managing the supply chain efficiently for timely delivery; from planning ahead to ensure seamless production to having the flexibility to quickly transform consumer insights into new products for the marketplace, we have entrenched our position in the international markets.

We export branded and white-label footwear to the UK, US, France, Germany and Australia and several other leading global markets. These are countries where the world's best brands are available and to be able to hold our own in these prime destinations reiterates the place of pride we occupy globally. Our international business benefits from a broad and diversified customer base. Long-standing associations with some of the most reputed retail chains in these countries, as reflected by the high share of repeat orders, further strengthens our international business model.



REDTAPE in international markets

REDTAPE has achieved commendable market acceptability in the overseas markets. It is positioned as a premium men's footwear brand in the midsegment for the young and fashion-conscious. In the UK and the US, it is among the select few / only Indian footwear brands/brand to be sold under its own name. Most of our overseas revenue for REDTAPE footwear comes from the UK, followed by the US. In FY 2018-19, 7.47% of the total export of footwear was attributable to brand REDTAPE. The brand is also steadily strengthening its presence in other European markets.

In the UK, REDTAPE is sold through an efficient distribution network comprising top chain stores and MBOs. As on March 31, 2019, REDTAPE was present across 1,200+ MBOs. In the US, REDTAPE is distributed across 500+ MBOs. To compete effectively in today's dynamic retail environment, we have also made our branded offerings available on dedicated websites along with entering into strategic alliances with leading e-commerce retailers.

Performance highlights

In FY 2018-19, revenue from export of footwear and finished leather stood at ₹ 501.87 Crore, contributing to 44% of our total revenue. Our international business has been a consistent revenue generator. With revival in global demand, powered by our expansive global network and the trust we have earned for our products, we expect our sales to gain momentum.

4.14 million
Pairs Branded and white label footwear exported in FY 2018-19

₹ 472.58 Crore
Overseas revenue from white label and branded footwear

₹ 35.31 Crore
Overseas revenue from REDTAPE Footwear



Operations in
28
countries across
5
continents

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(Map not to Scale)



Our Business Differentiators



Innovation & Design Edge

We have two design studios which are centers of innovation and creativity. Our in-house team of highly skilled designers enables us to maintain a faster pace of new product introductions. The designs are influenced by consumer insights and market intelligence of global fashion trends. Every year, 900+ new designs for footwear are released with the help of our proficient teams. By refreshing our portfolio regularly, we aim to keep our consumers engaged and interested in our brands, leading to fresh purchases. Further, with our design center and manufacturing units connected by CAD/CAM, we can optimize resources, and minimize the gap between design and manufacturing to ensure speed to market.



Manufacturing Excellence

Strict adherence to high-quality standards has made us an admired manufacturer and preferred global supplier. Our production is powered by six fully integrated manufacturing facilities equipped with the latest machinery and cutting-edge technology. In-house tannery – among the largest and latest facilities in India – provides a steady supply of best quality leather for our footwear units. The manufacturing facilities are also ably supported by more than 25 dedicated ancillary units. Our robust set-up ensures seamless and uninterrupted operations as well as guarantees timely delivery of finished products. The manufacturing plants can produce 6.4 million pairs of shoes every year. Besides the above manufacturing capacities, we also outsource the production of footwear and garments to other vendors, which exclusively cater to manufacturing for Mirza International.



Environmental Stewardship

Equipped with state-of-the-art effluent treatment plant, our tannery is not only the largest in India but is also environment-friendly. The high-quality tanning drums use ten times less water and one-fourth the energy of conventional drums; the exhaust chrome liquor is processed, the sludge recovered and sold to authorized vendors of chemicals, thus preventing groundwater contamination. **A study by IIT Roorkee has declared that our tannery causes no environmental pollution under the National Framework of Environmental Laws.**





Supply Chain Agility

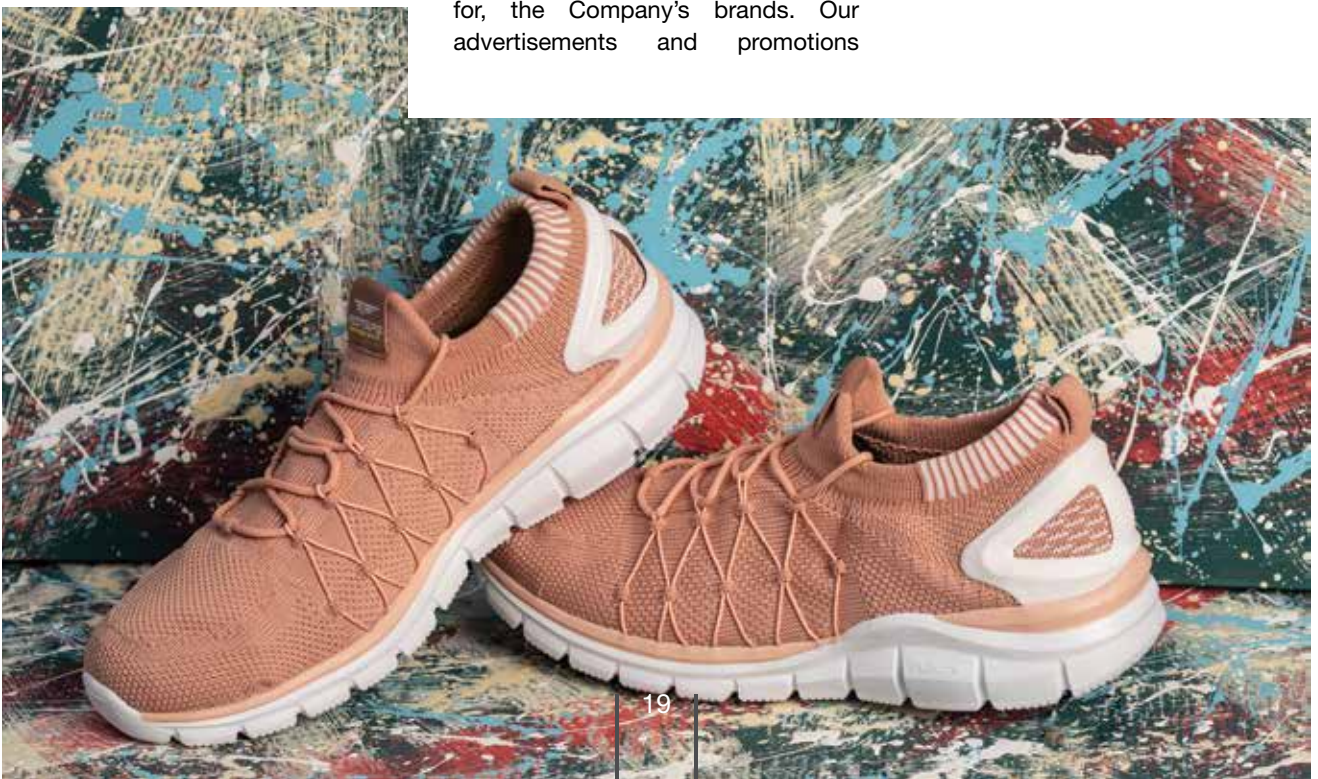
Fast-evolving consumer demands makes it important to build agility in our operations. Our speed-to-market – in our case, it takes only 25 days - helps us respond to consumer demand for newness and freshness throughout the year. Supply chain agility also helps us to prevent inventory build-up, thereby making our operations leaner and efficient. Optimization of manufacturing and distribution networks also shortens lead time. Our market responsiveness is well-proven by our global success.



Synergic Operations

The design team develops our branded products in close consultation with the global sales team. The global team comprises market experts who stay abreast with upcoming trends and innovation. We also have key specialist teams for specific areas of product development. Besides traditional advertising and appointing brand ambassadors, brand awareness and recall is reinforced through our social networking sites, participation in fashion shows and exhibitions, in-store point-of-purchase displays and sales assistance. Marketing campaigns are designed to increase consumer awareness of, and affinity for, the Company's brands. Our advertisements and promotions

typically emphasize fashion, quality, comfort, durability and other performance and lifestyle attributes of our brands. Talented and skilled team, growing retail footprint, strong online presence and strategically located warehousing facilities further adds strength to our operations.





Pursuing Responsible Growth



Healthcare

Apart from financing the medical needs of the poor and weaker sections of the society on a case-by-basis, the Company contributed ₹ 1.58 Crore in FY 2018-19 to Mirza Charitable Hospital Ltd., a multi-speciality hospital registered under Section 8 of the Companies Act, 2013, located at Unnao District, Uttar Pradesh. The hospital provides Out Patient Department (OPD) and In Patient Department (IPD) services to low income people residing in nearby areas. It is run by independent professional doctors specialized in the fields of orthopaedics, ophthalmology, general medicine, physiotherapy and dental, among others. Apart from that, we also contributed towards building the infrastructure at Indian Medical Association (IMA), Kanpur.



Education

During the year, we continued with our efforts to promote education. This year, we sponsored the education of ten physically challenged students. The initiative was undertaken with Jyoti Badhir Vidyalaya, Bithoor, Kanpur. Apart from the above, we also extended our direct support to students belonging to economically weaker sections of the society.



Training Institute for Women

Women empowerment is also a prime agenda of our corporate social responsibility programs. During the year, the Company distributed 18 sewing machines to women to enable them to become self-reliant and earn their livelihood. The Company also undertook other need-based initiatives in compliance with Schedule VII to the Companies Act, 2013.

Tracking our Financial Highlights

FY 2018-19

Total Revenue	▷	₹ 1,153.79 Crore
CAGR of Total Revenue	▷	10.28% in last five years
Overseas Revenue	▷	₹ 501.87 Crore
Domestic Revenue	▷	₹ 651.92 Crore
Profit before Tax	▷	₹ 75.97 Crore
EBITDA Margin	▷	₹ 145.74 Crore
EBITDA Margin (%)	▷	12.63 %
Profit after Tax	▷	₹ 48.78 Crore
Net Worth (as on March 31, 2019)	▷	₹ 611.64 Crore
Annual Dividend	▷	45% per share

1
Corporate
Overview

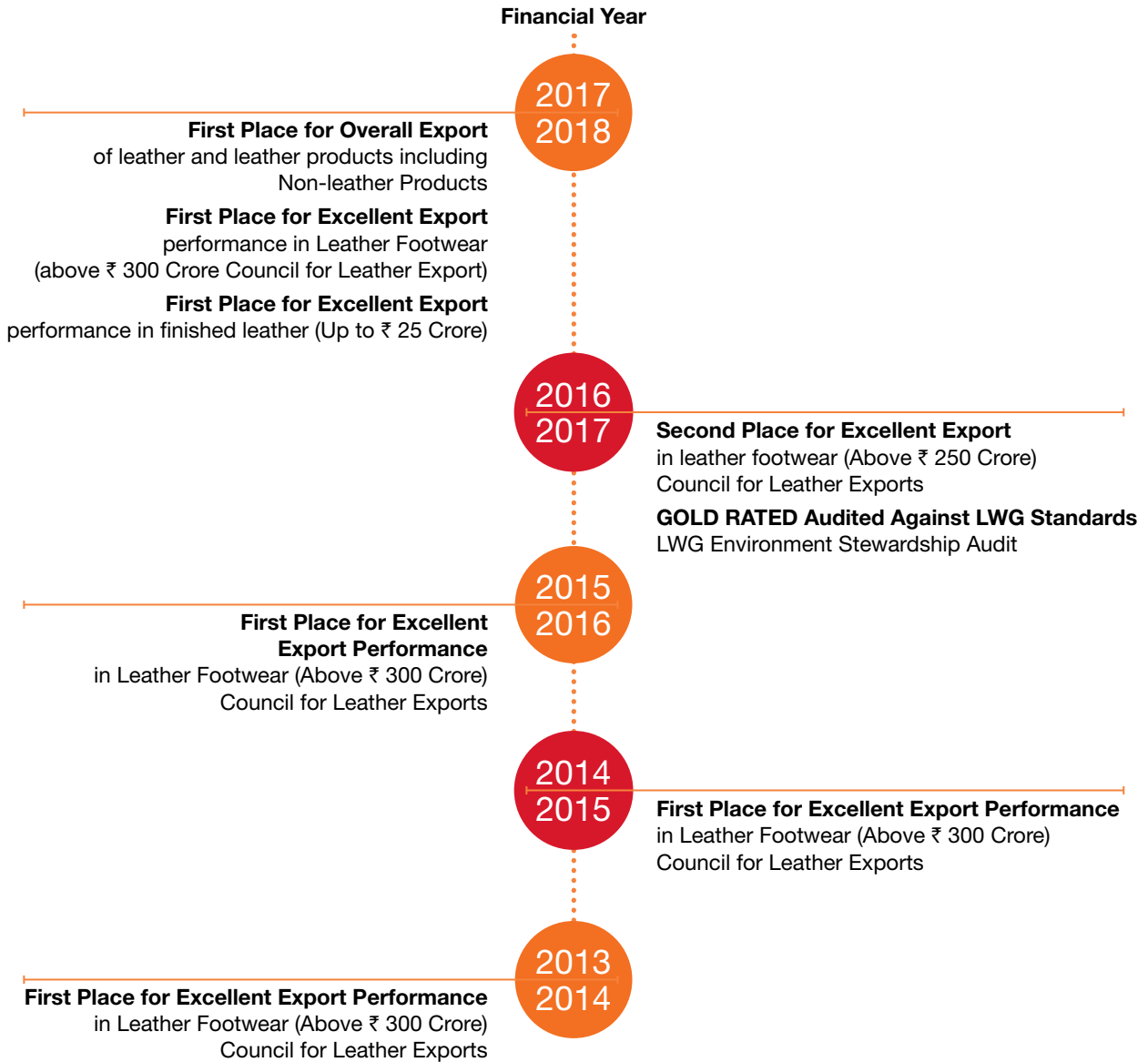
2
Statutory
Reports

3
Financial
Statements



Awards

Recognition for Exports



Recognition in E-commerce

June 2019	Platinum Partner Award from Paytm
December 2018	Gold in 'Top Overall Flipstar' from Flipkart
September 2018	Gold in 'Perfect Player in Softlines' category from Amazon
September 2018	Gold in 'Customer Excellence System' from Amazon
August 2018	Gold Seller Award from Flipkart
April 2018	Gold in 'Best Formal Footwear Brand' from Flipkart

Corporate Information

Board of Directors

Mr. Rashid Ahmed Mirza
CMD & Chief Executive Officer

Mr. Shahid Ahmad Mirza
Whole-time Director

Mr. Tauseef Ahmad Mirza
Whole-time Director

Mr. Tasneef Ahmad Mirza
Whole-time Director

Mr. Shuja Mirza
Additional Director (Executive)

Mr. Narendra Prasad Upadhyaya
Whole-time Director

Dr. Yashvir Singh
Independent Director

Mr. Pashupati Nath Kapoor
Independent Director

Mr. Qazi Noorus Salam
Independent Director

CA Sudhindra Kumar Jain
Independent Director

Mr. Subhash Sapra
Independent Director

Mrs. Vinita Kejriwal
Independent Director

Mr. V.T. Cherian
Chief Financial Officer

Mr. Ankit Mishra
Company Secretary & Compliance Officer

Statutory Auditors

M/s DRA & Co.
Chartered Accountants

Bankers

Punjab National Bank

HDFC Bank

Citi Bank N.A.

Registered Office

14/6, Civil Lines, Kanpur - 208 001

Corporate & Marketing Office

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

Works

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

Registrar & Transfer Agents

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

Management Discussion and Analysis Report

Economic Overview

Global

Financial Year 2018-19 was challenging for the global economy. Global growth in 2019 has been downgraded to 2.6%, 0.3% point below previous forecasts, reflecting weaker-than expected international trade and investment at the start of the year. Growth is projected to gradually rise to 2.8% by 2021, predicated on continued benign global financing conditions, as well as a modest recovery in emerging market and developing economies (EMDEs) previously affected by financial market pressure. However, EMDE growth remains constrained by subdued investment, which is dampening prospects and impeding progress toward achieving development goals. Risks are also firmly on the downside, in part reflecting the possibility of destabilizing policy developments, including a further escalation of trade tensions between major economies; renewed financial turmoil in EMDEs; and sharper-than-expected slowdowns in major economies. It is therefore urgent for EMDEs to reinforce policy buffers and build resilience to possible negative shocks, and to implement reforms that promote private investment and improve public sector efficiency. Efforts to strengthen access to markets and technology while boosting the quality of infrastructure and governance should be prioritized and be implemented through cost-effective and private-sector-led solutions. Structural reforms aimed at improving the business climate would also boost growth prospects. Well-designed social safety nets and active labor market policies are key to managing risks and protecting vulnerable groups.

(Source: Global Economic Prospects. June 2019, World Bank)

India

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's Gross Domestic Product (GDP) is estimated to have increased 7.2% in FY 2017-18 and 7% in FY 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 Million by 2020, based on rate of population growth, increased labor force participation, and higher education enrollment, among other factors, according to a study by Associated Chambers of Commerce and Industry of India (ASSOCHAM) and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 Billion in the week up to March 15, 2019, according to data from the Reserve Bank of India.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Hon'ble Prime Minister of India, Shri Narendra Modi, has launched the 'Make in India' initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and increasing the digital literacy.

India is expected to grow to a US\$ 6 Trillion economy by FY 2026-27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and structural reforms.

India's revenue receipts are estimated to touch ₹ 28-30 Trillion (US\$ 385-412 Billion) by 2019, owing to the Government's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030. Currently, 30% of the country's total installed capacity comes from renewables. It also has plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third-largest consumer economy as its consumption may triple to US\$ 4 Trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass the United States (US) to become the second-largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Industry Structure and Developments

Leather is one of the most widely traded commodities globally. The growth in demand for leather is driven by the fashion industry, especially footwear. Apart from this, furniture and interior design industries, as well as the automotive industry also demand leather.

The Indian leather industry has a place of prominence in the Indian economy due to the substantial export earnings

it generates and its strong growth. It accounts for around 12.93% of the world's leather production of hides/skins.

India's Leather Exports

India's leather industry has grown drastically, transforming from a mere raw material supplier to a value-added product exporter. The Council for Leather Exports (CLE) is an autonomous non-profit organization, which is entrusted with export promotion activities and the development of the Indian leather industry. About 3,500 companies manufacturing/exporting leather and leather products are members of the Council.

The US is the largest market for the Indian leather industry. To tap this market further, the Indian leather industry is increasing its capacities with financial assistance from the Government under the Integrated Development of Leather Sector. The unique selling proposition of the Indian leather industry continues to be its huge raw material base, strong products, and availability of huge labor. The CLE has also requested the Government to reduce GST rate to 12% from the existing 18% on footwear priced above ₹ 1,000, to boost manufacturing and exports.

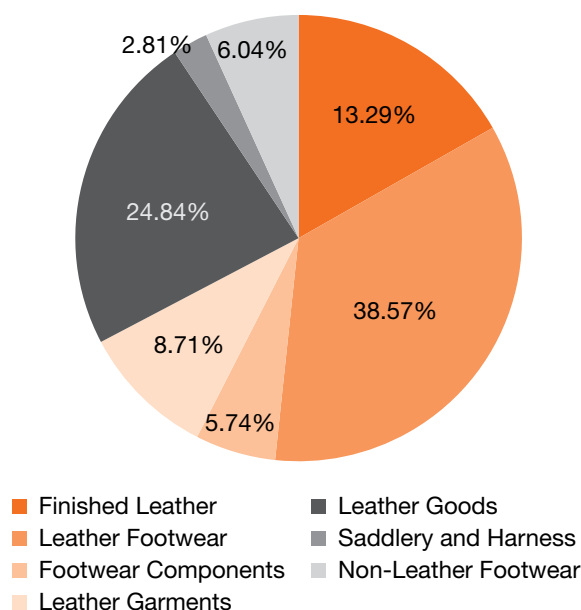
As per officially notified DGCI&S, monthly export data, the export of Leather and Leather products for the period **April-March FY 2018-19 touched US\$ 5,690.99 Million** as against the performance of **US\$ 5,740.98 Million in April-March FY 2017-18**, recording a **marginal decline of 0.87%**. In rupee terms, the export touched **₹ 397,930.43 Million in April-March FY 2018-19** as against **₹ 370,034.14 Million in April-March FY 2017-18**, registering a **positive growth of 7.54%**.

Export of different categories of Footwear (leather & non-leather and components) holds a major share of about 50.34%. This is followed by Leather Goods & Accessories with a share of 24.84%, Finished Leather 13.29%, Leather Garments 8.71% and Saddlery & Harness 2.81%.

Though export of finished leather and leather garments contracted in rupee terms in FY 2018-19, the industry was able to achieve overall positive growth due to good growth levels shown by other segments such as leather footwear (8.98%), leather goods (13.78%), saddlery and harness (10.74%) and footwear components (4.21%).

For FY 2019-20, the CLE is aiming to achieve 9% to 10% growth in exports of leather and leather products, for which it has planned a comprehensive and extensive marketing campaign involving more than 20 events.

Product-wise Share



As per Indian leather export data, the country is exporting these products from its 15 different states. These are also the largest leather producing states in India. Tamil Nadu and Uttar Pradesh are the largest states from where India exports leather and recorded share value of 50% and 40% respectively. It is followed by West Bengal (4%), Maharashtra (3%) and Himachal Pradesh (1%).

Further, the leather export of India is done through 21 different Indian ports including air, land and sea. Chennai air is the biggest port departing maximum leather shipments and records around 40% of shipments from the total exports.

Footwear Industry

The footwear sector is a very significant segment of the leather industry in India; rather it is the engine of growth for the entire Indian leather industry.

India is the second-largest global producer of footwear after China, accounting for 13% of global footwear production of 16 Billion pairs. India produces 2,065 Million pairs of different categories of footwear (leather footwear - 909 Million pairs, leather shoe uppers - 100 Million pairs and non-leather footwear - 1,056 Million pairs). India exports about 115 Million pairs.



The footwear sector is now de-licensed and de-reserved, paving the way for expansion of capacities on modern lines with state-of-the-art machinery. To further assist this process, the Government has permitted 100% Foreign Direct Investment through the automatic route for the footwear sector.

Growth Drivers

Favorable Global Opportunities: The Global Footwear Market is expected to garner US\$ 371.8 Billion by 2020, registering a CAGR of 5.5% during the forecast period FY 2015 – 2020. The rising demand for fancy, trendy yet comfortable footwear among all age groups is a key factor driving the global footwear industry. The global footwear market is segmented by type of footwear, end users of footwear, various platforms for sale of footwear, material used, and their sales across various geographies. Asian countries, such as China and India are major exporters of leather footwear across developed countries (UK and US).

Leather footwear are premium products occupying a significant market share in the global market for footwear. Additionally, rising health concerns are influencing individuals to perform indoor and outdoor physical activities. This trend has generated a high demand for athletic shoes, in turn increasing the demand for footwear. Over the past decade, the global market for footwear has witnessed a steady growth and is anticipated to continue at the same pace in the years to come. The estimation of global market is based on revenue generated by the sale of footwear across different geographic regions.

High Government Focus: The Government of India had identified the leather sector as a focus sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities, and the industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhancing export, and resultantly create additional employment opportunities.

Robust Domestic Demand: The Indian footwear industry has a robust growth outlook, led by higher demand for fashionable and comfortable footwear. Currently, the Indian footwear market is relatively underpenetrated with an average per capita consumption of only 1.7 pairs per annum vis-à-vis the global and developed countries average of 3 and 5 pairs respectively. Rapid urbanization, favorable demographics, growing size of the middle-class segment, rising disposable income and changing lifestyles are likely to generate a higher demand for branded offerings. The stabilization of GST also augurs well for the growth of

the organized sector. In the women's footwear segment, demand will be driven by growing fashion consciousness and steady increase in the number of working women. The market dynamics are also fueled by the strong growth of the e-commerce platform with young India increasingly shopping online for convenience and better experience.

Opportunities

1. The Company brands are well-positioned to address the opportunities in the footwear segments across various categories. Additionally, brand extensions in apparels and accessories increase the opportunity matrix. To leverage the success of its brands, the Company is continually expanding its distribution network to connect better with its consumers and increase market share.
2. The Company has introduced independent sub-brands catering to middle-class consumers without brand dilution. The country's burgeoning middle-class segment and rise in disposable incomes with higher economic growth hold significant promise for growing consumerism.
3. India's youth are aspirational, fashion-conscious and well aware of global trends and styles. This offers branded players strong opportunity to grow their market share.

Threats

1. Foreign brands bring in more competition and hence can affect business growth.
2. Local brands with good designs and higher profit margins for retailers may result in lesser shelf space for the Company's brand offerings, which in turn can adversely impact sales.
3. Cheap imitations/fake products cause threat to the market share of the Company's brands.

Segment-Wise Performance

The Company's business segments are primarily Shoe Division and Tannery Division. During the year under review, revenue from the Shoe Division increased to ₹ 871.57 Crore as against ₹ 803.51 Crore in the previous year. Revenue from the Tannery Division was ₹ 179.11 Crore for the year as against ₹ 186.79 Crore in the previous year.

Overseas Revenue

Weak global market sentiments impacted the Company's overseas operations. As a conscious and pragmatic decision, the business strategy was also more inclined towards leveraging domestic opportunities. Revenue from overseas sales during the year under review stood at ₹ 501.87 Crore as against ₹ 523.41 Crore in the previous year. While revenue from UK operations decreased from ₹ 376.18 Crore to ₹ 317.20 Crore in FY 2018-2019,

revenue from the US operations increased to ₹ 88.48 Crore from ₹ 77.78 Crore in the previous year.

Domestic Sales

During the year under review, the Company focused primarily on developing and expanding the domestic market. Domestic sales stood at ₹ 651.92 Crore as against ₹ 449.09 Crore in the previous year, thus registering an increase of 45.16% year-on-year. The robust growth demonstrates that the Company's performance is up to the mark in the domestic market, the success of its domestic expansion strategy, and the high consumer admiration and confidence enjoyed by its brands.

Details of significant changes in key financial ratios alongwith explanation

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company alongwith explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder:

Sl. No.	Particulars#	FY 2018-19	FY 2017-18
(i)	Debtors Turnover	6.15	8.37
(ii)	Inventory Turnover	2.66	2.54
(iii)	Interest Coverage Ratio	3.21	5.72
(iv)	Current ratio	1.56	1.61
(v)	Debt Equity Ratio	0.82	0.75
(vi)	Operating Profit Margin (%)	10	15
(vii)	Net Profit Margin (%)	4	8
(viii)	Return on Net worth (%)	8	14

The Government of India has implemented Goods and Services Tax (GST) from July 2017 subsuming excise duty, service tax and various other indirect taxes. Accordingly, the Revenue for the financial year ended March 31, 2019 as reported in the Statement of Profit and Loss are not comparable with the previous financial year. Therefore, the Ratio relating to Turnover are not comparable with the previous financial year.

- The significant changes in Operating Profit Margin (%), Net Profit Margin (%) and the Net worth Ratio (%) is due to cost efficiencies/productivity improvement and premiumisation of our product range leading to increased sales.
- The significant changes in Debtor Turnover Ratio has been recorded on account of increase in turnover.
- The significant changes in Interest Coverage Ratio has been recorded due to significant decrease in Earnings Before Interest and Taxes (EBIT).

Key Brands

REDTAPE: Known for its unparalleled comfort, international styles and finesse, REDTAPE has entrenched its position in the niche segment of high-fashion and lifestyle brands. Its unmatched quality, skilled craftsmanship and trendy products have

enabled it to capture opportunities in both international and domestic markets. The brand's leading overseas markets include the UK, US, France, Germany, West Asia and South Africa, where it is sold through the Company's extensive distribution channel. The brand has been endorsed in the past by the leading actor and style icon Salman Khan.

REDTAPE footwear has emerged as a leader in the high-end fashion footwear segment. The footwear range is designed in the Company's in-house design studios located in UK and Italy. Product manufacturing is also undertaken internally at the Company's integrated facilities while ensuring strict adherence to international standard of quality and materials.

REDTAPE forayed into the apparel sector in 2006 and unveiled men's clothing and a line-up of accessories. This range offers an eclectic mix of casual and semi-formal wear including shirts, t-shirts, trousers, denims, sweaters, jackets and accessories such as belts, socks, handkerchiefs and wallets.

REDTAPE Athleisure: Leveraging the brand equity of REDTAPE, the Company has launched a new brand REDTAPE Athleisure in the men's sports shoes segment. REDTAPE Athleisure is targeted to meet the aspirations of young India eager who have embraced an active lifestyle and seek quality athletic footwear. The offerings are available at attractive prices to reach out to a wider market.

BOND STREET: The Company has launched Bond Street to cater to the domestic demand for men's fashionable casual footwear at affordable prices. The target audience is primarily consumers located in Tier II and III cities who seek value-fashion brands.

MODE: The Company has launched this brand to address the demand for women's footwear in both casual and sportswear segments. The offerings are stylish, comfortable and available at attractive prices.

Outlook

The Company has an established leadership position in the industry and is one of the trusted names in branded footwear and accessories. With change in customer preferences, footwear has become a style statement, especially among the teenagers, youth and the affluent working class. The domestic demand for footwear is projected to grow at a fast pace. The inclination towards purchase of products manufactured by established brands is also increasing. For retail companies, the e-commerce platform, through pursuing brand presence in social media, blogs and online advertising, is fast catching up with the brick and mortar sales model. The Company is proactively engaged in taking appropriate steps to tap these opportunities in order to improve its market share and retain its leadership position in the organized footwear and accessories sector of the industry.



Risks and Concerns

The Company believes that risks that are well managed can create opportunities, whereas risks that are incorrectly managed could lead to financial and reputation loss. The Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken by the Board to mitigate such risks.

Internal Control Systems and their Adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexities of its operations. These systems are designed to ensure that all assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized, recorded and reported.

Material Developments in Human Resources/ Industrial Relations Front, Including Number of People Employed

Human Resources

It is the Company's firm belief that its people constitute the primary source of its sustainable competitive advantage and must always be at the heart of its corporate purpose. For success in the footwear market,

particularly, skills and workmanship are important to create superior products with excellent finish. Recognizing the invaluable contribution of its people in creating footwear that is well-accepted in international and domestic markets, the Company gives significant importance to its human capital. It remains dedicated for continuous enhancement of their skills and knowledge by way of training and supervision. The Company's focused endeavors towards promoting trust, transparency and teamwork improved employee productivity at all levels. As on March 31, 2019, the total number of employees in the Company stood at 3,850.

Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objective, projects, estimates and expectations may be 'forward-looking statement' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. Several factors could make a significant difference to the Company's operations. These include economic conditions, government regulations and tax laws, political situation, natural calamities, among others, over which the Company does not have any direct control.

Directors' Report

To,
The Members of
Mirza International Limited

Your Directors have pleasure in presenting their fortieth Annual Report on the business and operations of the Mirza International Limited ("the Company or "MIL") along with the Audited Financial Statements for the financial year ended March 31, 2019.

1. Financial Summary or Highlights/State of the Company Affairs

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	1153.79	972.50	1153.80	972.50
Earning before Finance Costs, Depreciation and amortization Expenses and Taxes	145.74	174.41	145.75	174.41
Less: Finance Charges	34.31	24.96	34.31	24.96
Depreciation & Amortization Expenses	35.46	31.61	35.46	31.61
Profit Before Tax	75.97	117.84	75.98	117.84
Less: Provision for Taxes	27.19	39.42	27.18	39.42
Profit After Taxes	48.78	78.42	48.80	78.42
Other Comprehensive Income	3.75	(2.09)	3.74	(2.09)
Total Comprehensive Income for the year	52.53	76.33	52.54	76.33

(₹ in Crore)

2. Major Highlights of Financial Performance

The financial year 2018-19 has been a remarkable year for your Company. The Company has crossed ever highest turnover of ₹ 1000 crore. The major highlights are given below:

Standalone & Consolidated

- ◆ The Revenue from operations increased to ₹ 1151.70 Crore from ₹ 972.09 Crore in the previous year. Thus showing an increase of about 18.48 %
- ◆ The Profit before Tax has declined to ₹ 75.98 Crore as compared to ₹ 117.84 Crore for the previous year, thereby showing the decrease of about 35.52%.
- ◆ The EBITDA decreased to ₹ 145.75 Crore from ₹ 174.41 Crore in the previous year, thus showing the decrease of about 16.43%
- ◆ Cash Profit decreased to ₹ 84.25 Crore from ₹ 110.03 Crore in the previous year, showing a decrease of about 23.43 %.
- ◆ The Earning Per Share has fall to ₹ 4.06 as against ₹ 6.52 achieved in the Previous Year

3. Growth Strategy

- i) With the continuous focus on Domestic market which is also one of largest market in World,

REDTAPE remain successful in expanding its presence across the length and breadth of India. With 47 Number of retail outlets opened during FY 2018-19 only, total number of retail outlets has been reached to 206 which resulted into ever high turnover of ₹ 651.92 from domestic market only with 45% increase. Inspired by this, REDTAPE is retaining its aggressive marketing strategy with clear focus to reach and attract the growing middle class youth of the Country.

- ii) Your Company is also focusing on export marketing of its product with facts that during FY 2018-19, export turnover of the Company was ₹ 501.87 as against ₹ 523.40 during FY 2017-18. Company is looking positive to get upward movement from last achieved export turnover subject to global economic conditions.
- iii) During FY 2018-19, Company has increased its product lines by launching new products under REDTAPE brands like travel bags, undergarments etc. and also increased its product mix in Garment and Shoes Segments as well. Company has achieved turnover of ₹ 205.39 Crore in Garment segment which shows its increasing customer confidence for future growth as well. Company's sport brand *REDTAPE athleisure* is rapidly finding its place in foofs of young and sporty Indians.



4. Subsidiary / Associate Company

The Company has two foreign subsidiaries as on March 31, 2019 viz. Mirza (HK) Limited and Mirza Bangla Limited. There are no other associate companies or joint venture companies within the meaning of Section 2 (6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129 (3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which form part of the annual report. Further, Companies which have become or ceased to be Company's subsidiaries, joint ventures or associate companies, and a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is appended as **Annexure I** to the Director's Report.

5. Dividend and Reserve

After considering the Company's financial performance, profitability and future growth plans, the Board of Directors of the Company are pleased to recommend a Final Dividend of ₹ 0.90 per share i.e 45% on 12,03,06,000 Equity Shares of face value ₹ 2/- each of the Company. The total outflow on account of Dividend, if approved by Members, will be ₹ 13.05 Crore (inclusive of Dividend Distribution Tax of ₹ 2.22 Crore) and such Dividend to be distributed to those Equity Shareholders whose name would appear on the Register of Members as on date of book closing on September 11, 2019 in proportion to paid-up value of Equity Shares. The Board proposes to transfer the amount of ₹ 5 Crore to General Reserve, as compared to ₹ 8.00 Crore transferred in the previous year.

The dividend payout is in accordance with the Company's Dividend Distribution Policy. Dividend Distribution Policy is available on Company's Website (<http://www.mirza.co.in/policy.html>).

6. Directors and Key Managerial Personnel

Mr. Irshad Mirza, Chairman, Mr. Rashid Ahmed Mirza- Managing Director & CEO, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza and Mr. Narendra Prasad Upadhyaya- Whole-Time Directors, Mr. V. T. Cherian, Chief Financial Officer and Mr. Ankit Mishra- Company Secretary and Compliance Officer of the Company are the Key Managerial Personnel pursuant to Section 2 (51) and Section 203 of the Act, read with the Rules framed thereunder. There is no change in KMP during the year.

However, Mr. Irshad Mirza, Chairman and Founder promoter of Company, has tendered his resignation from Directorship of the Company due to his ill and

falling health w.e.f 30.05.2019. His contribution to the Company can not be expressed by words only as where the company is as now is only because of the unrelenting efforts of Mr. Irshad Mirza. During his leadership, he has not left any stone remain unturned for the growth of the Company. Board present him vote of thanks and wishes his healthy life ahead.

To fill up his position as Chairman, Board has selected Mr. Rashid Ahmed Mirza, Managing Director of the Company as its Chairman. Mr. Shuja Mirza, President (Marketing) of the Company has also been appointed as Additional Director (Executive) of the Company w.e.f 01.06.2019 to be appointed as Whole-Time Director of the Company subject to confirmation by shareholders at the upcoming Annual General Meeting.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder, Mr. Shahid Ahmad Mirza (DIN No: 00048990), Whole Time Director of the Company, is liable to retire by rotation at ensuing Annual General Meeting and being eligible have offered himself for re-appointment. The Board recommends his re-appointment.

Independent Directors declaration

Pursuant to the provisions of Section 149 of the Act, CA Sudhindra Kumar Jain, Mr. Pashupati Nath Kapoor, Mr. Qazi Salam Noorus, Dr. Yashvir Singh, Mr. Subhash Sapra, Independent Directors of the Company have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Said declaration is pending to be received from Mrs. Vinita Kejriwal. There has been no change in the circumstances affecting their status as an Independent Director during the year.

During the year, the Independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded their opinion that the Independent Directors are independent of the management and have fulfilled the conditions as specified in the Companies Act, 2013 and Rules made there under as well as concerning provisions of SEBI (LODR) Regulations, 2015.

7. Evaluation of Board's Performance

The Company has devised criteria for performance evaluation of Independent Directors, Board/ Committees and other individual Directors, which

includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter alia consider attendance of Directors at Board and Committee Meetings, acquaintance with business, communicating inter-se Board Members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy. The annual evaluation of the performance of the Board, its Committees and of Individual Directors has been made based on devised criteria.

The Chairman of the respective Committee shared the report on evaluation with the respective Committee Members. The performance of each Committee was evaluated based on report of evaluation received from respective Committees.

The report on performance evaluation of the individual Director was reviewed and feedback was given to Directors.

8. Familiarisation Programmes for Independent Directors

All the new Independent Directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate Governance report. Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <http://mirza.co.in/download.html>

9. Remuneration Policy

The Company has a Policy relating to appointment of Directors, payment of Managerial Remuneration, Director's qualification, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The policy is enclosed as **Annexure II** to the Director's Report.

10. Risk Management Policy

Pursuant to the requirement of Section 134(3) (n) of the Companies Act, 2013, the Company has already in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The Policy provides for a robust Risk Management Framework to identify and assess risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and that there is an adequate Risk Management Infrastructure in place capable of addressing these risks.

Audit Committee of the Company has been entrusted with responsibility to assist the Board in the matters which are given below:

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

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

11. Whistle Blower Policy & Vigil Mechanism

Your Company is committed to highest standard of ethical, moral and legal business conduct. Accordingly, MIL has established a robust Vigil Mechanism and a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct in accordance with provisions of the Act and Listing Regulations. During the year under review, the Company has not received any complaints under the said mechanism. The Policy of Vigil Mechanism is available on the Company's Website (<http://mirza.co.in/policy.html>)

12. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

13. Particulars of Loans, Guarantees or Investments Under Section 186

The Company has not given any guarantees covered under the provisions of Section 186 of the Companies Act, 2013 and Rules made there under. The details of the Loans and investments made by the Company are given in the notes to standalone financial statements.

14. Internal Control System

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business,



including adherence to the company's policies, the safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

15. Investor Education and Protection Fund (IEPF)

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

("The Rules"), mandates that Companies shall transfer dividend that has remained unclaimed for a period of 7 years from the unpaid dividend account to investor education and protection fund (IEPF). Further, the rules mandates that the shares on which dividend has not been paid or claimed for a period of 7 consecutive years or more be transferred to the IEPF.

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

Year	Type of dividend	Dividend Per Share	Date of Declaration	Due date for Transfer	Amount*
2011-12	Final	0.50	September 29, 2012	October 28, 2019	5,79,786.00
2012-13	Final	0.50	September 28, 2013	October 27, 2020	5,47,300.00
2013-14	Final	0.50	September 20, 2014	October 19, 2021	5,47,867.00
2014-15	Final	0.50	September 29, 2015	October 28, 2022	5,31,009.00
2015-16	Final	0.50	September 29, 2016	October 28, 2023	7,23,657.00
2016-17	Final	0.90	September 28, 2017	October 27, 2024	9,79,081.20
2017-18	Final	0.90	September 26, 2018	October 25, 2025	7,76,355.30

*Amount unclaimed as on March 31, 2019.

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

Details of the Nodal Officer:

Mr. Ankit Mishra, Company Secretary & Compliance Officer of the Company has been appointed as the Nodal officer as per the provisions of IEPF. The details of the same may be accessed on the Company's website at: <http://mirza.co.in/nodal-officer.html>.

Share Transferred to IEPF

During the year, the Company transferred 89,416 shares on November 14, 2018 to the IEPF. The shares transferred were on account of dividends unclaimed for seven consecutive years.

16. Management Discussion and Analysis

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

17. Human Resources

Company's believes that Human Resource is the key to its success. A well planned Human Resource policy and its proper implementation with employees

satisfaction nurture the Company's growth story for long run. Mirza International Limited provides a fair and inclusive environment that promotes new ideas, respect for the individual and equal opportunity to succeed. Experience, merit and performance, leadership abilities, strategic vision, collaborative mindset, teamwork and result orientation are actively promoted and rewarded through an objective appraisal process.

The number of people employed as on March 31, 2019 was 3,848 (March 31, 2018: 3408). Industrial Relations were satisfactory during the year.

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

18. Corporate Social Responsibility(CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy of the Company is available at: <http://www.mirza.co.in/policy.html>.

The Company has identified following focus areas for CSR engagement:

Health: Health care including preventive health care and sanitation and making available safe drinking water;

Education: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

Women Empowerment: Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

Rural Development: Undertaking and promoting projects for development of rural India.

Safe Drinking Water: Availability of safe drinking water.

The Company also undertakes other need based initiatives in compliance with Schedule VII to the Act.

The initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

19. Particulars of Employees and Other Additional Information

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure-IV** to this Report.

The information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any member of the Company.

Having regard to the provisions of the first proviso to Section 136 (1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

20. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

a) Conservation of energy:

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

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

- ◆ Continuously monitoring the energy parameters such as maximum demand, power factor, load factor on regular basis;

- ◆ Installation of energy efficient LED lights by replacing high energy consuming lights.

- ◆ Increasing the awareness of energy saving within the organization to avoid the wastage of energy;

Steps taken for utilization of alternate source of energy;

- ◆ Introduction of "Solar Power" is under discussion.

Capital investment on energy conservation equipments:

Financial Year	2018-19
Amount (₹ In lakh)	50.21

b) Technology Absorption

- ◆ Efforts made towards technology absorption
Following efforts are made during the year towards technology absorption:

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

c) Benefits derived

- ◆ Speedy and real time updated flow of information between management and staff level;
- ◆ Adding customer base remaining half population i.e. Indian Women;
- ◆ Introduction of 965 new Articles during the year;
- ◆ Value addition and Brand building via online outlets with more customer reach;
- ◆ In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –N/A
- ◆ Expenditure incurred on Research and Development: ₹ 120.15 Lakhs

d) Foreign Exchange Earnings And Outgo

During the year, the foreign exchange earned was ₹ 454.50 Crore as compared to ₹ 461.03 Crore during the previous year. The foreign exchange outgo was ₹ 361.17 Crore in the Previous Year.

21. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere



to the Corporate Governance requirements set out by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The report on Corporate Governance as stipulated under the Listing Regulations is annexed as **Annexure V** of this report.

The Certificate of Practicing Company Secretary confirming compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

22. Auditors

a) Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. DRA & CO., Chartered Accountants, New Delhi (ICAI Firm Registration No.006476N) was appointed as the Auditors of the Company for a consecutive period of five years from conclusion of the 38th AGM held on September 28, 2017 until conclusion of the 43rd AGM of your Company scheduled to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. DRA & Co. Chartered Accountants, New Delhi (ICAI Firm Registration No.006476N) as the Auditors of the Company, by the Members at the ensuing AGM.

Your Company has received a certificate from M/s. DRA & Co. Chartered Accountants, New Delhi (ICAI Firm Registration No.006476N) confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

b) Secretarial Auditor

The Board had appointed CS K. N. Shridhar, Practicing Company Secretary, Proprietor of K.N. SHRIDHAR & ASSOCIATES, Membership No. 3882 and C.P. No. 2612 to undertake the Secretarial Audit of the Company for the year ended March 31, 2019.

The Secretarial Audit Report for the financial year ended March 31, 2019 annexed herewith is marked as **Annexure VI** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer

c) Cost Auditor

As per Section 148 of the Companies Act, 2013 the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on recommendation of Audit Committee, approved the appointment of CMA A. K. Srivastava, Cost Accountant, for conducting the Cost Audit pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the year ending March 31, 2019.

23. Extract of Annual Return:

As per the requirements of Section 92(3) of the Act, the extract of the annual return is given in **Annexure VII** in the prescribed Form No. MGT-9, which is a part of this report.

24. Board Meetings

During the Year 2018-19, Board met 4 times on May 29, 2018, August 07, 2018, November 13, 2018 and February 09, 2019, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

25. Board Committee

The Board of Directors of your Company had already constituted various Committees and approved the terms of reference / role in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meeting held during the financial year and attendance at meetings, are provided in the Report of Corporate Governance in the Annual Report.

26. Related Party Transactions

All contracts/arrangements/transactions entered by the Company during the financial year with Related Parties were on arm's length basis, in the ordinary

course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Related Party Transactions are placed before the audit committee for its approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of Transactions.

Details of material contract / arrangement / transaction with related parties entered during the year in Form AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the **Annexure VIII** to this Report.

The Policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website <http://mirza.co.in/policy.html>. The Policy intends to insure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. The disclosures of Related Party Transactions on a Consolidated basis for the financial year ended on March 31, 2019 is also uploaded on the Company's website http://mirza.co.in/disclosure_announcement.html.

27. Obligation of Company Under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability etc. All women associates (permanent, temporary, contractual & trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

No complaints pertaining to Sexual Harassment were received during the Financial Year 2018-19.

28. Credit Rating

During the year, the Rating for Company's Short term bank facilities and borrowing programme has been assigned to "CRISIL A2+" by CRISIL. The Long Term Banking Facilities has been assigned to "CRISIL A-/Negative". According to CRISIL, MIL will continue to benefit over the medium term from its integrated operations and the extensive industry experience of promoters.

ICRA Limited has assigned the Long Term Rating at [ICRA] A- and has assigned a 'Stable' outlook on the Long Term Rating. The ratings assigned by ICRA in the short Term Rating at [ICRA] A2+.

29. Material Changes Affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

30. GENERAL

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

- a) Details relating to deposits covered under Chapter V of the Companies Act 2013.
- b) Issue of equity shares with differential right as to dividend, voting or otherwise
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- d) No significant or material orders were passed by the Regulators or Courts or tribunals which impact the going concern status and Company's operation in future.
- e) No fraud has been reported by the Auditors to the Audit Committee or the Board.

31. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (5) of the Companies Act, 2013;

- (a) That in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures;



- (b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual financial statements have been prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. Acknowledgements

Your Directors wish to place on record their appreciation of the contribution made by the employees at all level, towards the continued growth and prosperity of your company.

Your Directors also wish to place on record their sincere thanks to the Banks and various Government Authorities for the support and co-operation extended to the Company.

Your Directors are especially grateful to the shareholders for reposing their trust and confidence in the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : August 09, 2019

Rashid Ahmed Mirza
Chairman & Managing Director

Annexure-I

Form AOC-1

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

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

Part "A": Subsidiaries

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Mirza (H.K) LIMITED	MIRZA BANGLA LTD.
2.	The date since when subsidiary was acquired	17/10/2017	08/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Hong Kong Dollar (HK\$); 1 HKD=8.84INR	TAKA 1 TAKA=0.82 INR
5.	Share capital	10,000 Hong Kong Dollar (HK\$)	1,98,600 TAKA
6.	Reserves & surplus	5,520 Hong Kong Dollar (HK\$)	(25,000) TAKA
7.	Total Assets	(15,520) Hong Kong Dollar (HK\$)	1,98,600 TAKA
8.	Total Liabilities	(15,520) Hong Kong Dollar (HK\$)	1,98,600 TAKA
9.	Investments	0.00	0.00
10.	Turnover	3,89,722 Hong Kong Dollar (HK\$)	0.00
11.	Profit/Loss before taxation	16,075 Hong Kong Dollar (HK\$)	(25,000) TAKA
12.	Provision for taxation	(116)	0.00
13.	Profit after taxation	15,959	(25,000) TAKA
14.	Proposed Dividend	0.00	0.00
15.	Extent of shareholding (in percentage)	100	99.90

Part "B": Associates and Joint Ventures

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

Annexure-II

Remuneration Policy of Mirza International Limited

Objective

This Policy shall be formulated in compliance of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Key Objectives of the Policy would be:

- ◆ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- ◆ Relationship of remuneration to performance is clear and means appropriate performance benchmark
- ◆ Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Definitions

- ◆ **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- ◆ **Board** means Board of Directors of the Company.
- ◆ **Directors** mean Directors of the Company.
- ◆ **Key Managerial Personnel** means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary; and such other officer as may be prescribed.
 - **Senior Management** means Senior Managerial personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

Nomination and Remuneration Committee

The committee constituted by the Board of Directors consists of four independent non-executive Directors namely:

Mr. Pashupati Nath Kapoor	Chairman
CA Sudhindra Kumar Jain	Member
Mr. Qazi Salam Noorus	Member
Dr. Yashvir Singh	Member

Role of Committee

The Role and Powers of the Committee shall be as under:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) To ensure that level and composition of remuneration is reasonable and sufficient, Relationship of remuneration to performance is clear and meet appropriate performance benchmarks.
- h) To carry out any other function as is mandated by the Board from time to time and /or enforced by the statutory notification, amendment or modification, as may be applicable.
- i) To devise a policy on Board Diversity.
- j) To formulate the Nomination and Remuneration Policy of the Company and propose any amendments.
- k) To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to Senior Management.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorized by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

Appointment and Removal of Directors, KMP and Senior Management

Appointment criteria and qualifications are mentioned below:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

Term / Tenure

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term upto 5 years only. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Remuneration of Directors, KMP and Senior Management

- a) The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- c) Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- e) If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies



Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

- f) Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

Remuneration to Non- Executive / Independent Director:

- a) **Remuneration / Profit Linked Commission:** The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- b) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Limit of Remuneration /Profit Linked Commission:** Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% / 3% of the net profits of the Company respectively.

Monitoring, Evaluation and Removal:

- a) **Evaluation:** The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.
- b) **Removal:** The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.
- c) **Minutes of Committee Meeting:** Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

Amendment to the Policy:

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

Annexure-III

Format of Reporting of Corporate Social Responsibility (CSR)

Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs.

The Company has framed a Policy in compliance with the provisions of Companies Act, 2013 and the same is placed on Company's website and web link for the same is <http://mirza.co.in/policy.html>

2. Composition of the CSR Committee

Sl No.	Name of the Director	Designation
1	Mr. Irshad Mirza	Chairman, Chairman of the Committee
2	Mr. Tasneef Ahmad Mirza	Whole Time Director, Member
3	CA Sudhindra Kumar Jain	Independent Director, Member
4	Mr. Ankit Mishra	Company Secretary & Compliance officer

3. Average net profit of the Company for last three financial years

Average Net Profit ₹ 11,403/- Lakh

4. Prescribed CSR Expenditure (two percent of amount as in item 3 above)

The Company is required to spend ₹ 228 Lakh

5. Details of CSR spent for the financial year

- Total amount spent for the financial year: ₹ 231 Lakh
- Amount unspent, if any: NIL

Details of Amount Spent on CSR Activities During the Financial Year 2018-19

Sl. No.	Particulars	(A)	(B)	(C)	(D)	(E)	(F)	TOTAL
(1)	CSR Project or activity identified	Scholarships for the Students, Donation for Education	Healthcare	Empowering Women	Cultural Promotions	Facilitating Old Aged & Disadvantaged Elders	Renovation of the Saheed Smarak at NanarRao Park	
(2)	Sector in which the Project is covered	Education	Funding to Hospital and Treatment to patients	Women empowerment	Art and Culture	Setting up old age homes	Protection of National Heritage	
(3)	Projects or programme							
	(i) Local area or other	Unnao, Kanpur, New Delhi	Unnao, Kanpur	Kanpur	Bithoor, Kanpur	New Delhi	Kanpur	
	(ii) Specify the State and other district where projects or programme was undertaken	Uttar Pradesh, New Delhi	Uttar Pradesh	Uttar Pradesh	Uttar Pradesh	New Delhi	Uttar Pradesh	
(4)	Amount outlay (budget) project or programme wise	45.00	170.00	2.00	1.00	1.00	1.00	220.00



								(₹ in Lakhs)
Sl. No.	Particulars	(A)	(B)	(C)	(D)	(E)	(F)	TOTAL
(5)	Amount spent on the project or Programme Sub Heads; (i) Direct expenditure on projects or Programmes (ii) Overheads	46.71	180.18	2.15	1.25	0.50	0.70	231.49
(6)	Cumulative expenditure up to the reporting period	46.71	180.18	2.15	1.25	0.50	0.70	231.49
(7)	a) Amount spent direct by the Company	5.66	12.00	0.65	-	-	-	18.16
	b) Through implementing agency*	41.05	168.18	1.50	1.25	0.50	0.70	213.33

Implementing Agencies:

- ◆ Quami Ekta Inter College, Maswasi, Unnao
- ◆ Maulana Abdul Rahim Educational Trust
- ◆ Safi Infants School Samitte
- ◆ Jyoti Bal Vikas Sansthan, Bithoor, Kanpur
- ◆ Kilkari Charitable Trust, Delhi
- ◆ Helpage India
- ◆ Mirza Charitable Hospital Limited
- ◆ Mohammadia Hospital Society
- ◆ Halim Muslim English School
- ◆ Nida-e-Aman Foundation
- ◆ Indian Medical Association, Kanpur Branch
- ◆ Kshhetriya Mahila Evam Bal Vikash Samittee
- ◆ Mirza Foundation
- ◆ Dr. Zakir Hussain Memorial Trust
- ◆ Labat Asia Pvt. Ltd.
- ◆ Ehsaas Foundation
- ◆ Arunodaya Charitable Trust
- ◆ Rotary Club of Kanpur, Kanpur
- ◆ Prince Aly Khan Hospital, Mumbai

6. The amount spent is more than the amount to be spent.

We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of CSR Committee

Sd/-
Tasneef Ahmad Mirza
Director

Annexure-IV

a) Information as per Section 197 (12) read with Rules 5 (1) of Chapter XII, Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

(i) The ratio remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Name of Director	Ratio of remuneration to Median remuneration of employees
	Irshad Mirza	5.44
	Rashid Ahmed Mirza	260.82
	Shahid Ahmad Mirza	224.09
	Tauseef Ahmad Mirza	247.21
	Tasneef Ahmad Mirza	221.77
	Narendra Prasad Upadhyaya	51.43
ii) the percentage increase in remuneration of each Director, Chief Financial officer, Company Secretary(CS) or Manager, if any, in the Financial year	Name of Director	% Increase in remuneration
	Executive Director	
	Irshad Mirza	141.67
	Rashid Ahmed Mirza	6.22
	Shahid Ahmad Mirza	5.25
	Tauseef Ahmad Mirza	5.42
	Tasneef Ahmad Mirza	6.25
	Narendra Prasad Upadhyaya	8.55
	Ankit Mishra	10.73
	V. T. Cherian	16.45
(iii) the percentage increase in the median remuneration of employees in the financial year		1.76%
(iv) the number of permanent employees in the rolls of the Company		3,850
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase made in the salaries of employees other than managerial personnel in the financial year i.e. 2018-19 was 0.03% whereas the increase in managerial remuneration for 2018-19 was (10.69%). Average percentage increase of employees salary has been mainly affected due to increase in number of employees. There are no exceptional circumstances for increase in the managerial remuneration.	
(vi) affirmation that the remuneration is as per the Remuneration Policy of the company.	YES: The remuneration is as per the Remuneration Policy of the Company.	

Annexure-V

Report on Corporate Governance

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance is as follows:

1. Company Philosophy on Corporate Governance

Governance is a crucial, no matter the size, the scope, the product or the service, the role of governance is really at the backbone of what makes your company tick. Why? Because the idea of governance speaks to the core of how your business functions. Regardless of the sales, negotiations, profits or pricing, the company's relationship to governance is really a mirror for how well your organization is run.

Thus, it is a key element in your company's investment story. Directors, employees, investors and potential clients all want to know they are spending their time, energy and resources on an organization that values sound business practices and that creates an ethical corporate culture. Forward-thinking governance can be a powerful tool for change and a distinct differentiating factor between you and your competition.

Given the currency good governance carries within the business environment, one might expect it to be a larger part of the Mirza International Ltd.'s overall story, highlighted within such communications as the annual report. Our goal is to promote and protect the long-term interest of all stakeholders and to that end our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

2. Board of Directors

(a) Composition and Category of Board of Directors

The Board of Directors of Company comprises of 12 Directors out of which 6 are Executive Directors and 6 are Non Executive Independent Directors including 1 Woman Director. The composition of Board is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015 which are as follows:

Category	Name of Directors
Executive Directors	Mr. Irshad Mirza*
	Mr. Rashid Ahmed Mirza
	Mr. Shahid Ahmad Mirza
	Mr. Tauseef Ahmad Mirza
	Mr. Tasneef Ahmad Mirza
	Mr. Narendra Prasad Upadhyaya
	Mr. Shuja Mirza**
Non-Executive Independent Directors	CA Sudhindra Kumar Jain
	Mr. Qazi Salam Noorus
	Mr. Pashupati Nath Kapoor
	Dr. Yashvir Singh
	Mr. Subhash Sapra
	Mrs. Vinita Kejriwal

* Resigned w.e.f. May 30, 2019

**Appointed w.e.f. June 1, 2019

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. Till the date of this report, all the Independent Directors except Mrs. Vinita Kejriwal have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. Confirmation from Mrs. Vinita Kejriwal is yet to receive.

Mr. Rashid Ahmed Mirza, Managing Director, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza & Mr. Tasneef Ahmad Mirza, Whole Time Directors of the Company are real brothers and Mr. Shuja, Additional Director (Executive) is the son of Managing Director. None of the other Directors are related to any other Director on the Board.

(b) Attendance of Directors at Board Meetings, last Annual General Meeting and number of Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in other Companies:

Name of Directors	Category	Attendance Particulars		Number of Directorships and Committee Memberships / Chairmanships in other Companies as on 31/03/2019		
		Board Meeting	Last Agm	Directorships	Committee Memberships	Committee Chairmanships
Mr. Irshad Mirza	Chairman (Executive), Promoter	4	No	3	-	-
Mr. Rashid Ahmed Mirza	Managing Director, Promoter	2	Yes	2	-	-
Mr. Shahid Ahmad Mirza	Executive Director, Promoter	4	Yes	3	-	-
Mr. Tauseef Ahmad Mirza	Executive Director, Promoter	2	No	4	-	-
Mr. Tasneef Ahmad Mirza	Executive Director, Promoter	3	Yes	6	-	-
Mr. Narendra Prasad Upadhyaya	Executive Director	4	Yes	-	-	-
CA Sudhindra Kumar Jain	Non Executive, Independent Director	4	Yes	1	-	-
Mr. Qazi Salam Noorus	Non Executive, Independent Director	4	Yes	-	-	-
Mr. Pashupati Nath Kapoor	Non Executive, Independent Director	4	Yes	-	-	-
Dr. Yashvir Singh	Non Executive, Independent Director	3	No	0	-	-
Mr. Subhash Sapra	Non Executive, Independent Director	2	Yes	1	-	-
Mrs. Vinita Kejriwal	Non Executive, Independent Director	1	Yes	-	-	-

Notes:

1. Non-Executive Directors do not hold any share in the Company as on March 31, 2019 and the Company has not issued any convertible instruments.
2. The Directorships, held by Directors as mentioned above do not include Directorship(s) in foreign Companies.
3. In accordance with Regulation 26 of the SEBI (LODR) Regulations, Membership(s)/ Chairmanship(s) of only Audit Committee and Stakeholders Relationship Committees in all Public Limited Companies (excluding Mirza International Limited) have been considered.
4. Video/ tele-conferencing facility is offered to facilitate Directors to participate in the meetings.
5. The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

**(c) Number of Board Meetings**

The Board of Directors met 4 times during the financial year 2018-19. The meetings were held on May 29, 2018, August 07, 2018, November 13, 2018 and February 9, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

(d) Familiarisation Programme of Independent Directors

Independent Directors of the Company are eminent personalities having wide experience in the fields of Finance, Education, Industry, Commerce and Administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. The details of familiarization programme for Independent Directors are posted on the website of the Company and can be accessed at http://mirza.co.in/download/familiarization_programmes.pdf

3. Committees of the Board

The Company has constituted various committees for the smooth functioning of the Board. The composition of all Board Committees is in accordance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Company's guidelines relating to Board Meeting are applicable to Committee Meetings. Each Committee

has the authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board Meetings for noting. Details of mandatory committees as per SEBI (LODR) Regulations are as given below:

(a) Audit Committee

Audit Committee of the Company comprises the majority of Independent Directors. The Committee composition meets with the requirements of Sec 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.

The representatives of Statutory Auditors are permanent invitees to the Audit Committee Meetings. The representatives of Statutory Auditors, Executives from Accounts Department, Finance Department and Internal Audit Department attend the Audit Committee Meetings. The Internal Auditor reports directly to the Audit Committee.

During the Financial Year ended as on March 31, 2019, 4 (Four) Audit Committee Meetings were held on May 29, 2018, August 07, 2018, November 13, 2018 and February 09, 2019. The composition of Audit Committee as on March 31, 2019 and the details of Members attendance at the meetings of the Committee are as under:

Name of Member	Category	Meetings Attended
CA Sudhindra Kumar Jain	(Chairman) Non Executive, Independent Director	4
Mr. Pashupati Nath Kapoor	(Member) Non Executive, Independent Director	4
Mr. Subhash Sapra	(Member) Non Executive, Independent Director	2
Mr. Irshad Mirza	(Member) Executive, Promoter	4
Mr. Qazi Salam Noorus	(Member) Non Executive, Independent Director	4

All the members of Audit Committee have the requisite qualification for appointment in the Committee and possess sound knowledge of finance, accounting practices and internal controls. The Chairman of the Audit Committee attended the Annual General Meeting of the Company and Company Secretary is acting as the Secretary of the Audit Committee. The terms of reference of Audit Committee are comprises as the followings:

- ◆ Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ◆ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

- ◆ Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- ◆ Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
- ◆ Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- ◆ Changes, if any, in accounting policies and practices and reasons for the same;
- ◆ Major accounting entries involving estimates based on the exercise of judgment by management;

- ◆ Significant adjustments made in the financial statements arising out of audit findings;
 - ◆ Compliance with listing and other legal requirements relating to financial statements;
 - ◆ Disclosure of any Related Party Transactions;
 - ◆ Qualifications in Draft Audit Report
 - ◆ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - ◆ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - ◆ Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - ◆ Approval or any subsequent modification of transactions of the Company with Related Parties;
 - ◆ Scrutiny of inter-corporate loans and investments;
 - ◆ Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - ◆ Evaluation of Internal Financial Controls and Risk Management Systems;
 - ◆ Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
 - ◆ Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
 - ◆ Discussion with Internal Auditors of any significant findings and follow up there on;
 - ◆ Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - ◆ Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - ◆ To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;
 - ◆ To review the functioning of the Whistle Blower Mechanism;
 - ◆ Approval of appointment of Chief Financial Officer after assessing the Qualifications, experience and background, etc. of the candidate;
 - ◆ The Audit Committee shall mandatorily review the following information:
 - ◆ management discussion and analysis of financial condition and results of operations;
 - ◆ statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
 - ◆ management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - ◆ Internal Audit Reports relating to internal control weaknesses; and
 - ◆ the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 - ◆ statement of deviations:
 - ◆ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
 - ◆ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (b) Nomination and Remuneration Committee:**
- The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015.
- During the Financial Year ended as on March 31, 2019, One (1) meeting of Nomination and Remuneration Committee was held on May 29, 2018. The composition of Nomination and Remuneration Committee as on March 31, 2019 and the details of Members attendance at the meetings of the Committee are as under:



Name of Member	Category	Meeting Attended
Mr. Pashupati Nath Kapoor	(Chairman) Non Executive, Independent Director	1
Mr. Qazi Salam Noorus	(Member) Non Executive, Independent Director	1
Dr. Yashvir Singh	(Member) Non Executive, Independent Director	1
CA Sudhindra Kumar Jain	(Member) Non Executive, Independent Director	1

Mr. Ankit Mishra, Company Secretary & Compliance Officer of the Company act as Secretary to the Committee.

The terms of reference of the Committee *inter alia*, include the following:

- ◆ Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ◆ Formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors;
- ◆ Devising a Policy on diversity of Board of Directors;
- ◆ Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- ◆ Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Performance evaluation criteria for Independent Directors-

The Nomination and Remuneration Committee has laid down the Criteria for performance evaluation of

Independent Directors which are as under-
Areas of Evaluation

- ◆ Attendance & participation
- ◆ Code of Conduct
- ◆ Interpersonal Skills
- ◆ Updation & Awareness
- ◆ Understanding & Contribution
- ◆ Vigil-Mechanism
- ◆ Opinions & Suggestions
- ◆ Leadership Skills
- ◆ Team Work
- ◆ Compliances

(c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015.

During the Financial year ended as on March 31, 2019, Four (4) Stakeholders Relationship Committee Meetings were held on May 29, 2018, August 07, 2018, November 13, 2018 and February 09, 2019. The composition of the Stakeholders Relationship Committee as on March 31, 2019 and the details of Members attendance at the meetings of the Committee are as Under :

Name of Member	Category	Meeting Attended
Mr. Pashupati Nath Kapoor	(Chairman) Non Executive, Independent Director	4
Mr. Qazi Salam Noorus	(Member) Non Executive, Independent Director	4
Mr. Tasneef Ahmad Mirza	(Member) Executive Director, Promoter	3
CA Sudhindra Kumar Jain	(Member) Non Executive, Independent Director	4

The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report and non-receipt of declared Dividends. The terms of reference of the Committee *inter alia*, include the following:

- ◆ Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of

annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- ◆ Review of measures taken for effective exercise of voting rights by shareholders.
- ◆ Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- ◆ Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.”

During the year under review, Company received 65 complaints all of which were resolved to the satisfaction of the shareholders.

The Company Secretary of the Company acts as Compliance Officer of the Committee.

The Company obtains half yearly certificate from a Company Secretary in Practice under Regulation 40(9) of the Listing Regulations, confirming the issues of certificates for transfer, subdivision, consolidation etc and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(10) of the Listing Regulations. Further the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all the activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with Securities and Exchange Board of India is also filed with the Stock Exchanges on a half yearly basis.

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No, D&CC/FITTC/Cir- 16/2002 dated 31st December, 2002, a qualified Practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued and paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

4. Remuneration of Directors

The remuneration paid to the Executive Directors of the Company is decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee subject to the approval of Shareholders / Central Government, wherever required. The existing Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The Remuneration Policy is in consonance with the existing industry practice:

(a) Non-Executive Directors

Non Executive Directors/ Independent Directors are paid sitting fees for attending the meetings of Board of Directors within the prescribed limits. The Sitting Fees paid to them for the year ended March 31, 2019 is ₹ 2,40,000/- * detailed as : 1) Mr. Qazi Salam Noorus – ₹ 50,000/-; 2) Mr. Pashupati Nath Kapoor - ₹ 50,000/-; 3) Dr. Yashvir Singh - ₹ 40,000/-; 4) Mr. Subhash Sapra - ₹ 30,000/-; 5) CA Sudhindra Kumar Jain - ₹ 50,000/-; 6) Mrs. Vinita Kejriwal – ₹ 20,000/-.

*Sitting Fees include fees for attending a separate meeting of Independent Directors held on March 30, 2019

* During the year, there was no other pecuniary relationship or transaction of Non Executive Directors/ Independent Directors with the Company.

*The Company has not issued any stock option.

(b) Executive Directors

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

As per terms of appointment, remuneration paid to the Directors during the year and approved by the Nomination and Remuneration Committee is as under:

Name of the Directors	Designation	Perquisites (₹)	Salary (₹)	Total Remuneration (₹)
Mr. Irshad Mirza	Chairman (Executive)	521728	-	521728
Mr. Rashid Ahmed Mirza	Managing Director	235848	2400000	24235848
Mr. Shahid Ahmad Mirza	Whole Time Director	90653	2040000	20490653
Mr. Tauseef Ahmad Mirza	Whole Time Director	15000	2280000	22815000
Mr. Tasneef Ahmad Mirza	Whole Time Director	-	2040000	2040000
Mr. N.P Upadhyaya	Whole Time Director	33931	4260000	4293931
Total		897160	91860000	92757160



5. General Body Meetings

The last three Annual General Meetings were held as under:

Year	Date	Type of meeting	Venue	Time
2015-16	29.09.2016	Annual General Meeting	Auditorium of council for Leather Exports, Nawabganj, HBTI Campus, Kanpur.	01:00 P.M
2016-17	28.09.2017	Annual General Meeting	Auditorium of council for Leather Exports, Nawabganj, HBTI Campus, Kanpur.	01:00 P.M
2017-18	26.09.2018	Annual General Meeting	Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur.	01:00 P.M

Details of Special Resolutions passed in the last three Annual General Meetings is given hereunder:

Date of Annual General Meeting	Particulars of Special Resolutions passed in the last three Annual General Meetings
September 28, 2017	<p>Re-appointment of Mr. Irshad Mirza as Executive Chairman of the Company for the period of 3 years w.e.f. 01.10.2017.</p> <p>Re-appointment of Mr. Rashid Ahmed Mirza as Managing Director of the Company for a period of 3 years w.e.f. 01.10.2017.</p> <p>Re-appointment of Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza, Mr. N.P. Upadhyaya as Whole Time Directors of the Company for the period of 3 years w.e.f. 01.10.2017.</p> <p>Re-appointment of Mr. Shuja Mirza as President (Marketing) of the Company for a period of 3 years w.e.f. 01.10.2017.</p> <p>Re-appointment of Mr. Faraz Mirza as President (Production) of the Company for a period of 3 years w.e.f. 01.10.2017.</p>

Details of Resolutions passed through Postal Ballot Process:

During the year 2018-19, the Company had not passed any special resolution through Postal Ballot process.

6. Means of Communication

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good governance practice which Company follows:

(a) Publications of Quarterly Results

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchange(s) in accordance with the SEBI (LODR) Regulations, 2015 are generally published in the Business Standard (English and Hindi).

(b) Websites

The Company's website (www.mirza.co.in) contains a separate section "Investor Relations" where shareholders information is available.

(c) Stock Exchange

The Company makes timely disclosures of necessary information to BSE Limited and National Stock Exchange of India Limited in

terms of the Listing Regulations and other Rules and Regulations issued by the SEBI.

(d) NEAPS (NSE Electronic Application Processing System):

The NEAPS is web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others filed electronically on NEAPS.

(e) BSE Corporate Compliance & Listing Center ("Listing Centre")

BSE Listing Centre is web based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among other filed electronically on the Listing Centre.

(f) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online

upload of Action taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and current status.

(g) Reminders to Investors

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend

and transfer of shares thereto, email registration, are regularly communicated and dispatched.

(h) Designated Exclusive E-mail Id:

The Company has designated the following email ids exclusively for investor servicing:

- 1) ankit.mishra@redtapeindia.com
- 2) shivakumar.n@karvy.com

7. General Shareholder Information

◆ **Annual General Meeting**

◆ **Date** : September 19, 2019

◆ **Time** : 01:00 P.M.

◆ **Venue** : Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur-208002

◆ **Financial Calendar (2019-20) (tentative)**

Quarter	Date of Board Meeting
1 st Quarter	First week of August, 2019
2 nd Quarter	Fourth week of October, 2019
3 rd Quarter	Fourth week of January, 2020
4 th Quarter	Fourth week of May, 2020

Book Closure Date: From September 12, 2019 to September 19, 2019 (Both days inclusive)

Dividend Payment Date: September 24, 2019

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name & Address of The Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Share)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	526642	INE771A01026
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	MIRZAIN	INE771A01026

Market Price Data

The details of monthly High Low Price (s) of Shares of the Company on National Stock Exchange & monthly High Low Index of NIFTY are as given below:

Month	National Stock Exchange		NIFTY Index	
	High	Low	High	Low
April' 18	145.8	126.3	10759	10111.3
May' 18	138.9	117.55	10929.2	10417.8
June' 18	127.8	99.25	10893.25	10550.9
July' 18	104.8	92.2	11366	10604.65
August' 18	109.95	96.7	11760.2	11234.95
September' 18	109.75	81.5	11751.8	10850.3
October' 18	84.5	68.1	11035.65	10004.55
November' 18	89.45	76.3	10922.45	10341.9
December' 18	90.2	72.45	10985.15	10333.85
January' 19	83.95	70.05	10987.45	10583.65
February' 19	75.7	50.6	11118.1	10585.65
March' 19	63.15	52.15	11630.35	10817



The details of monthly High Low Price (s) of Shares of the Company on Bombay Stock Exchange & monthly High Low BSE Sensex are as given below:

Month	Bombay Stock Exchange		BSE Sensex	
	High	Low	High	Low
April' 18	146.00	127.00	35213.30	32972.56
May' 18	139.00	117.30	35993.53	34302.89
June' 18	128.95	99.60	35877.41	34784.68
July' 18	104.75	92.30	37644.59	35106.57
August' 18	110.20	96.50	38989.65	37128.99
September' 18	109.00	81.50	38934.35	35985.63
October' 18	84.30	68.00	36616.64	33291.58
November' 18	89.50	72.75	36389.22	34303.38
December' 18	90.05	72.85	36554.99	34426.29
January' 19	84.00	70.55	36701.03	35375.51
February' 19	75.60	50.95	37172.18	35287.16
March' 19	63.20	52.35	38748.54	35926.94

Registrar and Share Transfer Agent

Karvy Fintech Pvt Ltd.

Karvy Selenium Tower B, Plot no. 31-32
Gachibowli Financial District,
Nanakaramguda , Hyderabad-500 032
Tel: + 91-40-67162222
Fax: + 91-040-23001153

Share Transfer System

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company.

Transfer of equity shares in physical form are processed by our Registrar & Share Transfer Agent i.e. Karvy Fintech Pvt Ltd., Hyderabad within 10 to 12 working days from the date of receipt, provided the documents are complete in all respects. The Directors and certain Company officials are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

Distribution Schedule as on March 31, 2019

No. of equity shares	No of shareholders	% of shareholders	Amount	% Amount
up to 1 - 5000	40377	96.7	23865522	9.92
5001 - 10000	729	1.75	5316440	2.21
10001 - 20000	338	0.81	4934536	2.05
20001 - 30000	97	0.23	2406942	1
30001 - 40000	57	0.14	2050950	0.85
40001 - 50000	27	0.06	1246982	0.52
50001 - 100000	63	0.15	4480920	1.86
100001 & above	65	0.16	196309708	81.59
Total	41753	100	240612000	100

Shareholding Pattern as on March 31, 2019:

Category	Cases	Shares	% of holding
Mutual Funds	3	1014180	0.84
Trusts	2	7500	0.01
Resident Individuals	39601	24817892	20.63
Promoters	13	84439670	70.19
Non Resident Indians	560	962216	0.80
Clearing Members	75	267201	0.22
Indian Financial Institutions	1	33962	0.03
Foreign Portfolio Investors	9	752282	0.63
Banks	4	93896	0.08

Category	Cases	Shares	% of holding
Non Resident Indian Non Repatriable	205	1452662	1.21
Bodies Corporates	408	5194594	4.32
NBFC	6	50542	0.04
IEPF	1	372406	0.31
HUF	865	846997	0.7
Total	41753	120306000	100.00

Dematerialisation of Shares and Liquidity

The break-up of 12,03,06,000 equity shares held in Physical and Dematerialised form as on March 31, 2019, is given below:

Particulars	No. of shares	Percentage
Physical Segment	566595	0.47
Demat Segment		
NSDL	109637160	91.13
CDSL	10102245	8.40
Total	120306000	100

The Securities and Exchange board of India (SEBI) at its Board Meeting held on 28th March, 2018 revised the provisions relating to transfer of listed securities and decided that requests for effecting transfer listed securities shall not be processed unless the securities are held in the dematerialized form with a depository participant. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors. This amendment comes into effect w.e.f. April 1, 2019.

Shareholders who continue to hold shares in physical form are advised to dematerialised their shares at earliest. For any clarification, assistance or information, relating to dematerialisation of shares the Companies RTA may be contacted.

Outstanding GDRS /ADRS / Warrants or any Convertible Instruments Conversion Date and Likely Impact on Equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible instruments as on March 31, 2019.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Company use Forward Contracts for hedging the risk.

Works Locations of the Company

1	Kanpur- Unnao Link Road, Magarwara, Unnao- 209 801	(Unit-1 & Tannery Division)
2	Kanpur- Unnao Link Road, Sahjani, Unnao- 209 801	(Unit-2)
3	Plot No. C-4, 5, 36 & 37, Sector-59, Noida-201 303	(Unit-3)
4	UPSIDC Industrial Area , Site II, Unnao- 209 801	(Unit-5)
5	Plot No. 1A, Ecotech-1, Extn. 1, Greater Noida – 201 303	(Unit-6)
6	Plot No. 18-19, Nand Nagar Industrial Estate Phase-1 Mahuakhera Ganj, Kashipur (Uttarakhand)	(Unit-8,9)

Address for Correspondence

Shareholders correspondence should be addressed to our Registrar & Share Transfer Agents at the address mentioned above. Contact Persons: **Mr. N Shiva Kumar** Ph. No. +91 040 6716 1653, Email id.: shivakumar.n@karvy.com .Shareholders may also contact **Mr. Ankit Mishra, Company Secretary & Compliance Officer** at the Registered Office of the Company for any assistance Ph. No. 0512-2530775 Email id: ankit.mishra@redtapeindia.com. Shareholders holding shares in electronic mode should

address all their correspondence to their respective Depository Participant.

CEO & CFO Certification

The CEO and CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The CEO and CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the CEO and CFO is published in this Report.

**Disclosures**

- ◆ There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large. Transactions with the Related Parties are disclosed in Notes to the Accounts in the Annual Report.
- ◆ During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other Statutory Authority for non-compliance of any matter related to the Capital Markets.
- ◆ The Company has adopted a Vigil Mechanism/ Whistle Blower Policy for developing a culture where it is safe for all Directors/Employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and other to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee.
- ◆ The Company has complied with all mandatory requirements and adopted part of non-mandatory requirements of SEBI (LODR) Regulations, 2015.

The Company does not have Material Subsidiary. Further, a Policy on Related Party Transactions is posted on the website of the Company and is available at the web link <http://mirza.co.in/policy.html>. The disclosures of Related Party Transactions on a Consolidated basis for the financial year ended on March 31, 2019 is also uploaded on the Company's website http://mirza.co.in/disclosure_announcement.html.

During the Financial Year ended on March 31, 2019 the Company did not engage in commodity hedging activities.

The Company has complied with all the requirement of Corporate Governance Report.

The Company has presently not adopted certain non-mandatory requirements in regard to maintenance of Non Executive Chairman's Office, sending half-yearly declaration of financial performance to each household of shareholders. However, other non mandatory requirements viz. reporting of Internal Auditors directly to the Audit Committee, and regime of unqualified financial statements has generally been complied with.

The Company has complied all the requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

8. Details of Shareholders Suspense Account

Particulars	Demat		Physical	
	Number of Shareholders	Number of Equity Shares	Number of Shareholders (phase wise transfers)	Number of Equity Shares
Aggregate Number of Shareholders and outstanding shares in the Suspense Account lying as on April 1, 2018	0	0	13	26000
Number of Shareholders who approached the Company for transfer of shares	0	0	0	0
Number of shares transferred from Suspense Account during the year	0	0	0	0
Number of shareholders and aggregate no. of shares transferred to the Unclaimed Suspense Account during the year	110	67916	27	21500
Number of shares transferred to IEPF Authority during the year	110	67916	14	21500
Aggregate No of shareholders and the Outstanding Shares in the Suspense Account lying as March 31, 2019	0	0	13	26000

Note: Voting Rights on these Shares shall remain frozen till the rightful owner of such shares claims the shares.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the Board and Senior Management Personnel, affirmation(s) that they have complied with the code of conduct for Board Members and Senior Management Personnel in respect of Financial Year ended on March 31, 2019.

For Mirza International Limited

Place: Kanpur
Date: May 30, 2019

Rashid Ahmed Mirza
Chairman & Managing Director

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

To
The Board of Directors
Mirza International Limited

1. We have reviewed financial statements and the cash flow statement of Mirza International Limited for the year ended March 31, 2019 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. They are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud of which we have become aware.

For Mirza International Limited

Place: Kanpur
Date: May 30, 2019

Rashid Ahmed Mirza
Chairman & Managing Director

V. T. Cherian
Chief Financial Officer



COMPLIANCE CERTIFICATE

The Board of Director of Mirza International Limited

We have examined the compliance of conditions of Corporate Governance by Mirza International Limited ("the Company") for the year ended March 31, 2019 as stipulated in Para E of schedule V of SEBI (LODR) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Company has materially complied with the conditions of Corporate Governance as stipulated in the above Listing Regulation.

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

For **K.N. Shridhar & Associates**
Company Secretaries

Place: Kanpur
Date: June 30, 2019

(K. N. Shridhar) FCS
Proprietor
FCS No.:3882
C.P.: 2612

Annexure-VI

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
Mirza International Limited
 Kanpur

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

Based on our verification of the Mirza International Ltd's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute, books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

The Environment (Protection) Act, 1986

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

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

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the



Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labor Laws.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

Adequate notice is given to all directors to convene the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the extent applicable.

For **K. N. Shridhar & Associates**
Company Secretaries

(K. N. Shridhar) FCS
Proprietor
FCS No.:3882
C.P: 2612

Place: Kanpur
Date: May 25, 2019

Annexure-VII

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Company (Management & Administration) Rules, 2014]

I. Registration & Other Details

1.	CIN	L19129UP1979PLC004821
2.	Registration Date	September 05, 1979
3.	Name of the Company	Mirza International Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	14/6, Civil Lines, Kanpur-208 001 Website: www.mirza.co.in E-mail: ankit.mishra@redtapeindia.com Phone: 0512-2530775
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium Tower B Plot no. 31-32 Financial District, Nanakramguda, Gachibowli, Hyderabad- 500 032 Tell:+914067162222, 33211000 Toll Free No.:1800 425 8998 Fax:+914023420814

II. Principal Business Activities of the Company

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of footwear	152	75.68 %

III. Particulars of Holding/Subsidiary/Associate Company

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Mirza (H.K) Limited	Company Registration No.2592187	Subsidiary	100	2(87)
2.	Mirza Bangla Limited	Company Registration No. :C-147543	Subsidiary	99.90	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/ HUF	84729404	0	84729404	70.43	84439670	0	84439670	70.19	(0.24)
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				%change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	84729404	0	84729404	70.43	84439670	0	84439670	70.19	(0.24)
(2) Foreign									
a) NRIs Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Totalshareholding of Promoter (A) (1)+(A)(2)	84729404	0	84729404	70.43	84439670	0	84439670	70.19	(0.24)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3329311	0	3329311	2.77	1014180	0	1014180	0.84	(1.93)
b) Banks / FI	140065	0	140065	0.12	127858	0	127858	0.11	(0.01)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	4302411	0	4302411	3.58	752282	0	752282	0.63	(2.95)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	7771787	0	7771787	6.46	1894320	0	1894320	1.57	(4.89)
2. Non-Institutions									
a) Bodies Corporate	5567772	4500	5572272	4.63	5190094	4500	5194594	4.32	(0.31)
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	13025840	612617	13638457	11.34	17626624	562095	18188719	15.11	3.77
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6117215	0	6117215	5.08	6267311	0	6267311	5.21	0.12
NBFC Regd with RBI	122920	0	122920	0.10	50542	0	50542	0.04	(0.06)
c) Others (specify)									
Trusts	1000	0	1000	0.00	7500	0	7500	0.01	0.01
Non Resident Indians	432454	0	432454	0.36	962216	0	962216	0.80	0.44
Clearing Members	178583	0	178583	0.15	267201	0	267201	0.22	0.07
Non Resident Indians (Non Repartriable)	1458918	0	1458918	1.21	1452662	0	1452662	1.21	0
IEPF	282990	0	282990	0.24	372406	0	372406	0.31	0.07
Sub-total (B)(2):-	27187692	617117	27804809	23.11	33405415	566595	33972010	28.24	5.13
Total Public Shareholding (B)=(B)(1)+ (B)(2)	34959479	617117	35576596	29.57	35299735	566595	35866330	29.81	0.24
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	119688883	617117	120306000	100.00	119739405	566595	120306000	100.00	-

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year As on April 1, 2018			Shareholding at the end of the year As on March 31, 2019			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tauseef Ahmad Mirza	15961718	13.27	0	17587670	14.62	0	1.35
2.	Tasneef Ahmad Mirza	12486369	10.38	0	14112321	11.73	0	1.35
3.	Rashid Ahmed Mirza	11930918	9.92	0	13556869	11.27	0	1.35
4.	Yasmin Mirza	11300850	9.39	0	11300850	9.39	0	0
5.	Irshad Mirza	6793541	5.65	0	0	0.00	0	(5.65)
6.	Shahid Ahmad Mirza	8562318	7.12	0	10188270	8.47	0	1.35
7.	Faraz Mirza	4798940	3.99	0	4798940	3.99	0	0
8.	Shuja Mirza	4140000	3.44	0	4140000	3.44	0	0
9.	Huma Mirza	3359800	2.79	0	3359800	2.79	0	0
10.	Fauzia Mirza	3008450	2.50	0	3008450	2.50	0	0
11.	Iram Mirza	939500	0.78	0	939500	0.78	0	0
12.	Sara Mirza	0	0.00	0	0	0.00	0	0
13.	Hiba Mirza	0	0.00	0	0	0.00	0	0
14.	Mustafa Mirza	500000	0.42	0	500000	0.42	0	0
15.	Farzan Mirza	500000	0.42	0	500000	0.42	0	0
16.	Amaan Mirza	447000	0.37	0	447000	0.37	0	0
17.	Yusra Mirza	0	0.00	0	0	0.00	0	0
TOTAL		84729404	70.43	0.00	84439670	70.19	0.00	(0.24)

iii) Change in Promoters' Shareholding

S. No.	Shareholders name	Shareholding at the beginning of the year as on April 1, 2018		Date	Reason	Increase/ Decrease in Shareholding No. of shares	Cumulative Shareholding during the Year April 1, 2018 to March 31, 2019	
		No. of shares	% of total shares of the Company				No. of shares	% total shares of the Company
1.	Tauseef Ahmad Mirza	15961718	13.27	31/03/2018			15961718	13.27
				14/08/2018	Transfer	1300000	17261718	14.35
				28/08/2018	Transfer	289735	17551453	14.59
				30/10/2018	Transfer	36217	17587670	14.62
				30/03/2019			17587670	14.62
2.	Tasneef Ahmad Mirza	12486369	10.38	31/03/2018			12486369	10.38
				14/08/2018	Transfer	1300000	13786369	11.46
				28/08/2018	Transfer	289735	14076104	11.70
				30/10/2018	Transfer	36217	14112321	11.73
				30/03/2019			14112321	11.73
3.	Rashid Ahmed Mirza	11930918	9.92	31/03/2018			11930918	9.92
				14/08/2018	Transfer	1300000	13230918	11.00
				28/08/2018	Transfer	289735	13520653	11.24
				30/10/2018	Transfer	36217	13556869	11.27
				30/03/2019			13556869	11.27
4.	Irshad Mirza	6793541	5.65	31/03/2018			6793541	5.65
				14/08/2018	Transfer	-5200000	1593541	1.32
				28/08/2018	Transfer	-1448674	144867	0.12
				30/10/2018	Transfer	-144867	0	0



S. No.	Shareholders name	Shareholding at the beginning of the year as on April 1, 2018		Date	Reason	Increase/Decrease in Shareholding No. of shares	Cumulative Shareholding during the Year April 1, 2018 to March 31, 2019	
		No. of shares	% of total shares of the Company				No. of shares	% total shares of the Company
				30/03/2019			0	0
5.	Shahid Ahmad Mirza	8562318	7.12	31/03/2018			8562318	7.12
				14/08/2018	Transfer	1300000	9862318	8.20
				28/08/2018	Transfer	289735	10152053	8.44
				30/10/2018	Transfer	36217	10188270	8.47
				30/03/2019			10188270	8.47

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding at the beginning of the year as on April 1, 2018		Date	Increase or decrease in shareholding (sold/purchase)	Cumulative Shareholding during the year April 1, 2018 to March 31, 2019	
		No. of shares	% of total shares of Company			No. of Shares	% of total shares of company
1.	Land T Mutual Fund Trustee Ltd - Land T Mid Cap Fu	2824811	2.35	31/03/2018		2824811	2.35
				04/05/2018	25000	2849811	2.37
				15/02/2019	-129337	2720474	2.26
				22/02/2019	-62069	2658405	2.21
				01/03/2019	-400151	2258254	1.88
				08/03/2019	-617823	1640431	1.36
				15/03/2019	-415746	1224685	1.02
				22/03/2019	-60077	1164608	0.97
				29/03/2019	-154928	1009680	0.84
				30/03/2019		1009680	0.84
2.	Lazard Emerging Markets Small Cap Equity Trust	2823928	2.35	31/03/2018		2823928	2.35
				11/05/2018	-45419	2778509	2.31
				18/05/2018	-19749	2758760	2.29
				25/05/2018	-2679	2756081	2.29
				08/06/2018	-134381	2621700	2.18
				15/06/2018	-230528	2391172	1.99
				22/06/2018	-350748	2040424	1.70
				29/06/2018	-163720	1876704	1.56
				06/07/2018	-57677	1819027	1.51
				13/07/2018	-185201	1633826	1.36
				27/07/2018	-128901	1504925	1.25
				03/08/2018	-554545	950380	0.79
				10/08/2018	-455111	495269	0.41
				17/08/2018	-171097	324172	0.27
				24/08/2018	-324172	0	0.00
				30/03/2019		0	0.00
3.	Sabiha Husain	1308859	1.09	31/03/2018		1308859	1.09
				07/09/2018	-100000	1208859	1.00
				30/03/2019		1208859	1.00
4.	Wasia Urooj Khan	1258859	1.05	31/03/2018		1258859	1.05
				31/08/2018	144867	1403726	1.17
				30/03/2019		1403726	1.17

S. No.	Name	Shareholding at the beginning of the year as on April 1, 2018		Date	Increase or decrease in shareholding (sold/purchase)	Cumulative Shareholding during the year April 1, 2018 to March 31, 2019	
		No. of shares	% of total shares of Company			No. of Shares	% of total shares of company
5.	Maria Khan	1156859	0.96	31/03/2018		1156859	0.96
				27/04/2018	-2800	1154059	0.96
				04/05/2018	-10000	1144059	0.95
				11/05/2018	-11078	1132981	0.94
				18/05/2018	-5000	1127981	0.94
				01/06/2018	-15000	1112981	0.93
				31/08/2018	144867	1257848	1.05
				30/03/2019		1257848	1.05
6.	Reliance Strategic Investments Limited	1135456	0.94	31/03/2018		1135456	0.94
				25/05/2018	-63357	1072099	0.89
				01/06/2018	-23276	1048823	0.87
				08/06/2018	-43410	1005413	0.84
				15/06/2018	-206897	798516	0.66
				22/06/2018	-404812	393704	0.33
				29/06/2018	-19832	373872	0.31
				06/07/2018	-119531	254341	0.21
13/07/2018	-254341	0	0.00				
30/03/2019		0	0.00				
7.	Parag Mehta	1096884	0.91	31/03/2018		1096884	0.91
				27/04/2018	-200000	896884	0.75
				22/06/2018	200000	1096884	0.91
				20/07/2018	-18967	1077917	0.90
				27/07/2018	-1861	1076056	0.89
				28/09/2018	-172000	904056	0.75
				12/10/2018	-4172	899884	0.75
				19/10/2018	4172	904056	0.75
				08/02/2019	11147	915203	0.76
				29/03/2019	156181	1071384	0.89
				30/03/2019		1071384	0.89
				8.	Perpetual Enterprises LLP	381085	0.32
06/04/2018	247915	629000	0.52				
19/10/2018	150000	779000	0.65				
29/03/2019	255000	1034000	0.86				
30/03/2019		1034000	0.86				
9.	Aakarshan Tracom Private Limited	636479	0.53	31/03/2018	-	636479	0.53
				30/03/2019		636479	0.53
10.	IDFC Balanced Fund	500000	0.42	31/03/2018		500000	0.42
				24/08/2018	-194753	305247	0.25
				31/08/2018	-305247	0	0.00
				30/03/2019		0	0.00



v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year April 1, 2018 to March 31, 2019)				
		No. of shares	% of total shares of the company	Date	Reason	Increase/ decrease in shareholding	No. of shares	% of total shares of the company
1.	Irshad Mirza (Chairman)	6793541	5.65	31/03/2018	-	-	6793541	5.65
				14/08/2018	Transfer	-5200000	1593541	1.32
				28/08/2018	Transfer	-1448674	144867	0.12
				30/10/2018	Transfer	-144867	0	0
				30/03/2019	-	-	0	0
2.	Rashid Ahmed Mirza (Managing Director & CEO)	11930918	9.92	31/03/2018	-	-	11930918	9.92
				14/08/2018	Transfer	1300000	13230918	11.00
				28/08/2018	Transfer	289735	13520653	11.24
				30/10/2018	Transfer	36217	13556869	11.27
				30/03/2019	-	-	13556869	11.27
3.	Shahid Ahmad Mirza (Whole Time Director)	8562318	7.12	31/03/2018	-	-	8562318	7.12
				14/08/2018	Transfer	1300000	9862318	8.20
				28/08/2018	Transfer	289735	10152053	8.44
				30/10/2018	Transfer	36217	10188270	8.47
				30/03/2019	-	-	10188270	8.47
4.	Tauseef Ahmad Mirza (Whole Time Director)	15961718	13.27	31/03/2018	-	-	15961718	13.27
				14/08/2018	Transfer	1300000	17261718	14.35
				28/08/2018	Transfer	289735	17551453	14.59
				30/10/2018	Transfer	36217	17587670	14.62
				30/03/2019	-	-	17587670	14.62
5.	Tasneef Ahmad Mirza (Whole Time Director)	12486369	10.38	31/03/2018	-	-	12486369	10.38
				14/08/2018	Transfer	1300000	13786369	11.46
				28/08/2018	Transfer	289735	14076104	11.70
				30/10/2018	Transfer	36217	14112321	11.73
				30/03/2019	-	-	14112321	11.73
6.	Narendra Prasad Upadhyaya (Whole Time Director)	-	-	-	-	-	-	
7.	Sudhindra Kumar Jain	-	-	-	-	-	-	
8.	Pashupati Nath Kapoor	-	-	-	-	-	-	
9.	Yashvir Singh	-	-	-	-	-	-	
10.	Subhash Sapra	-	-	-	-	-	-	
11.	Qazi Noorus Salam	-	-	-	-	-	-	
12.	Vinita Kejriwal	-	-	-	-	-	-	
13.	Ankit Mishra (Company Secretary & Compliance Officer)	-	-	-	-	-	-	
14.	Vadakke Elukkalyil Thomas Cherian (CFO)	1100	0.00	31/03/2018	-	-	1100	0.00
				30/03/2019	-	-	1100	0.00

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amount in ₹) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,83,26,80,118	-	-	2,83,26,80,118
ii) Interest due but not paid	16,78,067	-	-	16,78,067
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,83,43,58,185	-	-	2,83,43,58,185
Change in Indebtedness during the financial year				
* Addition	1,02,15,21,435	15,00,00,000	-	1,17,15,21,435
* Reduction	28,77,92,245	15,00,00,000	-	43,77,92,245
Net Change	73,37,29,190	-	-	73,37,29,190
Indebtedness at the end of the financial year				
i) Principal Amount	3,56,80,87,375	-	-	3,56,80,87,375
ii) Interest due but not paid	19,79,920	-	-	19,79,920
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,57,00,67,295	-	-	3,57,00,67,295

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Chairman, Managing Director & Whole-time Directors

Sl. No.	Particulars of Remuneration	Mr. Irshad Mirza (Chairman)	Name of MD/WTD/Manager				Mr. N.P Upadhyaya (Whole Time Director)	Total
			Mr. Rashid Ahmed Mirza (Managing Director)	Mr. Shahid Ahmad Mirza (Whole Time Director)	Mr. Tauseef Ahmad Mirza (Whole Time Director)	Mr. Tasneef Ahmad Mirza (Whole Time Director)		
1.	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income- Tax Act, 1961	-	240.00	204.00	228.00	204.00	48.60	924.60
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	5.22	10.39	11.13	9.32	8.90	0.77	41.96
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission - as % of profits - others, specify....	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-
	Total (A)	5.22	250.39	215.13	237.32	212.90	49.37	970.33
	Ceiling as per the Act (₹ in Lakh)	₹ 865.03 (Being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). Company has passed special Resolution at the 38 th AGM held on 28-09-2017 for payment of remuneration above the ceiling limit.						

**B. Remuneration to Other Directors**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		CA Sudhindra Kumar Jain	Mr. Qazi Salam Noorus	Mr. Pashupati Nath Kapoor	Dr. Yashvir Singh	Mr. Subhash Sapra		Mrs. Vinita Kejriwal
1.	Independent Directors							
	Fee for attending board/committee meetings	0.50	0.50	0.50	0.40	0.30	0.20	2.40
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.50	0.50	0.50	0.40	0.30	0.20	2.40
2.	Other Non-Executive Directors							
	Fee for attending board/committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.50	0.50	0.50	0.40	0.30	0.20	2.40
	Total Managerial Remuneration (₹ in Lakh)(A+B)	972.73						
	Overall Ceiling as per the Act	₹ 951.54 (Being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). Company has passed special Resolution at the 38 th AGM held on 28-09-2017 for payment of remuneration above the ceiling limit.						

C. Remuneration to Key Managerial Personnel (other than MD/Manager/WTD)

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Ankit Mishra	Mr. Vadakke Elukkalyil Thomas Cherian
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.38	31.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify	-	-
	Total	12.38	31.96

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER					
OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



Annexure-VIII

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name of the related party and nature of relationship	Euro Footwear Private Limited, Related Party u/s 2(76) (iv) of Companies Act, 2013
(b) Nature of contracts/arrangements/transactions	Purchase of Footwear and other Component, Jobwork & sale of Leather
(c) Duration of the contracts / arrangements/transactions	One year w.e.f 01.10.2018 to 30.09.2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Footwear and other Component, Jobwork & sale of Leather aggregating to ₹ 345 crore
(f) Date(s) of approval by the Board	May 29, 2018
(g) Amount paid as advances, if any	-

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Consolidated Financials

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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, 2019, 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. Unit 8 and Unit 9 at Plot No 18 & 19, Nandnagar Industrial Estate, Kashipur have been audited by branch auditors of the company which are included in the financial statement for the year ended on that date, (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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

S. No.	Key Audit Matter
1.	Inventory is carried in the Financial Statements at the lower of cost and net realisable value. There is substantial increase in case of Inventory is carried in the Financial Statements at the lower of cost and net realisable value. Since the company is dealing in footwear, apparel and accessories, sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trend. As a result, the carrying value of inventory may exceed in net realisable value.
Auditor's Response	
We have designed the procedure to challenge the adequacy and effectiveness of the Company's provisions against inventory, our procedures included: <ul style="list-style-type: none"> • Testing classification : Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season; • Historical trends of the company & market: evaluated the current year provision by assessing historical trends. We examined the Company's historical trading patterns of inventory sold at full price and inventory sold below full price due to discount and season offers through alternative clearance routes, together with the related margins achieved for each channel. We used the information on trading patterns to assess whether the provisions held have historically been set at an appropriate level; and • Our understanding on the Company Business: based on our knowledge of the Company and the market, the appropriateness of the provision percentages applied by challenging the assumptions made by the Directors on the extent to which older season inventory can be sold through various channels. 	

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

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

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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.

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.

Other Matters

We did not audit the financial statements / information of Unit 8 and Unit 9 situated at Plot No 18 &19, Nandnagar Industrial Estate, Kashipur included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 2,904.39 lakh as at 31st March, 2019 and total revenues of ₹ 1,287.42 lakh for the year ended on that date, as considered in the financial statements / information of these units have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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
2. As required by Section 143(3) of the Act, based on our audit we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper financial statements adequate for the purposes of our audit have been received from the branches not visited by us.

The Reports on the accounts of the two units (Unit 8 & 9) of the Company, audited under section 143(8) of the Act by Branch Auditor has been sent to us and have been properly dealt with by us in preparing this Report.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and with the financial statements received from the branches not visited by us.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 27.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - ii. There is no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Himanshu Singh
Partner
M.No.: 41857

Place: Kanpur
Date: May 30, 2019



Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulator Requirements' section of our report to the Members of Mirza International Limited of even date)

- i. In respect of the Company's fixed assets :
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company except given below as at the balance sheet date.
- In case of land:-
Total number of cases are two (Unit-II & Hapur) land, which are freehold.
- Gross block ₹ 90.11 Lakh and net block ₹ 90.11 Lakh as at Balance Sheet date
- Remarks:** Although the company has initiated the process of mutation for transfer of title deeds in the name of company, still in the above two cases the Mutation is pending to be done. Title is held in the old name of company.
- In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, 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 not accepted deposits from public during the year.
- vi. 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. According to the information and explanations given to us, in respect of statutory dues :
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of the Statute	Nature of dues	Amount in ₹ Lakh	Period to which the amount relates	Forum where Dispute is Pending
UP Entry Tax Act 2007	Entry Tax	4.06	1999-2000	Hon'ble High Court , Allahabad
UP VAT Act-2008 & CST Act-1956	VAT & CST	9.75	2008-09	Jt. Commissioner, Corporate Circle -2, Commercial Tax Department, Kanpur
UP VAT Act-2008 & CST Act-1956	VAT & CST	63.21	2015-16	Additional Commissioner Grade-2, Appeal, Commercial Tax Department, Kanpur
Gujarat VAT	VAT	37.27	2009-10 2010-11 2011-12	Deputy Commissioner (Appeal), Ahmedabad
West Bengal VAT & CST Act	CST	2.48	2011-12	West Bengal Commercial Appellant Revision Board, Kolkata
Kerla VAT	VAT	3.44	2012-13	Deputy Commissioner Appeal-II, Ernakulam, Kerla
Chapter V of Finance Act, 1994 i.e. Service Tax	Service Tax	15.45	2009-10	CESTAT, Allahabad

- viii.** On the basis of information we are of the opinion that the company has not defaulted in repayment of loans or borrowing to a financial institutions, banks or Government. Further, the company has not issued any debentures.
- ix.** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). However term loan raised by the company during the year has been applied for the purpose for which they were raised.
- x.** To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi.** In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii.** The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii.** In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.** During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv.** In our opinion and according to the information and explanations given to us, during the year 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.
- xvi.** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA Himanshu Singh
Partner
M.No.: 41857

Place: Kanpur
Date: May 30, 2019

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(g) 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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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.

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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Himanshu Singh

Partner

M.No.: 41857

Place: Kanpur

Date: May 30, 2019

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Balance Sheet

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	1	40853	35698
Capital work-in-progress	1	539	2462
Financial Assets			
Investments	2	60	59
Other Financial Assets (Non Current)	3	1190	868
Other Non Current assets	3.1	240	178
Total Non-Current assets		42882	39265
Current assets			
Inventories	4	43360	38268
Financial Assets			
Trade receivables	5	15568	13250
Cash and cash equivalents	6	722	1282
Other financial current assets	7	3558	2119
Other current assets	8	5414	5967
Total Current assets		68622	60886
Total Assets		111504	100151
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9A	2406	2406
Other Equity	9B	58758	54774
Total Equity		61164	57180
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	10	2157	1603
Provisions	11	1273	1198
Deferred tax liabilities (Net)	12	1927	1771
Other non-current Liabilities	13	1058	665
Total Non-current liabilities		6415	5237
Current liabilities			
Financial Liabilities			
Borrowings	14	31656	25352
Trade payables	15		
(i) Total outstanding dues of micro enterprises and small enterprises		299	262
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		7825	8280
Other financial current liabilities	16	3885	3651
Non financial current liabilities	16.1	162	103
Provisions	17	98	86
Total current liabilities		43925	37734
Total Equity and Liabilities		111504	100151
See accompanying Notes to the Financial Statements	1-34		
Significant Accounting Policies	35		

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

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors

Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors

Statement of Profit and Loss

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations			
Revenue from operations	18	115170	97209
Other income	19	209	41
Total Income		115379	97250
EXPENSES			
Cost of materials consumed	20	30623	31033
Purchases of Stock-in-Trade		39347	27835
Changes in inventories of Finished Goods, work-in-progress and Stock-in-Trade	21	(4023)	(10791)
Employee benefits expense	22	9515	9018
Finance costs	23	3431	2496
Depreciation and Amortization expenses	24	3546	3161
Other expenses	25	25343	22714
Total Expenses		107782	85466
Profit before tax		7597	11784
Tax Expense			
Current tax		2563	3838
Deferred tax		156	104
Profit for the Year		4878	7842
Other comprehensive Income:			
i. Items that will not be reclassified to Statement of Profit and Loss			
Remeasurements of the defined benefits plans		74	(68)
Income tax relating to items that will not be reclassified to Profit and Loss		(26)	23
ii. Items that will be reclassified to Statement of Profit and Loss			
Debit instruments through Other Comprehensive statements of foreign operations (net of tax)			
Hedging reserve		502	(251)
Income Tax on above		(175)	87
Other Comprehensive Income for the year		375	(209)
Total comprehensive income for the year		5253	7633
Earning per equity share of face value of ₹ 2 each	26		
Basic (in ₹)		4.05	6.52
Diluted (in ₹)		4.05	6.52
First time adoption of IND-AS			
See accompanying Notes to the Financial Statements	1-34		
Significant Accounting Policies	35		

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

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh

Partner
M. No. 418577

Place : Kanpur

Date : May 30, 2019

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Directors

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Statement of changes in Equity

for the year ended March 31, 2019

(A) Equity Share Capital

		(₹ in Lakh)
As at March 31, 2017		2406
Changes in equity share capital	9A	-
As at March 31, 2018		2406
Changes in equity share capital	9A	-
As at March 31, 2019		2406

(B) Other Equity

Other Equity	Reserves & Surplus			Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve (Note 2)	Hedging Reserves (Note 3)	
Balance as at March 31, 2017	10223	5	36985	286	299	47798
Add : Profit for the year 2017-18			7842			7842
Add : Other Comprehensive Income (net of tax)			(45)			(45)
Less : Pursuant to the Scheme of Amalgamation	(270)					(270)
Less : Change in Fair Value of Hedging instruments net of Taxes					(463)	(463)
Less : Income Tax Adjustment (Net)			(58)			(58)
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred to Profit & Loss Account	800		(800)	(30)		(30)
Balance as at March 31, 2018	10753	5	43924	256	(164)	54774
Add : Profit for the year 2018-19			4878			4878
Add : Other Comprehensive Income (net of tax)			48			48
Less : Change in Fair Value of Hedging instruments net of Taxes					491	491
Less : Income Tax Adjustment (Net)			(97)			(97)
Less : Distribution to Shareholders			(1083)			(1083)
Less : Dividend Tax			(223)			(223)
Less : Transferred from Profit & Loss Account	500		(500)	(30)		(30)
Balance as at March 31, 2019	11253	5	46947	226	327	58758

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

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

For DRA & Co
Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
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Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors

Cash Flow Statement

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) CASH FROM OPERATING ACTIVITIES		
Net profit before tax	7597	11784
Adjustments for		
Add :		
(Profit)/Loss on sale of Property, Plant & Equipment	(60)	104
Depreciation & amortisation for the year	3546	3161
Finance cost	3431	2496
	6917	5761
Less :		
Interest Income	158	24
Income from Govt. Grant	30	30
Operating Profit before Working Capital Changes	14326	17491
Adjustments For		
Trade & other Receivables	(2319)	(6514)
Inventory	(5083)	(11854)
Trade Payables	(895)	772
Others	374	1101
Cash Generated from Operations	6403	996
Direct Taxes Paid	(2857)	(3379)
Cash flow before extra ordinary items	3546	(2383)
Net Cash generated from Operating Activity	3546	(2383)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(7194)	(6150)
Sales of Property, Plant & Equipment	298	193
Interest Received	158	24
Purchase of Investment	(2)	0
Net Cash used in Investing Activities	(6740)	(5933)

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Cash Flow Statement (Contd...)

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1069)	(1079)
Dividend Tax Paid	(223)	(220)
Proceeds from Long Term Borrowings	2303	1352
Repayment of Long Term Borrowings	(1250)	(1250)
Proceeds from Short Term Loan Borrowings	6304	12640
Finance cost	(3431)	(2496)
Net cash used in financing activities	2634	8947
Net Increase/(Decrease) in Cash & Equivalents	(560)	631
Cash & Equivalents at the beginning of the year	1282	651
Cash & Equivalents at the end of the year	722	1282

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

Notes on Financial Statements: Note No. 1-34 ; Significant Accounting Policies Note No. 35

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

For DRA & Co
Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors

Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors

Notes

Note 1 Property, Plant & Equipment

Property, plant and equipment	Gross Block			Net Block		
	As at April 01, 2018	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
a. Land						
Land Freehold	918	0	-	918	918	918
Land Leasehold	3555	0	-	3555	3149	3192
Buildings	16406	3437	-	19843	15395	12529
Plant & Machinery						0
Machinery	26582	1521	944	27159	13658	13690
Effluent Treatment Plant	1145	32	-	1177	363	814
Tools & Shoe Lasts	4258	517	219	4556	4362	145
Furniture Fixtures, Office Equipments & Electrical Installation	5335	2970	44	8261	2843	3022
Vehicles	1787	374	201	1960	746	1096
Computers	1357	87	0	1444	1194	254
Total	61343	8938	1408	68873	28020	35698
b. Capital Work In Progress						
Total	61343	8938	1408	68873	28020	38160
Previous Year : Property Plant and Equipment	(58576)	(4258)	(1492)	(61342)	(25644)	(35092)
Capital Work-in-progress					(2462)	(852)

(₹ in Lakh)

Note 2 Investments (Non Current)

Particulars	As at		As at March 31, 2018
	March 31, 2019	March 31, 2018	
Investment in Equity instruments	60	59	59
Other non-current investments			
Total	60	59	59

(₹ in Lakh)

Particulars	2019		2018	
Aggregate amount of Quoted investments	1	1		
Aggregate Market Value of Quoted Investments	1	1		
Aggregate amount of unquoted investments	59	58		

(₹ in Lakh)

A. Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Structured entity	Details of Trade Investments						Market Value		
			2019		2018		2019			2018	
			(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)
1	Mirza (H.K.) Limited*	Subsidiary	10000	10000	10000	Unquoted	Fully Paid	0.8	0.8	-	
2	Mirza Bangla Limited**	Subsidiary	1986	-	-	Unquoted	Fully Paid	1.7	-	-	
3	Industrial Infrastructure Services (India) Ltd.	Structured	240000	240000	240000	Unquoted	Fully Paid	24.0	24.0	-	
4	Kanpur Unnao Leather Cluster Development Co. Ltd.	Structured	250000	250000	250000	Unquoted	Fully Paid	25.0	25.0	-	
5	J.P.Associates Ltd.	Structured	2000	2000	2000	Quoted	Fully paid	0.1	0.3	0.1	
6	Sarup Industries Ltd.	Structured	500	500	500	Quoted	Fully paid	0.2	0.3	0.2	
7	Superhouse Ltd.	Structured	150	150	150	Quoted	Fully paid	0.2	0.1	0.2	
8	Super Industries Ltd.	Structured	1000	1000	1000	Quoted	Fully paid	0.02	0.1	0.02	
9	Mirza Charitable Hospital Limited (Sec.25 Co.)	Structured	80000	80000	80000	Unquoted	Fully paid	8.0	8.0	-	
	Total							60	59		

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

** M/s MIRZA BANGLA LIMITED is wholly owned subsidiary of Mirza International Limited during the year. Investment value has been arrived at based on conversion rate of TAKA 198600 to INR as on the date of allotment.

Notes

Note 3 Other Financial Assets (Non Current)

(₹ in Lakh)

Other Financial Assets (Non Current)	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security Deposits		
Security Deposit - Rent	888	571
Security Deposit - Others	302	297
Total	1190	868

Note 3.1 Other Non Current Assets

(₹ in Lakh)

Other Non Current Assets	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advance for Capital Goods	240	178
Total	240	178

Note 4 Inventories*

(₹ in Lakh)

Inventories*	As at March 31, 2019	As at March 31, 2018
a. Raw Materials and components	7347	6301
b. Work-in-progress	5938	7590
c. Finished goods	29683	24008
d. Stores and spares	392	369
Total	43360	38268

For mode of valuation refer Significant Accounting Policies (K).

Note 5 Trade Receivables

(₹ in Lakh)

Trade Receivables	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good- unsecured	15568	13250
Total	15568	13250

Note 6 Cash and Cash Equivalents

(₹ in Lakh)

Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
A. Balances with banks	485	1101
This includes:		
Earmarked Balances (Unpaid dividend accounts)	52	39
Balances with banks held as margin money deposits against guarantees (Refer note below)	35	864
B. Cash in hand	237	181
Total	722	1282

Notes

Note 7 Other Financial Current Assets

Other Financial Current Assets	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Incentive Receivable (Export)	1332	1191
Duty Drawback Receivable	245	239
Focus Product License	545	139
Advances to Employees	118	107
Advance Others	497	395
Interest Receivable	74	0
Others	245	48
Foreign currency forward contracts	502	
Total	3558	2119

Note 8 Other Current Assets

Other Current Assets	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Advance Income Tax (Net of CY Provision ₹ 2563 lakhs)	517	535
Sundry Creditors (Advances to Suppliers)	504	849
Duties & Taxes (Others)	36	14
Duties & Taxes (GST)	4244	4375
Prepaid Expenses	113	194
Total	5414	5967

Note 9A Equity Share Capital

Share Capital	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorized				
Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
	256250000	5125	256250000	5125
Issued, Subscribed & Paid up				
Equity Shares of ₹ 2/- each fully paid up	120306000	2406	120306000	2406
Total	120306000	2406	120306000	2406

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

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

Notes

Note 9A.2 Terms / Rights attached to shares

a. Equity Shares

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

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 9A.3 The Details of Shareholders Holding More than 5% Shares

Name of Shareholder	Equity Shares			
	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Irshad Mirza	0	0.00%	6793541	5.65%
Rashid Ahmed Mirza	13556869	11.27%	11930918	9.92%
Shahid Ahmad Mirza	10188270	8.47%	8562318	7.12%
Tauseef Ahmad Mirza	17587670	14.62%	15961718	13.27%
Tasneef Ahmad Mirza	14112321	11.73%	12486369	10.38%
Yasmin Mirza	11300850	9.39%	11300850	9.39%

Note 9A.4 Information regarding issue of shares in the last five years

a. shares allotted as fully paid up pursuant to scheme without payment being received in cash

Pursuant to the Scheme of Amalgamation of Genesisfootwear Enterprises Private Limited with Mirza International Limited as approved by Hon'ble Allahabad High Court order dated December 15, 2015

12000000, 0% Compulsory Convertible Preference Shares ("CCPS") of ₹ 2 each fully paid converted into equity shares on 01.04.2016 which rank pari passu with the existing equity shares of the Company.

15600000 equity shares of ₹ 2 each fully paid were allotted on February 18, 2016 pursuant to the Scheme of amalgamation as approved by Hon'ble Allahabad High Court vide its order dated December 15, 2015.

b. The Company has not issued any bonus shares during the last five years.

c. The Company has not undertaken any buy back of shares.

Note 9A.5 Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act, 2013

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	1083	0.90	1083	0.90

Notes

Note 9B Other Equity

(₹ in Lakh)

Other Equity	Reserves & Surplus			Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve (Note2)	Hedging Reserves (Note 3)	
Balance as at March 31, 2017	10223	5	36985	286	299	47798
Add : Profit for the year 2017-18			7842			7842
Add : Other Comprehensive Income (net of tax)			(45)			(45)
Less : Pursuant to the Scheme of Amalamation	(270)					(270)
Less : Change in Fair Value of Hedging instruments net of Taxes					(463)	(463)
Less : Income Tax Adjustment (Net)			(58)			(58)
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred to Profit & Loss Account	800		(800)	(30)		(30)
Balance as at March 31, 2018	10753	5	43924	256	(164)	54774
Add : Profit for the year 2018-19			4878			4878
Add : Other Comprehensive Income (net of tax)			48			48
Less : Change in Fair Value of Hedging instruments net of Taxes					491	491
Less : Income Tax Adjustment (Net)			(97)			(97)
Less : Distribution to Shareholders			(1083)			(1083)
Less : Dividend Tax			(223)			(223)
Less : Transferred from Profit & Loss Account	500		(500)	(30)		(30)
Balance as at March 31, 2019	11253	5	46947	226	327	58758

Note-1 The Board of Directors of the Company recommended a dividend of ₹ 0.90 per share (for the year ended March 31, 2019 - ordinary dividend ₹ 0.90 per share) be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 1083 Lakh (for the year ended 31st March, 2018 - ordinary dividend ₹ 1083 Lakh). Income tax on proposed dividend being ₹ 229 lakh (for the year ended 31st March, 2018 - ₹ 223 Lakh).

Note-2 IDLS reserve is diminished every year by the amount in proportion of the depreciation of the assets considering the life of 15 years which is equivalent to Depreciation chargeable during the year to the machinery value purchased from IDLS subsidy.

Note-3 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

Notes

Note 10 Borrowings (Non Current)

(₹ in Lakh)

Borrowings (Non Current)	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Term loans				
Secured				
From banks *	1979	1674	1440	1246
From banks (Auto Loan)#	145	109	46	48
From others (Auto Loan)#	33	83	117	77
Total	2,157	1,866	1,603	1,371

*(1) PNB Term loan ₹ 2653 lakh secured by 1st Charge on Fixed Assets, created out of various Term Loans and block of assets charged to the bank from time to time for Term Loans and extension of charge on all current assets. Equitable mortgage of Land, Building, Plant & Machinery at Co's Unit No.1 & 2, Kanpur Unnao Link Road, Unnao, Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., Plot at Sector 90, Noida.

(2) HDFC Loan ₹ 1000 lakh secured by equitable mortgage of land at Companies Unit-5 at Unnao by pass Unnao

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

Secured against the assets purchased under the arrangements.

Maturity Profile:

(₹ in Lakh)

Particulars	Current 1-2 Year		Non Current 2-3 years	
	Amount	No. of installment	Non Current	No. of installment
Bmw India Financial Services Pvt Ltd., Gurgaon	40	12	11	3
Bmw India Financial Services Pvt Ltd., Gurgaon (2)	43	12	23	6
Hdfc Bank Auto Loan (7)	42	12	4	1
Hdfc Bank Auto Loan (8)	5	12	6	13
Hdfc Bank Term Loan 0004	333	12	667	24
P.N.B. Term Loan (Machinery) A/C No.224008	400	4	112	2
P.N.B. Term Loan No. 223823	142	1	0	0
P.N.B. Term Loan (Warehouse) A/C No. 223984	800	4	1200	8
Yes Bank Ltd Auto Loan, Delhi	20	12	40	20
Yes Bank Ltd Auto Loan No. 319480, Delhi	40	12	95	25
Grand Total	1866		2157	

Note 11 Provisions (Non Current)

(₹ in Lakh)

Provisions (Non Current)	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Superannuation (unfunded)		
Gratuity (unfunded)	1273	1198
Total	1273	1198

Notes

Note 12 Income Tax

A) Tax expense recognised in the Statement of Profit and Loss

	(₹ in Lakh)	
Deferred Tax Liabilities (Net)	As at March 31, 2019	As at March 31, 2018
A. Liabilities:		
Related to fixed assets	2396	2210
B. Assets:		
Disallowance under the Income Tax Act, 1961	469	439
Total (A - B)	1927	1771

The Company has recognized and accounted for cumulative net deferred tax liability in accordance with Indian Accounting Standard (IND AS-12) issued by the Institute of Chartered Accountants of India, Income Tax, Timing differences with tax basis as on March 31, 2019.

Note 13 Other Non Current Liabilities

	(₹ in Lakh)	
Other Non Current Liabilities	As at March 31, 2019	As at March 31, 2018
Others		
Security deposits - for franchise	1058	665
Total	1058	665

Note 14 Borrowings (Current)

	(₹ in Lakh)	
Borrowings (Current)	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From banks*	27060	25352
Unsecured		
(a) Loans repayable on demand		
From banks**	4596	-
Total	31656	25352

* (1) PNB ₹ 24560 Secured By 1st Charge by way of Hypothecation on entire current assets, present & future including entire stocks of raw materials, stock in process, finished goods, stock-in-transit, domestic Book Debts, Loans and advances or any other security required for the purpose of execution of export orders received, lying in the company's godowns, warehouses or shipping agents' custody waiting dispatch / shipment / and / or in transit etc.

(2) HDFC Loan ₹ 2500 lakh secured by equitable mortgage of land at Companies Unit-5 at Unnao by pass Unnao and will be further secured by pari-passu charge on companies assets charged to PNB on PNB's consent for which proposal is under consideration of PNB's authorised officers

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

** From foreign bank

Note 15 Trade Payable

	(₹ in Lakh)	
Trade Payable	As at March 31, 2019	As at March 31, 2018
Micro, Small and Medium Enterprises *	299	262
Others	7825	8280
Total	8124	8542

* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2019, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

Notes

Note 16 Other Financial Current Liabilities

(₹ in Lakh)

Other Financial Current Liabilities	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term debt (Refer Note No. 10)		
Term Loans from banks	1783	1294
Term Loans from others	83	77
(b) Interest accrued but not due on borrowings	5	2
(c) Interest accrued and due on borrowings	20	17
(c) Unpaid dividends*	52	39
(d) Other payables		
Commission Payable on Inland Sales	242	128
Outstanding Liabilities #	361	296
Salary Payable	416	415
Bonus Payable	419	453
Audit Fees Payable	17	16
Unpaid Commission on Export Sales	230	121
Duties & Taxes (TDS payable)	181	52
Guarantee Commission Payable	76	490
Foreign Currency Forward Contract	-	251
Total	3885	3651

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

Outstanding Liabilities include Employee Benefits payable of ₹ lacs 75.06 (Previous Year ₹ 70.70 Lacs), Export Expenses payable ₹ 35.40 Lacs (Previous Year ₹ 34.55 lacs) & Power & Electricity charges of ₹ 103.73 Lacs (Previous Year ₹ 116.63 lacs).

Note 16.1 Non Financial Liabilities- Current

(₹ in Lakh)

Other Current Liabilities	As at March 31, 2019	As at March 31, 2018
Advance Received From Customers	162	103
Total	162	103

Note 17 Provisions (Current)

(₹ in Lakh)

Provisions (Current)	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
Gratuity (Unfunded)	98	86
Total	98	86

Note 18 Revenue From Operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	111339	93163
Other operating revenues	3831	4261
Less:		
Excise duty	0	215
Total	115170	97209

Notes

Note 18.1 Earning in Foreign Exchange

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
FOB value of exports	45450	46103

Note 19 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	158	24
Other non-operating income		
Other Income	21	(13)
Income from Govt. Grant	30	30
Total	209	41

Note 20 Cost of Materials Consumed

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Hides & Finished Leather	7677	8893
Chemicals	5928	5196
Others	16469	16480
Stores & Spares	549	464
Total	30623	31033

Note 21 Changes in Inventories of Finished Goods, work-in-progress and stock-in-trade

(₹ in Lakh)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Inventories (at close)				
Finished Goods	29683		24008	
Stock-in-Trade	5938	35621	7590	31598
Inventories (at commencement)				
Finished Goods	24008		14354	
Stock-in-Trade	7590	31598	6453	20807
Change in Inventories Decrease/(Increase)		(4023)		(10791)

Note 22 Employee Benefit Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	8396	7945
Contribution to Provident and Other Funds	501	498
Gratuity to Employees	226	210
Staff Welfare Expenses	392	365
Total	9515	9018

Notes

Note 22.1 Employee Benefits

The Company is providing the following benefits to their employees :

- Gratuity
- Provident Fund
- Leave Encashment

i) The amounts recognised in Balance Sheet are as follows

	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation		
A) – Wholly funded	-	-
– Wholly unfunded	1371	1284
	1371	1284
Less: Fair value of plan assets	0	0
Add: Amount not recognised as an asset [limit in para 64(b)]	0	0
Amount to be recognised as liability or (asset)	1371	1284
B) Amounts reflected in the Balance Sheet		
Liabilities	1371	1284
Assets	0	0
Net liability/(asset)	1371	1284
Net liability/(asset) - current #	98	86
Net liability/(asset) - Non-current	1273	1198

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

	(₹ in Lakh)	
Particulars	2018-19	2017-18
Current service cost	127	129
Interest cost	99	81
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	(74)	68
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	152	277
Amount included in "employee benefits expense"	226	210
Amount included as part of "finance cost"	-	-
Amount included as part of "other comprehensive income"	(74)	68

Notes

(₹ in Lakh)		
Particulars	2018-19	2017-18
Opening balance of the present value of defined benefit obligation	1284	1100
Add: Current service cost	127	129
Add: Interest cost	99	81
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
iii) Transfer-in/(out)	-	-
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	-	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	15	(55)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(89)	123
Less: Benefits paid	(65)	(94)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Add: Business combination/acquisition	-	-
Add: Adjustment for earlier years	-	-
Add/(less): Translation adjustments	-	-
Closing balance of the present value of defined benefit obligation	1371	1284

(₹ in Lakh)		
Change in Fair Value of Assets	2018-19	2017-18
Plan assets at beginning of period	-	-
Investment Income	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Actual Company contributions	65	94
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	(65)	(94)
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows :

1. Financial Assumptions

(₹ in Lakh)		
	2018-19	2017-18
Discount Rate	7.60% p.a.	7.70% p.a.
Rate of increase in salaries	7.00% p.a.	7.00% p.a.

Notes

2. Demographic Assumptions

	(₹ in Lakh)	
	2018-19	2017-18
Mortality Rate (% of IALM 06-08)	100%	100%
Normal Retirement Age	60 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

- The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.
- Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	(₹ in Lakh)	
	As on March 31, 2019	As on March 31, 2018
Defined Benefit Obligation (Base)	1371	1284

Particulars	(₹ in Lakh)			
	As on March 31, 2019		As on March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1537	1231	1441	1151
% change compared to base due to sensitivity	12.11%	(10.22%)	12.23%	(10.32%)
Salary Growth Rate (- / + 1%)	1226	1540	1147	1444
% change compared to base due to sensitivity	(10.57%)	12.31%	(10.67%)	12.44%
Attrition Rate (- / + 50%)	1363	1378	1275	1291
% change compared to base due to sensitivity	(0.56%)	0.49%	(0.67%)	0.58%
Mortality Rate (- / + 10%)	1369	1372	1282	1286
% change compared to base due to sensitivity	(0.11%)	0.11%	(0.14%)	0.14%

Note 23 Finance Cost

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest & Bank Charges	3431	2496
Total	3431	2496



Notes

Note 24 Depreciation and Amortisation Expenses

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Expenses	3503	3118
Leasehold Land Amortisation	43	43
Total	3546	3161

Note 25 Other Expenses

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Processing Charges	4671	4633
Commission	5627	4481
Freight and Transport	3001	2858
Power and Fuel	2876	2641
Selling & Advertisement Expenses	3254	3138
Rent *	2255	1171
Vehicle Running & Maintenance	328	285
Repair and Maintenance (other than building & machinery)	605	515
Traveling & Conveyance Expenses	584	539
Insurance	260	231
Security Expenses	460	390
Postage & Courier	197	202
Telephone & Telex	128	134
Legal & Professional Chrgs	229	255
Rates and Taxes, excluding taxes on income	287	423
Repairs to machinery	100	130
Repairs to buildings	90	219
Printing & Stationery	149	116
Donation and Subscription	8	15
(Profit)/Loss on Sale of Property, plant and equipment	(60)	104
Miscellaneous Expenses	46	56
Audit Fees	16	17
Corporate Social Responsibilities	232	161
Total	25343	22714

*The Company's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Note 25.1 Disclosure Pursuant to Note no. 5(I)(J) Of Part II of Schedule III to the Companies Act, 2013

Payments to the auditor as	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) To Statutory Auditors		
a. For Audit Services	15	16
b. For taxation matters	-	-
(ii) To Branch Auditors for Audit Services	1	1
	-	-
Total	16	17

Notes

Note 25.2 Details of Corporate Social Responsibility Expenditure

(₹ in Lakh)

Corporate Social Responsibilities	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Total amount required to be spent for the financial year	228	202
b) Amount spent during the financial year	232	161

Note 26 Earnings Per Share (EPS)

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	4878	7842
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	120306000	120306000
(iii) Basic and Diluted Earnings per share (₹)	4.05	6.52
(iv) Face Value per equity share (₹)	2	2

Note 27 Contingent Liabilities and Commitments (to the Extent Not Provided for)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
A Bills Discounted	8748	11926
B Import Duty Payable	64	6
In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)		
C Bank Guarantees / Letter of Credits	48	7314
D Two cases of employees are pending at Industrial Tribunal II, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at Labour Court, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at D.L.C. office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at Labour Court, Noida	Indeterminate	Indeterminate
E One case of stamp duty in respect of land in Hapur is pending with Asst. Commissioner (stamp), Hapur for deficiency in stamp duty.	8	44
F TAXES		
(I) ENTRY TAX - for 1999-2000 liability is pending	4	28
(II) VAT & CST		
(a) UTTAR PRADESH : Pending against UP VAT and CST for the F.Y. 2008-2009 ₹ 71.58 lacs, and F.Y. 2010-11 ₹ 61.33 lacs, due to non submission of Form C.	133	179
(b) GUJRAT : F.Y. 2009-10 ₹ 2.25 lacs, F.Y. 2010-11 ₹ 32.68 lacs & F.Y. 2011-12 ₹ 2.34 lacs. Company has preferred appeal against the said Demand. Out of which ₹ 2.00 lacs has been deposited against demand.	37	37
(c) KOLKATA : CST Demand of ₹ 2.48 lacs against which revision appeal has been filed.	2	2
(d) KERALA : VAT Demand of ₹ 4.91 lacs against which 30% amount of ₹ 1.47 lacs has been paid and for balance Bank Guarantee has been provided.	5	5
(III) SERVICE TAX - One case of Service tax on a matter during the year 2009-10 amounting to ₹ 17.05 lacs confirmed and reduced to ₹ 15.46 lacs by Commissioner (Appeals) Central Excise and Service Tax, Lucknow, now the appeal is pending at CESTAT, Allahabad	15	20
G Commitment		
A Capital Expenditure (Net of fund already deployed)	1161	1584

Notes

Note 28 Segment Reporting

Segment Information for the year ended March 31, 2019

Information about Primary Business Segments

	(₹ in Lakh)				
	Shoe Division	Tannery Division	GAR & ACC Division	Unallocated	Total
External	87157	7474	20539	209	115379
	(80351)	(6896)	(9962)	(41)	(97250)
Inter - Segment	-	10437		-	10437
	-	(11783)		-	(11783)
Total Revenue	87157	17911	20539	209	125816
	(80351)	(18679)	(9962)	(41)	(109033)
Result					
Segment Result (Profit before Interest & Tax)	13141	(1366)	2656	209	14640
	(15840)	(785)	(1496)	(41)	(18162)
Less: Interest Expenses				(3431)	(3431)
				2495	2495
Unallocated Expenditure net of unallocated income				(3612)	(3612)
				3883	3883
Profit before Taxation	13141	(1366)	2656	(6834)	7597
	(15840)	(785)	(1496)	6337	(11784)
Provision for Taxation	0	0		(2719)	(2719)
	-	-		3943	3943
Net Profit	13141	(1366)	2656	(9553)	4878
	(15840)	(785)	(1496)	10280	(7842)
Other Information					
Segment Assets	73977	22598	12562	2367	111504
	(68454)	(22074)	(5982)	(3390)	(99900)
Segment Liabilities	26124	14795	7495	1926	50340
	(23670)	(14016)	(3263)	(1771)	(42720)
Capital Expenditure	6699	437	1580	222	8938
	(3388)	(30)	(470)	(370)	(4258)
Depreciation	2036	867	479	164	3546
	(1786)	(871)	(349)	(155)	(3161)

Information about Secondary Business Segments

	(₹ in Lakh)		
Revenue by Geographical Market	Within India	Outside India	Total
External	65192	50187	115379
	(44909)	(52341)	(97250)
Inter Segment	-	-	-
	-	-	-
Total	65192	50187	115379
	(44909)	(52341)	(97250)
Carrying amount of segment assets	111504	-	111504
	(99898)	-	(99898)
Additions to Fixed Assets	8938	-	8938
	(4258)	-	(4258)

* Includes Export incentive received on Export

Notes

Notes :

- (i) The Company is organized into two main business segments, namely:
Tannery Division - Manufacturing Finished Leather from Raw Hides, Wet Blue & Crust.
Shoe Division - Manufacturing Finished Leather Shoes.
Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organization structure, and the internal financial reporting systems.
- (ii) Segmental Revenue in each of the above business segments primarily include domestic and export sales, export incentives and other miscellaneous income and also includes inter Segment transfers, priced at cost plus a predetermined rate of profit.
- (iii) The Segmental Revenue in the geographical segments considered for disclosure are as follows:
- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- (iv) Segmental Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Note 29 Remittance in Foreign Currency on Account of Dividend

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
No. of Non Resident Shareholders	NIL	NIL
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	-	-
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

Note 30 Related Party Transactions

(₹ in Lakh)

S. No.	Particulars	Volume of Transactions 2019	Outstanding as on March 2019	Volume of Transactions 2018	Outstanding as on March 2018
1	Purchase				
	Euro Footwear Pvt. Ltd.	11674	890 Cr.	12929	1313 Cr.
	Gempack Enterprises	561	84 Cr.	900	71 Cr.
	Shoemac Leather Tech Eng. Ltd.	170	11 Cr.	185	24 Cr.
	Waves International	-	-	17	-
2	Jobwork expenses				
	Mars International	202	1 Dr.	329	8 Dr.
	Euro Footwear Pvt. Ltd.	4	-	1	-
3	Rent & Maintenance charges Paid				
	Mr. Irshad Mirza	13	5 Cr.	11	-
	Mrs. Jamil Ara Begum	-	-	2	-
	Mrs Sabiha Hussain	4	1 Cr.	4	-
	Shoemac Leather Tech Eng. Ltd.	4	-	4	1 Cr.
	Shoemax Engineering Ltd.	-	-	-	-
4	Sales				
	Euro Footwear Pvt. Ltd.	3359	-	3405	-
	Mirza (UK) Ltd.	18214	2152 Dr.	23506	1357 Dr.
	Gempack Enterprises	1	-	-	-
	Shoemac Leather Tech Eng. Ltd.	-	-	1	-
	Mars International	15	12 Dr.	32	-
5	Jobwork income				
	Euro Footwear Pvt. Ltd.	28	-	23	-

Notes

(₹ in Lakh)					
S. No.	Particulars	Volume of Transactions 2019	Outstanding as on March 2019	Volume of Transactions 2018	Outstanding as on March 2018
For the year ended March 31					
6	Guarantee Commission				
	Mr. Irshad Mirza	-	-	152	94 Cr.
	Mr. Rashid Ahmed Mirza	150	23 Cr.	152	102 Cr.
	Mr. Shahid Ahmad Mirza	150	22 Cr.	152	101 Cr.
	Mr. Tauseef Ahmad Mirza	150	23 Cr.	152	98 Cr.
	Mr. Tasneef Ahmad Mirza	150	9 Cr.	152	97 Cr.
7	Salaries				
	To Relatives of Key Management Personnel	192	11 Cr.	156	11 Cr.
8	Managerial Remuneration				
	Directors Remuneration & Perquisites	928	48 Cr.	873	48 Cr.
9	Sitting Fee	2	-	2	-
10	Donation				
	Mirza Foundation	16	-	19	-
11	Corporate Social Responsibilities				
	Mirza Charitable Hospital Limited (formerly Azad Multi Speciality Hospital & Research Centre)	158	-	90	-
	Kilkari Charitable Trust	8	-	8	-

Related Party Disclosure

	Country of incorporation / Designation	Ownership interest	
		March 31, 2019	March 31, 2018
1. Relationships :			
(a) Subsidiary Companies :			
Mirza (HK) Limited	Hong Kong	100	100
Mirza Bangla Limited	Bangladesh	99.9	-
(b) Executive Directors & Key Managerial Personnel			
Mr. Irshad Mirza	Chairman	-	5.65
Mr. Rashid Ahmed Mirza	Managing Director	11.27	9.92
Mr. Shahid Ahmad Mirza	Whole-Time Director	8.47	7.12
Mr. Tauseef Ahmad Mirza	Whole-Time Director	14.63	13.27
Mr. Tasneef Ahmad Mirza	Whole-Time Director	11.74	10.38
Mr. N.P. Upadhyaya	Whole-Time Director		
Mr. V.T. Cherian	Chief Financial Officer		
Mr. Ankit Mishra	Company Secretary & Compliance Officer		
(c) Non executive Directors			
Mr. Pashupati Nath Kapoor	Non Executive Director		
Mr. Subhash Sapra	Non Executive Director		
Dr. Yashvir Singh	Non Executive Director		
Mr. Q.N. Salam	Non Executive Director		
CA Sudhindra Kumar Jain	Non Executive Director		
Mrs. Vinita Kejriwal	Non Executive Director		
(d) Trust / Society / Firms			
Mirza Foundation	India		
Kilkari Charitable Trust	India		
Mirza Projects	India		

Notes

	Country of incorporation / Designation	Ownership interest	
		March 31, 2019	March 31, 2018
e) Relatives of Executive Directors (with whom transactions have taken place)			
Mr. Shuja Mirza	President (Marketing)	3.44	3.44
Mr. Faraz Mirza	President (Production)	3.99	3.99
Mrs. Sabiha Hussain			1.09
f) Related Companies / LLP			
Shoemax Engineering Ltd.	India		
Shoemac Leather Tech Engineers Ltd.	India		
Mirza Charitable Hospital Ltd.	India		
Tilbrook Enterprises Ltd.	England		
Mirza (UK) Ltd.	England		
Euro Footwear Pvt. Ltd.	India		
EmGee Projects Pvt. Ltd.	India		
Genesisriverview Resorts Pvt. Ltd.	India		
Genesis Infra Projects Pvt. Ltd.	India		
Granule Infra India Pvt. Ltd.	India		
Achee Shoes LLP	India		
Red Tape International LLP	India		
Mirza Holdings LLP	India		
Gemini Products LLP	India		
Parkland Lawns LLP	India		
Majeed Hospitality LLP	India		
Hampton Shoes LLP	India		
Mughal Express LLP	India		
F & R Farms LLP	India		
Gempack Enterprises	India		
Mars International	India		
Waves International	India		

Note 31 Following Payments to Directors are Included in Various Heads of Expenditure :

Particulars	(₹ in Lakh)	
	2019	2018
Salary	919	867
Perquisites	9	6
Sitting Fees	2	2
Guarantee Commission	600	760
Total	1530	1635

Note 32 Figures of previous year have been regrouped/rearranged wherever necessary to make them comparable with the figures of current year.

Note 33 Ind AS 116, Leases

Ind AS 116, Leases: On 31st March 2019 the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets is of low value. Currently, operating lease expenses are charged to the statements of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 2019. The standard permits two possible methods of transition:

Notes

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8, Accounting policies, changes in Accounting Estimates and errors.
- Modified retrospective - Retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use assets either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

on completion of evaluation of the effect of adoption of Ind AS 116, the company is proposing to use the

“Modified retrospective Approach” for transition to Ind AS 116, and take the cumulative adjustments to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted

Note 34 Ind AS 107, Financial risk management objective and policies

The Company's principal financial instruments are as follows:

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

Financial liabilities: Borrowings, Trade and other payables.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Board of Directors.

The Company is an Export House and is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

The Company is exposed to various financial risks such as credit, liquidity and market risk. An experienced and qualified team ensures that all financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(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 our foreign exchange risk of anticipated sales or purchase transactions in the normal course of business, which occur within the next twelve months, for which we have a firm commitment from a customer or to a supplier.

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

Notes

The following table sets forth information relating to foreign currency exposure as at March 31, 2019:

	(₹ in lakh)			
	USD	EUR	GBP	Others
Net financial assets Net financial liabilities	114	9	118	-

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.

Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and credit worthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result immaterial concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 24,875 lakh and ₹ 26,277 lakh as at March 31, 2019 and March 31, 2018, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, and other financial assets.

The Company's exposure to customers is diversified and no single customer contributes to more than 15% of outstanding trade receivables as at March 31, 2019 and March 31, 2018.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gross%	Net%	Gross%	Net%
United States of America India	6%	6%	3%	3%
United Kingdom	73%	73%	81%	81%
Other Geographical concentration of trade receivables is allocated based on the location of the customers.	19%	19%	14%	14%
	2%	2%	2%	2%

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, 2018, March 31, 2019 and April 01, 2018 is to the extent of their respective carrying amounts as disclosed in respective notes.

Notes

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.

Working of maximum exposure to credit risk

	(₹ in lakh)	
	2019	2018
Bank Balance & Deposit	485	1101
Trade Receivable	15568	13250
Trade Bills Purchased / Utilised	8748	11926
Other Financial Assets		
Interest Receivable	74	0
Total	24875	26277

Note 35 Company Overview and Significant Accounting Policies

A) Company Overview:

Mirza International Limited ('The Company') is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange and having its registered office located at 14/6, Civil Lines, Kanpur-208001, Uttar Pradesh, India. The Company is a leading manufacturer & exporter of finished leather, Footwear and trader of footwear and apparels and allied products.

B) Statement of Compliance:

These standalone financial statements have been prepared & comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof & other relevant provisions of the Act. The financial statements upto the year ended March 31, 2017 were prepared in accordance with accounting standards notified under the Companies (Accounting Standards) Rules, 2016 (as amended) and other relevant provisions of the Act.

C) Basis of Preparation of Financial Statements

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting

Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

D) 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

Notes

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.

E) Property Plant and Equipment:

1. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Company are valued at cost of acquisition or construction net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes purchase price, borrowing cost, 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.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

3. 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.
4. Lease hold land is capitalized with the lease premium paid, direct expenses/interest allocable to it till it is put to use

F) Depreciation & Amortization

- 1) Depreciation on Building, Plant and machinery, Furniture & fixtures, Vehicles and Computers is provided as per the Straight Line Method (SLM), over the estimated useful lives of assets.
- 2) Lease hold land are amortized over the useful life remaining from the date, it put to use. The useful life of leasehold land is lease term remaining unexpired.
- 3) The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act.
- 4) The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- 5) Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.
- 6) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

G) Borrowing and Borrowing Cost:

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised 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



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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.

H) Leases:

1. **Finance Leases:** Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the leased term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the leased liability so as to achieve a constant rate of interest on the remaining balance of the liability.
2. **Operating Leases:** Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee, are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

I) Investments in Subsidiaries, Joint Ventures and Associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

J) Investments and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes

(iv) Income recognition Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

K) Inventories:

Inventories are valued at the lower of Historic Cost or the Net Realisable Value. Costs are determined as under:

1. **Bought Out Items:** On First in First Out (FIFO) method except raw hides (which is valued at six months average purchase price in case of Indigenous hides and full period weighted average price in case of imported hides). In respect of bought out items where Input Tax Credit is permitted all recoverable taxes are excluded from purchase price for determining the cost.
2. **Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.
3. **Finished Goods:** At direct cost plus allocation of overheads (including interest on working capital) other than Marketing, Selling & Distribution Expenses and Interest on Term Loan.

L) Foreign Currency Transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise

(iii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

M) Segment Reporting:

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

N) Derivative Instruments and Hedge Accounting

Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non- financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Notes

O) Revenue Recognition:

The company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Sale of Goods and Export Incentives- Revenue is recognized upon transfer of control of promised products or services to customers only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue in respect of contracts for services is recognized when the services are rendered and related costs are incurred.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) –‘Revenue from contracts with customers’ using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry. The expenditure of loyalty programme is netted-off to revenue.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

P) Receivables:

Receivables are disclosed in Indian currency equivalent of actually invoiced values Receivables covered by bills of exchange purchased by the Company’s bankers are neither shown as assets nor liabilities. Contingent liability in the event of non payment of the same is reflected in the Notes to the Accounts.

Q) Employee Benefits:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Leave Encashment

The liabilities for earned leave and sick leave are settled as when accrued within the financial year .

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund etc.

Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings

Notes

in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

R) Taxes on Income:

Income tax expense is recognised in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when

the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

S) Earnings Per Share:

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes

T) Provisions, Contingent Liabilities and Contingent Assets:

Provision:

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Contingent Asset:

Contingent asset are neither recognised nor disclosed in the financial statements

U) Events after the Reporting Period:

It is the Company's Policy to take in to the account the impact of any significant event that occurs after the reporting date but before the finalization of accounts

V) Government Grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorate portion of the depreciation of the assets,

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

W) Impairment of Tangible & Intangible Assets:

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

X) Operating Cycle for current and Non-Current Classification

Operating cycle for the business activities of the company covers the duration of the specific product line/ service including the defect liability period wherever applicable and extends up to the realization

Notes

of receivables within the agreed credit period normally applicable to the respective lines of business.

Y) Recent Accounting Pronouncements Ind as 116 :

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

For DRA & Co
Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors

Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors



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 Mirza (HK) Limited & Mirza Bangla Limited (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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, 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 their consolidated state of affairs of the Company as at March 31, 2019, the

consolidated profit, 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 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 Consolidated 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 consolidated financial statements.

Key audit matters

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

S. No. Key Audit Matter

- | | |
|----|--|
| 1. | Inventory is carried in the Financial Statements at the lower of cost and net realisable value. There is substantial increase in case of Inventory is carried in the Financial Statements at the lower of cost and net realisable value. Since the company is dealing in footwear, apparel and accessories, sales in the fashion industry can be extremely volatile with consumer demand changing significantly based on current trend. As a result, the carrying value of inventory may exceed in net realisable value. |
|----|--|

Auditor's Response

We have designed the procedure to challenge the adequacy and effectiveness of the Company's provisions against inventory, our procedures included:

- **Testing classification:** Testing on a sample basis that items on the stock ageing listing were classified in the appropriate ageing bracket by reference to season;
 - **Historical trends of the company & market:** evaluated the current year provision by assessing historical trends. We examined the Company's historical trading patterns of inventory sold at full price and inventory sold below full price due to discount and season offers through alternative clearance routes, together with the related margins achieved for each channel. We used the information on trading patterns to assess whether the provisions held have historically been set at an appropriate level; and
 - **Our understanding on the Company Business:** based on our knowledge of the Company and the market, the appropriateness of the provision percentages applied by challenging the assumptions made by the Directors on the extent to which older season inventory can be sold through various channels.
-

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

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance 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 Accounting Standards specified under section 133 of the Act.

The respective 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; 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 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 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.
- 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 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

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 2 subsidiaries Mirza (HK) Limited & 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 Ltd. (In Tk)	Mirza (HK) Ltd (In HK\$)
Total Assets	1,98,600	87,939
Total Revenue	Nil	389,722
Net Profit / (Loss) after Tax	(25,000)	15,959
Comprehensive Income / (Loss)	Nil	Nil

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, 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 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, 2019 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, 2019 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.

- (h) 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.-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 any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Himanshu Singh
Partner
M.No.: 41857

Place: Kanpur
Date: May 30, 2019

Annexure ‘A’ to the Independent Auditor’s Report

(Referred to in paragraph 1(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 and its subsidiary companies as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of MIRZA INTERNATIONAL LIMITED (hereinafter referred to as “Company”) and its subsidiary companies as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 authorizations 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2019,

based on the internal control over financial reporting criteria established by the respective companies 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.

Place: Kanpur
Date: May 30, 2019

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

CA Himanshu Singh
Partner
M.No.: 41857

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Consolidated Balance Sheet

Particulars	Note No.	₹ in Lakh	
		As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	1	40853	35698
Capital work-in-progress	1	539	2462
Financial Assets			
Investments	2	58	59
Other Financial Assets (Non Current)	3	1190	868
Other Non Current assets	3.1	240	178
Total Non-Current assets		42880	39265
Current assets			
Inventories	4	43360	38268
Financial Assets			
Trade receivables	5	15568	13250
Cash and cash equivalents	6	727	1282
Other financial current assets	7	3558	2119
Other current assets	8	5414	5967
Total Current assets		68627	60886
Total Assets		111507	100151
Equity and Liabilities			
Equity			
Equity Share capital	9A	2406	2406
Other Equity	9B	58759	54774
Total Equity		61165	57180
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	10	2157	1603
Provisions	11	1273	1198
Deferred tax liabilities (Net)	12	1927	1771
Other non-current Liabilities	13	1058	665
Total Non-current liabilities		6415	5237
Current liabilities			
Financial Liabilities			
Borrowings	14	31656	25352
Trade payables	15		
(i) MSME		Total outstanding dues of micro enterprises and small enterprises	299
(ii) Trade Payables other than MSME		Total outstanding dues of creditors other than micro enterprises and small enterprises	7826
Other financial current liabilities	16	3886	3651
Non financial current liabilities	16.1	162	103
Provisions	17	98	86
Total current liabilities		43927	37734
Total Equity and Liabilities		111507	100151
See accompanying Notes to the Financial Statements	1-31		
Significant Accounting Policies	32		

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

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh

Partner
M. No. 418577

Place : Kanpur

Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors

Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors

Consolidated Statement of Profit and Loss

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations			
Revenue from operations	18	115170	97209
Other income	19	209	41
Total Income		115379	97250
Expenses			
Cost of materials consumed	20	30623	31033
Purchases of Stock-in-Trade		39347	27835
Changes in inventories of Finished Goods, work-in-progress and Stock-in-Trade	21	(4023)	(10791)
Employee benefits expenses	22	9515	9018
Finance costs	23	3431	2496
Depreciation and Amortization expenses	24	3546	3161
Other expenses	25	25342	22714
Total Expenses		107781	85466
Profit before tax		7598	11784
Tax Expense			
Current tax		2563	3838
Deferred tax		156	104
Profit for the Year		4879	7842
Other comprehensive Income:			
i. Items that will not be reclassified to Statement of Profit and Loss			
Remeasurements of the defined benefits plans		74	(68)
Income tax relating to items that will not be reclassified to Profit and Loss		(26)	23
ii. Items that will be reclassified to Statement of Profit and Loss			
Debit instruments through Other Comprehensive statements of foreign operations (net of tax)			
Hedging reserve		502	(251)
Income Tax on above		(175)	87
Other Comprehensive Income for the year		375	(209)
Total comprehensive income for the year		5254	7633
Earning per equity share of face value of ₹ 2 each	26		
Basic (in ₹)		4.06	6.52
Diluted (in ₹)		4.06	6.52
First time adoption of IND-AS			
See accompanying Notes to the Financial Statements	1-31		
Significant Accounting Policies	32		

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh

Partner
M. No. 418577

Place : Kanpur

Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors

Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors

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Statement of changes in Equity

for the year ended March 31, 2019

(A) Equity Share Capital

	(₹ in Lakh)
As at March 31, 2017	2406
Changes in equity share capital	9A
As at March 31, 2018	2406
Changes in equity share capital	9A
As at March 31, 2019	2406

(B) Other Equity (refer note 9B)

Other Equity	Reserves & Surplus			Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve	Hedging Reserves	
Balance as at March 31, 2017	10223	5	36985	286	299	47798
Add : Profit for the year 2017-18			7842			7842
Add : Other Comprehensive Income (net of tax)			(45)			(45)
Less : Pursuant to the Scheme of Amalgamation	(270)					(270)
Less : Change in Fair Value of Hedging instruments net of Taxes					(463)	(463)
Less : Income Tax Adjustment (Net)			(58)			(58)
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred to Profit & Loss Account	800		(800)	(30)		(30)
Balance as at March 31, 2018	10753	5	43924	256	(164)	54774
Add : Profit for the year 2018-19			4879			4879
Add : Other Comprehensive Income (net of tax)			48			48
Less : Change in Fair Value of Hedging instruments net of Taxes					491	491
Less : Income Tax Adjustment (Net)			(97)			(97)
Less : Distribution to Shareholders			(1083)			(1083)
Less : Dividend Tax			(223)			(223)
Less : Transferred from Profit & Loss Account	500		(500)	(30)		(30)
Balance as at March 31, 2019	11253	5	46948	226	327	58759

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

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

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Yashvir Singh

Directors

Consolidated Cash Flow Statement

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) CASH FROM OPERATING ACTIVITIES		
Net profit before tax	7598	11784
Adjustments for		
Add :		
(Profit)/Loss on sale of Property, Plant & Equipment	(60)	104
Depreciation & amortisation for the year	3546	3161
Finance cost	3431	2496
	6917	5761
Less :		
Interest Income	158	24
Income from Govt. Grant	30	30
Operating Profit before Working Capital Changes	14327	17491
Adjustments For		
Trade & other Receivables	(2319)	(6514)
Inventory	(5083)	(11854)
Trade Payables	(893)	772
Others	374	1101
Cash Generated from Operations	6406	996
Direct Taxes Paid	(2857)	(3379)
Cash flow before extra ordinary items	3549	(2383)
Net Cash generated from Operating Activity	3549	(2383)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(7194)	(6150)
Sales of Property, Plant & Equipment	298	193
Interest Received	158	24
Net Cash used in Investing Activities	(6738)	(5933)

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Consolidated Cash Flow Statement (Contd...)

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1069)	(1079)
Dividend Tax Paid	(223)	(220)
Proceeds from Long Term Borrowings	2303	1352
Repayment of Long Term Borrowings	(1250)	(1250)
Proceeds from Short Term Loan Borrowings	6304	12640
Finance cost	(3431)	(2496)
Net cash used in financing activities	2634	8947
Net Increase/(Decrease) in Cash & Equivalents	(555)	631
Cash & Equivalents at the beginning of the year	1282	651
Cash & Equivalents at the end of the year	727	1282

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

Notes on Financial Statements: Note No. 1-31; Significant Accounting Policies Note No. 32

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

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

For DRA & Co

Chartered Accountants
FRN: 006476N

CA. Himanshu Singh

Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
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For & on behalf of the Board of Directors

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Directors

Notes

Note 1 Property, Plant & Equipment

Property, plant and equipment	Gross Block			Accumulated Depreciation		Net Block			
	As at April 01, 2018	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation charge for the year	On disposals	Balance as at March 31, 2019	Balance as at March 31, 2018
a. Land									
Land Freehold	918	0	-	918	-	-	-	918	918
Land Leasehold	3555	0	-	3555	363	43	-	3149	3192
Buildings	16406	3437	-	19843	3877	571	-	15395	12529
Plant & Machinery									0
Machinery	26582	1521	944	27159	12892	1528	762	13658	13690
Effluent Treatment Plant	1145	32	-	1177	292	71	-	363	814
Tools & Shoe Lasts	4258	517	219	4556	4113	468	219	4362	194
Furniture Fixtures, Office Equipments & Electrical Installation	5335	2970	44	8261	2313	559	29	2843	3022
Vehicles	1787	374	201	1960	691	215	160	746	1096
Computers	1357	87	0	1444	1103	91	0	1194	254
Total	61343	8938	1408	68873	25644	3546	1170	28020	35698
b. Capital Work In Progress									
Total	61343	8938	1408	68873	25644	3546	1170	28020	38160
Previous Year : Tangible Assets	(58576)	(4258)	(1492)	(61342)	(23677)	(3161)	(1194)	(25644)	(35092)
Capital W.I.P.								(2462)	(852)

(₹ in Lakh)

Note 2 Investments (Non Current)

Particulars	As at		As at March 31, 2018
	March 31, 2019	March 31, 2018	
Investment in Equity instruments	58	59	59
Other non-current investments			
Total	58	59	59

(₹ in Lakh)

Particulars	2019		2018	
	1	1	1	1
Aggregate amount of Quoted investments	1	1	1	1
Aggregate Market Value of Quoted Investments	1	1	1	1
Aggregate amount of unquoted investments	57	58	58	58

(₹ in Lakh)

A. Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Structured entity	Details of Trade Investments						Market Value
			2019		2018		Amount (₹)	2018	
			No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	2019			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Industrial Infrastructure Services (India) Ltd.	Structured	240000	240000	Unquoted	Fully Paid	24.0	24.0	-
2	Kanpur Unnao Leather Cluster Development Co. Ltd.	Structured	250000	250000	Unquoted	Fully Paid	25.0	25.0	-
3	J.P. Associates Ltd.	Structured	2000	2000	Quoted	Fully paid	0.1	0.3	0.1
4	Sarup Industries Ltd.	Structured	500	500	Quoted	Fully paid	0.2	0.3	0.2
5	Superhouse Ltd.	Structured	150	150	Quoted	Fully paid	0.2	0.1	0.2
6	Super Industries Ltd.	Structured	1000	1000	Quoted	Fully paid	0.02	0.1	0.02
7	Mirza Charitable Hospital Limited (Sec.25 Co.)	Structured	80000	80000	Unquoted	Fully paid	8.0	8.0	-
	Total						58	58	58

* The Company has purchased 100% controlling stake in M/s MIRZA (H.K) LIMITED during the year. Investment value has been arrived at based on conversion rate of HKD 10000 to INR as on the date of allotment.

** The Company has purchased 100% controlling stake in M/s MIRZA BANGLA LIMITED during the year. Investment value has been arrived at based on conversion rate of TAKA 198600 to INR as on the date of allotment.

Notes

Note 3 Other Financial Assets (Non Current)

		(₹ in Lakh)	
Other Financial Assets (Non Current)	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Security Deposits			
Security Deposit - Rent	888	571	
Security Deposit - Others	302	297	868
Total	1190		868

Note 3.1 Other Non Current Assets

		(₹ in Lakh)	
Other Non Current Assets	As at March 31, 2019	As at March 31, 2018	
Unsecured, considered good			
Advance for Capital Goods	240		178
Total	240		178

Note 4 Inventories*

		(₹ in Lakh)	
Inventories*	As at March 31, 2019	As at March 31, 2018	
a. Raw Materials and components	7347	6301	
	7347		6301
b. Work-in-progress	5938	7590	
	5938		7590
c. Finished goods	29683	24008	
	29683		24008
d. Stores and spares	392	369	
	392		369
Total	43360		38268

*For mode of valuation refer Significant Accounting Policies (K).

Note 5 Trade Receivables

		(₹ in Lakh)	
Trade Receivables	As at March 31, 2019	As at March 31, 2018	
Trade receivables considered good- unsecured	15568		13250
Total	15568		13250

Note 6 Cash and Cash Equivalents

		(₹ in Lakh)	
Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018	
A. Balances with banks	485		1101
This includes:			
Earmarked Balances (Unpaid dividend accounts)	52	39	
Balances with banks held as margin money deposits against guarantees (Refer note below)	35	864	
B. Cash in hand	242		181
Total	727		1282

Notes

Note 7 Other Financial Current Assets

Other Financial Current Assets	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Incentive Receivable (Export)	1332	1191
Duty Drawback Receivable	245	239
Focus Product License	545	139
Advances to Employees	118	107
Advance Others	497	395
Interest Receivable	74	0
Others	245	48
Foreign currency forward contracts	502	
Total	3558	2119

Note 8 Other Current Assets

Other Current Assets	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Advance Income Tax (Net of CY Provision ₹ 2563 lakh)	517	535
Sundry Creditors (Advances to Suppliers)	504	849
Duties & Taxes (Others)	36	14
Duties & Taxes (GST)	4244	4375
Prepaid Expenses	113	194
Total	5414	5967

Note 9A Equity Share Capital

Share Capital	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Lakh	Number	₹ in Lakh
Authorized				
Equity Shares of ₹ 2/- each	256250000	5125	256250000	5125
	256250000	5125	256250000	5125
Issued, Subscribed & Paid up				
Equity Shares of ₹ 2/- each fully paid up	120306000	2406	120306000	2406
Total	120306000	2406	120306000	2406

Note 9A.1 The Reconciliation of the Number of Shares Outstanding at the Beginning and at the End of the Reporting Period

Particulars	Equity Shares	
	Number	₹ in Lakh
Shares outstanding at the beginning of the year	120306000	240612000
Preference Shares converted into Equity Shares	0	0
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	120306000	240612000

Notes

Note 9A.2 Terms / Rights attached to shares

a. Equity Shares

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

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 9A.3 The Details of Shareholders Holding More than 5% Shares

Name of Shareholder	Equity Shares			
	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Irshad Mirza	0	0.00%	6793541	5.65%
Rashid Ahmed Mirza	13556869	11.27%	11930918	9.92%
Shahid Ahmad Mirza	10188270	8.47%	8562318	7.12%
Tauseef Ahmad Mirza	17587670	14.62%	15961718	13.27%
Tasneef Ahmad Mirza	14112321	11.73%	12486369	10.38%
Yasmin Mirza	11300850	9.39%	11300850	9.39%

Note 9A.4 Information regarding issue of shares in the last five years

a. Shares allotted as fully paid up pursuant to scheme without payment being received in cash

Pursuant to the Scheme of Amalgamation of Genesisfootwear Enterprises Private Limited with Mirza International Limited as approved by Hon'ble Allahabad High Court order dated 15.12.2015

12000000, 0% Compulsory Convertible Preference Shares ("CCPS") of ₹ 2 each fully paid converted into equity shares on 01.04.2016 which rank pari passu with the existing equity shares of the Company.

15600000 equity shares of ₹ 2 each fully paid were allotted on 18.02.2016 pursuant to the Scheme of amalgamation as approved by Hon'ble Allahabad High Court vide its order dated 15.12.2015.

b. The Company has not issued any bonus shares during the last five years.

c. The Company has not undertaken any buy back of shares.

Note 9A.5 Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act, 2013

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lakh	₹ Per Share	₹ in Lakh	₹ Per Share
Dividends proposed to be distributed to equity shareholders	1083	0.90	1083	0.90



Notes

Note 9B Other Equity

Other Equity						(₹ in Lakh)
	Reserves & Surplus			Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	IDLS Subsidy Reserve	Hedging Reserves	
Balance as at March 31, 2017	10223	5	36985	286	299	47798
Add : Profit for the year 2017-18			7842			7842
Add : Other Comprehensive Income (net of tax)			(45)			(45)
Less : Pursuant to the Scheme of Amalation	(270)					(270)
Less : Change in Fair Value of Hedging instruments net of Taxes					(463)	(463)
Less : Income Tax Adjustment (Net)			(58)			(58)
Less : Distribution to Shareholders			0			0
Less : Dividend Tax			0			0
Less : Transferred to Profit & Loss Account	800		(800)	(30)		(30)
Balance as at March 31, 2018	10753	5	43924	256	(164)	54774
Add : Profit for the year 2018-19			4879			4879
Add : Other Comprehensive Income (net of tax)			48			48
Less : Change in Fair Value of Hedging instruments net of Taxes					491	491
Less : Income Tax Adjustment (Net)			(97)			(97)
Less : Distribution to Shareholders			(1083)			(1083)
Less : Dividend Tax			(223)			(223)
Less : Transferred from Profit & Loss Account	500		(500)	(30)		(30)
Balance as at March 31, 2019	11253	5	46948	226	327	58759

Note-1 The Board of Directors of the Company recommended a dividend of ₹ 0.90 per share (for the year ended March 31, 2019 - ordinary dividend ₹ 0.90 per share) be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 1083 Lakh (for the year ended 31st March, 2018 - ordinary dividend ₹ 1083 Lakh). Income tax on proposed dividend being ₹ 229 lakh (for the year ended March 31, 2018 - ₹ 223 Lakh).

Note-2 IDLS reserve is diminished every year by the amount in proportion of the depreciation of the assets considering the life of 15 years which is equivalent to Depreciation chargeable during the year to the machinery value purchased from IDLS subsidy.

Note-3 The company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

Notes

Note 10 Borrowings (Non Current)

(₹ in Lakh)

Borrowings (Non Current)	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Term loans				
Secured				
From banks *	1979	1674	1440	1246
From banks (Auto Loan)#	145	109	46	48
From others (Auto Loan)#	33	83	117	77
Total	2,157	1,866	1,603	1,371

*(1) PNB Term loan ₹ 2653 lakh secured by 1st Charge on Fixed Assets, created out of various Term Loans and block of assets charged to the bank from time to time for Term Loans and extension of charge on all current assets. Equitable mortgage of Land, Building, Plant & Machinery at Co's Unit No.1 & 2, Kanpur Unnao Link Road, Unnao, Unit No.3 (Plot No. C-4,5, 36 & 37) Sector 59, NOIDA, Unit No.6 at Plot No.1A Sector Ecotech-1, Greater NOIDA Industrial Area, Gautam Budh Nagar, U.P., Plot at Sector 90, Noida.

(2) HDFC Loan ₹ 1000 lakh secured by equitable mortgage of land at Companies Unit-5 at Unnao by-pass, Unnao

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

Secured against the assets purchased under the arrangements.

Maturity Profile:

(₹ in Lakh)

Particulars	1 - 2 years		2 - 3 years	
	Amount	No. of installment	Non Current	No. of installment
BMW India Financial Services Pvt Ltd., Gurgaon	40	12	11	3
BMW India Financial Services Pvt Ltd., Gurgaon (2)	43	12	23	6
HDFC Bank Auto Loan (7)	42	12	4	1
HDFC Bank Auto Loan (8)	5	12	6	13
HDFC Bank Term Loan 0004	333	12	667	24
P.N.B. Term Loan (Machinery) A/C No.224008	400	4	112	2
P.N.B. Term Loan No. 223823	142	1	0	0
P.N.B. Term Loan (Warehouse) A/C No. 223984	800	4	1200	8
Yes Bank Ltd Auto Loan, Delhi	20	12	40	20
Yes Bank Ltd Auto Loan No. 319480, Delhi	40	12	95	25
Grand Total	1866		2157	

Note 11 Provisions (Non Current)

(₹ in Lakh)

Provisions (Non Current)	As at	As at
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Superannuation (unfunded)		
Gratuity (unfunded)	1273	1,198
Total	1273	1198

Notes

Note 12 Deferred Tax Liabilities (Net)

A) Tax expense recognised in the Statement of Profit and Loss

(₹ in Lakh)		
Deferred Tax Liabilities (Net)	As at March 31, 2019	As at March 31, 2018
A. Liabilities:		
Related to fixed assets	2396	2,210
B. Assets:		
Disallowance under the Income Tax Act, 1961	469	439
Total (A - B)	1927	1771

The Company has recognized and accounted for cumulative net deferred tax liability in accordance with Indian Accounting Standard (IND AS-12) issued by the Institute of Chartered Accountants of India, Income Tax, Timing differences with tax basis as on March 31, 2019.

Note 13 Other Non Current Liabilities

(₹ in Lakh)		
Other Non Current Liabilities	As at March 31, 2019	As at March 31, 2018
Others		
Security deposits - for franchise	1058	665
Total	1058	665

Note 14 Borrowings (Current)

(₹ in Lakh)		
Borrowings (Current)	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From banks*	27060	25352
Unsecured		
(a) Loans repayable on demand		
From banks**	4596	-
Total	31656	25352

(1) PNB ₹ 24560 Secured By 1st Charge by way of Hypothecation on entire current assets, present & future including entire stocks of raw materials, stock in process, finished goods, stock-in-transit, domestic Book Debts , Loans and advances or any other security required for the purpose of execution of export orders received, lying in the company's godowns, warehouses or shipping agents' custody waiting dispatch / shipment / and / or in transit etc.

(2) HDFC Loan ₹ 2500 lakh secured by equitable mortgage of land at Companies Unit-5 at Unnao by-pass, Unnao and will be further secured by pari-passu charge on companies assets charged to PNB on PNB's consent for which proporsal is under consideration of PNB's authorised officers

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

**From foreign bank

Notes

Note 15 Trade Payable

(₹ in Lakh)

Trade Payable	As at March 31, 2019	As at March 31, 2018
Micro, Small and Medium Enterprises*	299	262
Others	7826	8280
Total	8125	8542

* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at March 31, 2019, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

Note 16 Other Financial Current Liabilities

(₹ in Lakh)

Other Financial Current Liabilities	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term debt (Refer Note No. 10)		
Term Loans from banks	1783	1294
Term Loans from others	83	77
(b) Interest accrued but not due on borrowings	5	2
(c) Interest accrued and due on borrowings	20	17
(c) Unpaid dividends*	52	39
(d) Other payables		
Commission Payable on Inland Sales	242	128
Outstanding Liabilities [#]	362	296
Salary Payable	416	415
Bonus Payable	419	453
Audit Fees Payable	17	16
Unpaid Commission on Export Sales	230	121
Duties & Taxes (TDS payable)	181	52
Guarantee Commission payable	76	490
Foreign currency forward contract	-	251
Total	3886	3651

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

[#] Outstanding Liabilities include Employee Benefits payable of ₹ 75.06 Lakh (Previous Year ₹ 70.70 Lakh), Export Expenses payable ₹ 35.40 Lakh (Previous Year ₹ 34.55 Lakh) & Power & Electricity charges of ₹ 103.73 Lakh (Previous Year ₹ 116.63 Lakh).

Note 16.1 Non Financial Liabilities- Current

(₹ in Lakh)

Other Current Liabilities	As at March 31, 2019	As at March 31, 2018
Advance Received From Customers	162	103
Total	162	103

Note 17 Provisions (Current)

(₹ in Lakh)

Provisions (Current)	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
Gratuity (Unfunded)	98	86
Total	98	86

Notes

Note 18 Revenue From Operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	111339	93163
Other operating revenues	3831	4261
Less:		
Excise duty	0	215
Total	115170	97209

Note 18.1 Earning in Foreign Exchange

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
FOB value of exports	45450	46103

Note 19 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	158	24
Other non-operating income		
Other Income	21	(13)
Income from Govt. Grant	30	30
Total	209	41

Note 20 Cost of Materials Consumed

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Hides & Finished Leather	7677	8893
Chemicals	5928	5196
Others	16469	16480
Stores & Spares	549	464
Total	30623	31033

Note 21 Changes in Inventories of Finished Goods, work-in-progress and Stock-in-Trade

(₹ in Lakh)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Inventories (at close)				
Finished Goods	29683		24008	
Stock-in-Trade	5938	35621	7590	31598
Inventories (at commencement)				
Finished Goods	24008		14354	
Stock-in-Trade	7590	31598	6453	20807
Change in Inventories Decrease/(Increase)		(4023)		(10791)

Notes

Note 22 Employee Benefit Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	8396	7945
Contribution to Provident and Other Funds	501	498
Gratuity to Employees	226	210
Staff Welfare Expenses	392	365
Total	9515	9018

Note 22.1 Employee Benefits

The Company is providing the following benefits to their employees:

- Gratuity
 - Provident Fund
 - Leave Encashment
- i) **The amounts recognised in Balance Sheet are as follows:**

(₹ in Lakh)

Present value of defined benefit obligation	As at March 31, 2019	As at March 31, 2018
A) – Wholly funded	-	-
– Wholly unfunded	1371	1284
	1371	1284
Less: Fair value of plan assets	0	0
Add: Amount not recognised as an asset [limit in para 64(b)]	0	0
Amount to be recognised as liability or (asset)	1371	1284
B) Amounts reflected in the Balance Sheet		
Liabilities	1371	1284
Assets	0	0
Net liability/(asset)	1371	1284
Net liability/(asset) - current #	98	86
Net liability/(asset) - Non-current	1273	1198

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

(₹ in Lakh)

Particulars	2018-19	2017-18
Current service cost	127	129
Interest cost	99	81
Interest income on plan assets	-	-
Remeasurement - Actuarial losses/(gains) -	-	-
Difference between actual return on plan assets and interest income	-	-
Remeasurement - Actuarial losses/(gains) - Others	(74)	68
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	152	277
Amount included in "employee benefits expense"	226	210
Amount included as part of "finance cost"	-	-
Amount included as part of "other comprehensive income"	(74)	68



Notes

Particulars	(₹ in Lakh)	
	2018-19	2017-18
Opening balance of the present value of defined benefit obligation	1,284	1,100
Add: Current service cost	127	129
Add: Interest cost	99	81
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
iii) Transfer-in/(out)	-	-
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	-	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	15	(55)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(89)	123
Less: Benefits paid	(65)	(94)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	-	-
Add: Business combination/acquisition	-	-
Add: Adjustment for earlier years	-	-
Add/(less): Translation adjustments	-	-
Closing balance of the present value of defined benefit obligation	1371	1284

Change in Fair Value of Assets	(₹ in Lakh)	
	2018-19	2017-18
Plan assets at beginning of period	-	-
Investment Income	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Actual Company contributions	65	94
Fund Transferred	-	-
Employee contributions	-	-
Benefits paid	(65)	(94)
Plan assets at the end of period	-	-

The key assumptions used in the calculations are as follows:

1. Financial Assumptions

	(₹ in Lakh)	
	2018-19	2017-18
Discount Rate	7.60% p.a.	7.70% p.a.
Rate of increase in salaries	7.00% p.a.	7.00% p.a.

2. Demographic Assumptions

	(₹ in Lakh)	
	2018-19	2017-18
Mortality Rate (% of IALM 06-08)	100%	100%
Normal Retirement Age	60 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

Notes

- The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.
- Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	(₹ in Lakh)	
	As on March 31, 2019	As on March 31, 2018
Defined Benefit Obligation (Base)	1371	1284

Particulars	(₹ in Lakh)			
	As on March 31, 2019		As on March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1537	1231	1441	1151
% change compared to base due to sensitivity	12.11%	(10.22%)	12.23%	(10.32%)
Salary Growth Rate (- / + 1%)	1226	1540	1147	1444
% change compared to base due to sensitivity	(10.57%)	12.31%	(10.67%)	12.44%
Attrition Rate (- / + 50%)	1363	1378	1275	1291
% change compared to base due to sensitivity	(0.56%)	0.49%	(0.67%)	0.58%
Mortality Rate (- / + 10%)	1369	1372	1282	1286
% change compared to base due to sensitivity	(0.11%)	0.11%	(0.14%)	0.14%

Note 23 Finance Cost

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest & Bank Charges	3431	2496
Total	3431	2496

Note 24 Depreciation and Amortisation Expenses

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Expenses	3503	3118
Leasehold Land Amortisation	43	43
Total	3546	3161



Notes

Note 25 Other Expenses

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Processing Charges	4671	4633
Commission	5622	4481
Freight and Transport	3001	2858
Power and Fuel	2876	2641
Selling & Advertisement Expenses	3254	3138
Rent*	2255	1171
Vehicle Running & Maintenance	328	285
Repair and Maintenance (other than building & machinery)	605	515
Traveling & Conveyance Expenses	585	539
Insurance	260	231
Security Expenses	460	390
Postage & Courier	197	202
Telephone & Telex	128	134
Legal & Professional Charges	231	255
Rates and Taxes, excluding taxes on income	287	423
Repairs to machinery	100	130
Repairs to buildings	90	219
Printing & Stationery	149	116
Donation and Subscription	8	15
(Profit)/Loss on Sale of Property, plant and equipment	(60)	104
Miscellaneous Expenses	46	56
Audit Fees	17	17
Corporate Social Responsibilities	232	161
Total	25342	22714

* The Company's major leasing arrangements are in respect of commercial premises (including furniture and fittings therein wherever applicable). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

Note 25.1 Disclosure Pursuant to Note No. 5(i)(j) of Part II of Schedule III to the Companies Act, 2013

Payments to the auditor as	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) To Statutory Auditors		
a. For Audit Services	16	16
b. For taxation matters	-	-
(ii) To Branch Auditors for Audit Services	1	1
	-	-
Total	17	17

Note 25.2 Details of Corporate Social Responsibility Expenditure

Corporate Social Responsibilities	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Total amount required to be spent for the financial year	228	202
b) Amount spent during the financial year	231	161

Notes

Note 26 Earnings Per Share (EPS)

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	4879	7842
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	120306000	120306000
(iii) Basic and Diluted Earnings per share (₹)	4.06	6.52
(iv) Face Value per equity share (₹)	2	2

Note 27 Contingent Liabilities and Commitments (to the Extent Not Provided for)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
A Bills Discounted	8748	11926
B Import Duty Payable	64	6
In case of non-fulfillment of export obligation under EPCG Scheme (not yet due)		
C Bank Guarantees / Letter of Credits	48	7314
D Two cases of employees are pending at Industrial Tribunal II, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at Labour Court, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at D.L.C. office, Lucknow	Indeterminate	Indeterminate
One case of employee is pending at Labour Court, Noida	Indeterminate	Indeterminate
E One case of stamp duty in respect of land in Hapur is pending with Asst. Commissioner (stamp), Hapur for deficiency in stamp duty.	8	44
F Taxes		
(I) Entry Tax - for 1999-2000 liability is pending	4	28
(II) VAT & CST		
(a) Uttar Pradesh : Pending against UP VAT and CST for the F.Y. 2008-2009 ₹ 71.58 Lakh, and F.Y. 2010-11 ₹ 61.33 Lakh, due to non submission of Form C.	133	179
(b) Gujrat : F.Y. 2009-10 ₹ 2.25 Lakh, F.Y. 2010-11 ₹ 32.68 Lakh & F.Y. 2011-12 ₹ 2.34 Lakh. Company has preferred appeal against the said Demand. Out of which ₹ 2.00 Lakh has been deposited against demand.	37	37
(c) Kolkata : CST Demand of ₹ 2.48 Lakh against which revision appeal has been filed.	2	2
(d) Kerala : VAT Demand of ₹ 4.91 Lakh against which 30% amount of ₹ 1.47 Lakh has been paid and for balance Bank Guarantee has been provided.	5	5
(III) Service Tax - One case of Service tax on a matter during the year 2009-10 amounting to ₹ 17.05 Lakh confirmed and reduced to ₹ 15.46 Lakh by Commissioner (Appeals) Central Excise and Service Tax, Lucknow, now the appeal is pending at CESTAT, Allahabad	15	20
G Commitment		
Capital Expenditure (Net of fund already deployed)	1161	1584

Notes

Note 28 Segment Reporting

Segment Information for the year ended March 31, 2019

Information about Primary Business Segments

Figures in bracket represents previous year figure

	(₹ in Lakh)				
	Shoe Division	Tannery Division	GAR & ACC Division	Unallocated	Total
External	87157	7474	20539	209	115379
	(80351)	(6896)	(9962)	(41)	(97250)
Inter - Segment	-	10437		-	10437
	-	(11783)		-	(11783)
Total Revenue	87157	17911	20539	209	125816
	(80351)	(18679)	(9962)	(41)	(109033)
Result					
Segment Result (Profit before Interest & Tax)	13141	(1366)	2657	209	14641
	(15841)	(785)	(1495)	(41)	(18162)
Less: Interest Expenses				(3431)	(3431)
				2495	2495
Unallocated Expenditure net of unallocated income				(3612)	(3612)
				3883	3883
Profit before Taxation	13141	(1366)	2657	(6834)	7598
	(15841)	(785)	(1495)	6337	(11784)
Provision for Taxation	0	0		(2719)	(2719)
	-	-		3943	3943
Net Profit	13141	(1366)	2657	(9553)	4879
	(15841)	(785)	(1495)	10280	(7841)
Other Information					
Segment Assets	73977	22598	12562	2370	111507
	(68454)	(22074)	(5982)	(3390)	(99900)
Segment Liabilities	26124	14795	7495	1928	50342
	(23670)	(14016)	(3263)	(1771)	(42720)
Capital Expenditure	6699	437	1580	222	8938
	(3388)	(30)	(470)	(370)	(4258)
Depreciation	2036	867	479	164	3546
	(1786)	(871)	(349)	(155)	(3161)

Information about Secondary Business Segments

	(₹ in Lakh)		
Revenue by Geographical Market	Within India	Outside India	Total
External	65192	50187	115379
	(44909)	(52341)	(97250)
Inter Segment	-	-	-
	-	-	-
Total	65192	50187	115379
	(44909)	(52341)	(97250)
Carrying amount of segment assets	111507	-	111507
	(99898)	-	(99898)
Additions to Fixed Assets	8938	-	8938
	(4258)	-	(4258)

* Includes Export incentive received on Export

Notes

Notes :

- (i) The Company is organized into two main business segments, namely:
Tannery Division - Manufacturing Finished Leather from Raw Hides, Wet Blue & Crust.
Shoe Division - Manufacturing Finished Leather Shoes.
Segments have been identified and reported considering the distinct nature of products and differing risks and returns accruing there from, the organization structure, and the internal financial reporting systems.
- (ii) Segmental Revenue in each of the above business segments primarily include domestic and export sales, export incentives and other miscellaneous income and also includes inter Segment transfers, priced at cost plus a predetermined rate of profit.
- (iii) The Segmental Revenue in the geographical segments considered for disclosure are as follows:
(a) Revenue within India includes sales to customers located within India and earnings in India.
(b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- (iv) Segmental Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Note 29 Remittance in Foreign Currency on Account of Dividend

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
No. of Non Resident Shareholders	NIL	NIL
Number of Equity Shares held by them	-	-
Amount of Dividend Paid (Gross)	-	-
Tax Deducted at Source	-	-
Year to which Dividend relates	-	-

Note 30 Related Party Transactions

S. No.	Particulars	For the year ended March 31			
		Volume of Transactions (₹ in Lakh) 2019	Outstanding (₹ in Lakh) as on March 2019	Volume of Transactions (₹ in Lakh) 2018	Outstanding (₹ in Lakh) as on March 2018
1	Purchase				
	Euro Footwear Pvt. Ltd.	11674	890 Cr.	12929	1313 Cr.
	Gempack Enterprises	561	84 Cr.	900	71 Cr.
	Shoemac Leather Tech Engineers Ltd.	170	11 Cr.	185	24 Cr.
	Waves International	-	-	17	-
2	Jobwork expenses				
	Mars International	202	1 Dr.	329	8 Dr.
	Euro Footwear Pvt. Ltd.	4	-	1	-
3	Rent & Maintenance charges Paid				
	Mr. Irshad Mirza	13	5 Cr.	11	-
	Mrs. Jamil Ara Begum	-	-	2	-
	Mrs Sabiha Hussain	4	1 Cr.	4	-
	Shoemac Leather Tech Engineers Ltd.	4	-	4	1 Cr.
	Shoemax Engineering Ltd.	-	-	-	-
4	Sales				
	Euro Footwear Pvt. Ltd.	3359	0 Dr.	3405	-
	Mirza (UK) Ltd.	18214	2152 Dr.	23506	1357 Dr.
	Gempack Enterprises	1	-	-	-
	Shoemac Leather Tech Engineers Ltd.	-	-	1	-
	Mars International	15	12 Dr.	32	-
5	Jobwork income				
	Euro Footwear Pvt. Ltd.	28	-	23	-

Notes

S. No.	Particulars	(₹ in Lakh)			
		Volume of Transactions (₹ in Lakh) 2019	Outstanding (₹ in Lakh) as on March 2019	Volume of Transactions (₹ in Lakh) 2018	Outstanding (₹ in Lakh) as on March 2018
	For the year ended March 31				
6	Guarantee Commission				
	Mr. Irshad Mirza	-	-	152	94 Cr.
	Mr. Rashid Ahmed Mirza	150	23 Cr.	152	102 Cr.
	Mr. Shahid Ahmad Mirza	150	22 Cr.	152	101 Cr.
	Mr. Tauseef Ahmad Mirza	150	23 Cr.	152	98 Cr.
	Mr. Tasneef Ahmad Mirza	150	9 Cr.	152	97 Cr.
7	Salaries				
	To Relatives of Key Management Personnel	192	11 Cr.	156	11 Cr.
8	Managerial Remuneration				
	Directors Remuneration & Perquisites	928	48 Cr.	873	48 Cr.
9	Sitting Fee	2	-	2	-
10	Donation				
	Mirza Foundation	16	-	19	-
11	Corporate Social Responsibilities				
	Mirza Charitable Hospital Limited (formerly Azad Multi Speciality Hospital & Research Centre)	158	-	90	-
	Kilkari Charitable Trust	8	-	8	-

Related Party Disclosure

	Country of incorporation / Designation	Ownership interest		
		March 31, 2019	March 31, 2018	
1. Relationships :				
(a) Subsidiary Companies :				
	Mirza (HK) Limited	Hong Kong	100	100
	Mirza Bangla Limited	Bangladesh	99.9	-
(b) Executive Directors & Key Managerial Personnel				
	Mr. Irshad Mirza	Chairman		5.65
	Mr. Rashid Ahmed Mirza	Managing Director	11.27	9.92
	Mr. Shahid Ahmad Mirza	Whole-Time Director	8.47	7.12
	Mr. Tauseef Ahmad Mirza	Whole-Time Director	14.63	13.27
	Mr. Tasneef Ahmad Mirza	Whole-Time Director	11.74	10.38
	Mr. N. P. Upadhyaya	Whole-Time Director		
	Mr. V.T. Cherian	Chief Financial Officer		
	Mr. Ankit Mishra	Company Secretary		
(c) Non executive Directors				
	Mr. Pashupati Nath Kapoor	Non Executive Director		
	Mr. Subhash Sapra	Non Executive Director		
	Dr. Yashvir Singh	Non Executive Director		
	Mr. Q.N. Salam	Non Executive Director		
	CA Sudhindra Kumar Jain	Non Executive Director		
	Mrs. Vinita Kejriwal	Non Executive Director		
(d) Trust / Society / Firms				
	Mirza Foundation	India		
	Kilkari Charitable Trust	India		
	Mirza Projects	India		

Notes

	Country of incorporation / Designation	Ownership interest	
		March 31, 2019	March 31, 2018
e) Relatives of Executive Directors (with whom transactions have taken place)			
Mr. Shuja Mirza	President (Marketing)	3.44	3.44
Mr. Faraz Mirza	President (Production)	3.99	3.99
Mrs. Sabiha Hussain			1.09
f) Related Companies / LLP			
Shoemax Engineering Ltd.	India		
Shoemac Leather Tech Engineers Ltd.	India		
Mirza Charitable Hospital Ltd.	India		
Tilbrook Enterprises Ltd.	England		
Mirza (UK) Ltd.	England		
Euro Footwear Pvt. Ltd.	India		
EmGee Projects Pvt. Ltd.	India		
Genesisriverview Resorts Pvt. Ltd.	India		
Genesis Infra Projects Pvt. Ltd.	India		
Granule Infra India Pvt. Ltd.	India		
Achee Shoes LLP	India		
Red Tape International LLP	India		
Mirza Holdings LLP	India		
Gemini Products LLP	India		
Parkland Lawns LLP	India		
Majeed Hospitality LLP	India		
Hampton Shoes LLP	India		
Mughal Express LLP	India		
F & R Farms LLP	India		
Gempack Enterprises	India		
Mars International	India		
Waves International	India		
g) Directors in Subsidiary Companies :			
Mr. Shuja Mirza	Director		
Mr. Rajan Wig	Director		

Note 31 Following Payments to Directors are Included in Various Heads of Expenditure :

Particulars	(₹ in Lakh)	
	2019	2018
Salary	919	867
Perquisites	9	6
Sitting Fees	2	2
Guarantee Commission	600	760
Total	1530	1635

Notes

GROUP OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

A) General Information

Mirza International Limited ('The Holding Company') and its subsidiaries, (together referred as 'The Group') are engaged in manufacturing, export and trade of Finished Leather, Footwear and Trader of Footwear and Apparels.

The Holding Company is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange and having its registered office located at 14/6, Civil Lines, Kanpur-208001, Uttar Pradesh, India. The Holding Company is a leading manufacturer & exporter of finished leather, Footwear and trader of footwear and apparels and allied products.

The consolidated financial statements for the year ended on March 31, 2019 were approved for issue by Company's Board of Directors on May 30, 2019.

B) 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 thereof & other relevant provisions of the Act. The financial statements upto the year ended March 31, 2017 were prepared in accordance with accounting standards notified under the Companies (Accounting Standards) Rules, 2016 (as amended) and other relevant provisions of the Act.

C) Basis of Preparation of Financial Statements

These consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary

transactions between market participants at the measurement date.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Notes

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint ventures

Investments in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note I(iii) below.

D) Use of Estimates and Judgement

The preparation of the consolidated 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 consolidated 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 consolidated financial statements.

E) Property Plant and Equipment

- Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Group 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, 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.



Notes

2. Capital Work in Progress – All costs attributable to the assets or incurred in relation to the assets under completion are aggregated under Capital work in progress to be allocated to individual assets on completion.
3. Lease hold land is capitalized with the lease premium paid, direct expenses/interest allocable to it till it is put to use

F) Depreciation & Amortization

1. Depreciation on Building, Plant and machinery, Furniture & fixtures, Vehicles and Computers is provided as per the Straight Line Method (SLM), over the estimated useful lives of assets.
2. Lease hold land are amortized over the useful life remaining from the date, it put to use. The useful life of leasehold land is lease term remaining unexpired.
3. The Group depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act.
4. The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
5. Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.
6. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

G) Borrowing and Borrowing Cost

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised 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 Group 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.

H) Leases

1. **Finance Leases:** Assets acquired under finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the leased term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the leased liability so as to achieve a constant rate of interest on the remaining balance of the liability.
2. **Operating Leases:** Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee, are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

I) Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

1. those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
2. those measured at amortised cost.

The classification depends on the Group business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Notes

Debt instruments:

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

1. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
2. **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Group measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Group management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

J) Inventories

Inventories are valued at the lower of Historic Cost or the Net Realisable Value. Costs are determined as under:

1. **Bought Out Items:** On First in First Out (FIFO) method except raw hides (which is valued at six months average purchase price in case of Indigenous hides and full period weighted average price in case of imported hides). In respect of bought out items where Input Tax Credit is permitted all recoverable taxes are excluded from purchase price for determining the cost.
2. **Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.
3. **Finished Goods:** At direct cost plus allocation of overheads (including interest on working capital) other than Marketing, Selling & Distribution Expenses and Interest on Term Loan.

K) Foreign Currency Transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Group functional and presentation currency.

(ii) Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise

(iii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Notes

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

L) Segment Reporting

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

M) Derivative Instruments and Hedge Accounting

Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

N) Revenue Recognition

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Sale of Goods and Export Incentives- Revenue is recognized upon transfer of control of promised products or services to customers only when it can

be reliably measured and it is reasonable to expect ultimate collection. Revenue in respect of contracts for services is recognized when the services are rendered and related costs are incurred.

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) –'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant

The Group operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry. The expenditure of loyalty programme is netted-off to revenue.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

O) Receivables

Receivables are disclosed in Indian currency equivalent of actually invoiced values Receivables covered by bills of exchange purchased by the Group's bankers are neither shown as assets nor liabilities. Contingent liability in the event of non payment of the same is reflected in the Notes to the Accounts.

P) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Notes

(ii) Leave Encashment

The liabilities for earned leave and sick leave are settled as when accrued within the financial year.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund etc.

Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Group. The interest payable by the Trust is notified by the Government. The Group has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement

date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Q) Taxes on Income

Income tax expense is recognised in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that

Notes

it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period

R) Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

S) Provisions, Contingent Liabilities and Contingent Assets

Provision:

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Contingent Asset:

Contingent asset are neither recognised nor disclosed in the financial statements

T) Events after the Reporting Period

It is the Group's Policy to take in to the account the impact of any significant event that occurs after the reporting date but before the finalization of accounts

U) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorate portion of the depreciation of the assets, to amortize the grant over due life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

V) Impairment of Tangible & Intangible Assets

(i) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected

Notes

credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

W) Operating Cycle for current and Non-Current Classification

Operating cycle for the business activities of the Group covers the duration of the specific product line/ service including the defect liability period wherever applicable

and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

X) Recent Accounting Pronouncements Ind As 116

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 01, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

For DRA & Co
Chartered Accountants
FRN: 006476N

CA. Himanshu Singh
Partner
M. No. 418577

Place : Kanpur
Date : May 30, 2019

Rashid Ahmed Mirza
CMD & CEO

V. T. Cherian
Chief Financial Officer

Ankit Mishra
Company Secretary & Compliance Officer

For & on behalf of the Board of Directors
Shahid Ahmad Mirza
Tauseef Ahmad Mirza
Tasneef Ahmad Mirza
N. P. Upadhyaya
P. N. Kapoor
Q. N. Salam
Sudhindra Kumar Jain
Subhash Sapra
Yashvir Singh

Directors



MIRZA INTERNATIONAL LIMITED

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NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of the Company will be held on Thursday, September 19, 2019, at 01:00 P.M. at the Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur-208002 to transact the following businesses:

As Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors thereon.
2. To declare final dividend for the financial year ended March 31, 2019. The Board recommends a Final Dividend of ₹ 0.90 per Equity Share of ₹ 2/- each, fully paid up.
3. To appoint a Director in place of Mr. Shahid Ahmad Mirza (DIN: 00048990), who retires by rotation and being eligible, offers himself for re-appointment.

As Special Business

4. Ratification of the remuneration payable to Cost Auditor

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 (3) and other applicable provisions of the Companies Act, 2013 and Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), CMA A. K. Srivastava, Cost Accountant (M.No.: 10467) appointed as Cost Auditor by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2019-20, be paid a remuneration of ₹ 30,000/- per annum plus applicable service tax and out of pocket expenses that may be incurred.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Re-appointment of Dr. Yashvir Singh (DIN: 00049360) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), **Dr. Yashvir Singh (DIN: 00049360)**, who will attain age of 75 years on February 03, 2022, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. Re-appointment of Mr. Qazi Salam Noorus (DIN: 00051645) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), **Mr. Qazi Salam Noorus (DIN: 00051645)**, 75 years of age, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby

authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. Re-appointment of CA Sudhindra Kumar Jain (DIN: 00189602) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), **CA Sudhindra Kumar Jain (DIN: 00189602)**, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

8. Re-appointment of Mr. Subhash Sapra (DIN: 00049243) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification (s) or re-enactment thereof, for the time being in force), **Mr. Subhash Sapra (DIN: 00049243)**, 75 years of age, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

9. Appointment of CA Saumya Srivastava (DIN: 08206547) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of **CA Saumya Srivastava (DIN: 08206547)**, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024, be and is hereby approved.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. Appointment of Mr. Sanjay Bhalla (DIN: 00699901) as an Independent Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the



appointment of **Mr. Sanjay Bhalla (DIN: 00699901)**, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024, be and is hereby approved.”

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

11. Appointment of Mr. Shuja Mirza (DIN: 01453110) as Whole-time Director

To consider and if thought fit, to pass, with or without modification (s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to section 196, 197 of Companies Act, 2013 read with schedule V made there under and rule 8 and 14 of Companies (Appointment and Qualification of Directors) Rules, 2014, as amended thereof and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Shuja Mirza, holding DIN: 01453110**, who was appointed as Additional Director of the Company w.e.f. June 01, 2019, to hold office upto this AGM, be and is hereby now appointed as Whole-Time Director of the Company for a period of 3 years w.e.f June 01, 2019“, on such terms and conditions including remuneration as set out in the Explanatory Statement, with liberty to the Board of Directors (hereinafter referred to as THE BOARD which term shall include the Nomination and Remuneration Committee of the Board) at alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT where in any Financial Year during the tenure of Whole Time Director, the Company has no profits or its profits are inadequate, Mr. Shuja Mirza, (DIN: 01453110) Whole Time Director shall be entitled to remuneration by way of salary and perquisites, benefits and amenities as specified supra, not exceeding the ceiling laid down in schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the terms and conditions of re-appointment including remuneration as above may be varied, altered or modified from time to time during the tenure of Mr. Shuja Mirza as

Whole Time Director of the Company in compliance with the provisions of the Companies Act, 2013, or any amendment(s) or modification(s) thereof for time being in force.

RESOLVED FURTHER THAT Board of Director of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient in this regard to give effect to this resolution.

12. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Special Resolution:

“RESOLVED THAT in supersession of the Special Resolution passed in the Annual General Meeting dated 20.09.2014 and pursuant to provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013, and the rules made there-under, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing for and on behalf of the Company, from time to time, any sum or sums of monies, on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up share capital, its free reserves and securities premium of the Company, that is to say, reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed at any time shall not exceed ₹ 1500 Crores (One Thousand five hundred Crores).

RESLOVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to prepare, finalise and execute all such deeds, documents and writings as may be necessary for creating the aforesaid mortgage and/or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the above Resolution.”

13. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Special Resolution passed in the Annual General Meeting dated 20.09.2014 pursuant to section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made there-under, consent of the company be and is hereby accorded to the Board of Directors (“the Board”) for the creation of mortgages and /or charges in addition to the existing mortgage(s)/ charge(s) created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine on all or any part of the movable and/or immovable properties of the Company, wherever situated both present and

future and the whole or any part of the undertaking or undertakings of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of Indian and/or Foreign Financial Institutions, Investment Institutions and their subsidiaries, Banks, Mutual Funds, Trusts and other Bodies Corporate (hereinafter referred to as the 'Lending Agencies')/ Trustees for the holders of Debentures/ bonds or other instruments which may be issued on private placement basis or otherwise, to secure Term loans, Working Capital arrangements, Guarantee assistance, Debentures, External Commercial Borrowings, Commercial Papers and all other types of indebtedness and financial assistance availed and/or to be availed by the Company upto an aggregate value not exceeding ₹1500 crores (Rupees One Thousand five hundred Crores) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies as may be payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements and other documents to be executed by the company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to prepare, finalise and execute all such deeds, documents and writings as may be necessary for creating the aforesaid mortgage and/or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the above Resolution."

14. Consent for continuation of directorship of Mr. Narendra Prasad Upadhyaya (DIN: 00049196) as Whole Time Director

To consider and it thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

RESOLVED FURTHER THAT pursuant to Section 196(3) and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby also accorded to the continuance of directorship of **Mr. Narendra Prasad Upadhyaya (DIN: 00049196)**, who has attained the age of 70 years on January 10, 2019, as Whole Time Director of the Company, to hold office for remaining terms of his appointment i.e. upto September 30, 2020 on the existing terms and conditions as approved by way of Special Resolution at the 38th Annual General Meeting of the Company held on September 28, 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary,

expedient and desirable for the purpose of giving effect to this resolution."

15. Consent for continuation of directorship of Mr. Qazi Salam Noorus (DIN: 00051645) as Non-Executive Director

To consider and it thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby also accorded to continuance of directorship of **Mr. Qazi Salam Noorus (DIN: 00051645)**, who has attained the age of 75 years on July 08, 2019, as Non-Executive Independent Director of the Company, to hold office for remaining terms of his appointment upto the conclusion of the 40th Annual General Meeting of the Company on the existing terms and conditions as mentioned in the letter of appointment dated October 10, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

16. Consent for continuation of directorship of Mr. Subhash Sapra (DIN: 00049243) as Non-Executive Director

To consider and it thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby also accorded to continuance of directorship of **Mr. Subhash Sapra (DIN: 00049243)**, who has attained the age of 75 years on December 25, 2016, as Non-Executive Independent Director of the Company, to hold office from April 01, 2019 for remaining terms of his appointment i.e upto the conclusion of the



40th Annual General Meeting of the Company on the existing terms and conditions as mentioned in the letter of appointment dated October 10, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

17. Consent for continuation of directorship of Mr. Pashupati Nath Kapoor (DIN: 00058126) as Non-Executive Director

To consider and it thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby also accorded to continuance of directorship of **Mr. Pashupati Nath Kapoor (DIN: 00058126)**, who has attained the age of 75 years on August 09, 2012, as Non-Executive Independent Director of the Company, to hold office from April 01, 2019 for remaining terms of his appointment i.e upto the conclusion of the 40th Annual General Meeting of the on the existing terms and conditions as mentioned in the letter of appointment dated October 10, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

18. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15(3)

of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), consent of the Company be and is hereby accorded for entering into transactions with **Euro Footwear Private Limited**, a ‘Related Party’ as defined under Section 2(76) of the Companies Act, 2013 and SEBI LODR, with effect from October 1, 2019 to September 30, 2020 upto the maximum amount per annum as stated in explanatory statement.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and is hereby authorised to settle any questions, difficulty, or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary, proper desirable and to finalise any documents and writings related thereto.”

19. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), consent of the Company be and is hereby accorded for entering into transactions with **Mirza (U.K) Limited**, a ‘Related Party’ as defined under Section 2(76) of the Companies Act, 2013 and SEBI LODR, with effect from October 1, 2019 to September 30, 2020 upto the maximum amount per annum as stated in explanatory statement.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and is hereby authorised to settle any questions, difficulty, or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary, proper desirable and to finalise any documents and writings related thereto.”

By the Order of the Board

For **MIRZA INTERNATIONAL LIMITED**

(Ankit Mishra)

Company Secretary &
Compliance Officer

Place: New Delhi
Date : August 09, 2019

Notes for Members' Attention

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules framed thereunder, in respect of the Special Business under Item Nos. 4 to 13 of the accompanying Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE FORTIETH ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS / HER BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.

In terms of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as a proxy on behalf of the Members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members. The holder of proxy shall prove his identity at the time of attending the meeting.

3. Information as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment/re-appointment at the AGM is provided hereunder.
4. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed and forms part of this Notice.
5. Pursuant to Section 113 of the Companies Act, 2013 and Rules framed thereunder, the corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution and Power of Attorney, if any, authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. Any Member desirous of receiving any information on the Financial Statements or operations of the Company is requested to forward his / her queries to the 'Secretarial and Compliance Department' of the Company at the Registered Office at least seven working days prior to the AGM, so that the required information can be made available at the AGM.
7. Pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the unfortunate event of their death. Members holding shares in physical mode should file their nomination with the Company or with M/s. Karvy Fintech Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company, at their address given in the Annual Report, whilst those Members holding shares in demat / electronic mode should file their nomination with their Depository Participants (DPs).
8. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Share Transfer Books and Register of Members of the Company will remain closed from Thursday, September 12, 2019 to Thursday, September 19, 2019 (both days inclusive).
9. Dividend on Equity Shares, as recommended by the Board of Directors of the Company, for the financial year ended March 31, 2019, if declared, at the AGM, will be paid to:
 - i. those Members whose names appear in the Register of Members of the Company at the end of business hours on Wednesday, September 11, 2019, after giving effect to all valid share transfers in physical mode lodged with the Company / RTA on or before Wednesday, September 11, 2019.
 - ii. those 'Beneficial Owners' entitled thereto, in respect of shares held in electronic mode, whose names shall appear in the statements of beneficial ownership furnished by respective Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on Wednesday, September 11, 2019.
10. Members holding shares in physical mode are requested to immediately notify any change in their address along with self-attested copy of address proof i.e., Aadhaar Card / Electricity Bill / Telephone Bill / Driving License / Passport / Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified / submitted directly to their respective DPs.
11. Pursuant to Regulation 12 of the Listing Regulations read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details



furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.

12. In all correspondence with the Company, Members holding shares in physical mode are requested to quote their Folio numbers and in case their shares are held in the dematerialized mode, Members are requested to quote their DP Id and Client Id.
13. Pursuant to erstwhile Section 205 of the Companies Act, 1956, all unclaimed / unpaid dividends were transferred to the General Revenue Account of the Central Government. Consequent upon amendments of erstwhile Sections 205A and 205C of the Companies Act, 1956 and introduction of Sections 124 and 125 of the Companies Act, 2013, and subsequent amendments thereof, the amount of dividend for the subsequent years remaining unclaimed / unpaid for a period of seven years or more from the date they first become due for payment, including the amounts which were transferred to General Revenue Account, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India.
14. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Company has transferred 89,416 underlying Equity Shares, in aggregate in respect of 124 Members on which dividends remained unpaid or unclaimed for a period of seven consecutive years or more, to the Demat Account of IEPF Authority maintained with National Securities Depository Limited (NSDL).
15. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the IEPF

Rules as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed/ unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority. In this regard, the Company had informed the Members concerned through letter(s) and subsequently through publication of Notice(s) in daily Newspapers, viz., Business Standard (Hindi and English) dated August 06, 2019 advising them to claim their unclaimed / unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website, i.e., www.mirza.co.in, the complete list of Members along with relevant details pertaining to unclaimed / unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat Account of the IEPF Authority. Members may view the aforesaid details on the website of the Company, i.e., www.mirza.co.in under the 'Investor Relations' category.

16. Members are informed that once the unclaimed / unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend/ shares. The eligible Members are entitled to claim such unclaimed / unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claim. Relevant details and the specified procedure to claim refund of dividend amount / shares along with an access link to the refund webpage of IEPF Authority's website for claiming the dividend amount / shares has been provided on the Company's website, i.e., www.mirza.co.in under the "Investor Relations" category.
17. All members who have either not received or have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2012 till the financial year ended March 31, 2018 are requested to write to the Company's Registrar and Share Transfer Agent i.e. M/s Karvy Fintech Private Ltd., Karvy Selenium Tower B, 6th Floor, Plot No. 31-32 Gachibowli Financial District, Nanakramguda, Hyderabad- 500 032 for obtaining duplicate dividend warrant without any further delay.

18. During the financial year ended March 31, 2019, the Company has deposited a sum of ₹ 5,43,312/- (Rupees Five Lakh Forty Three Thousand Three Hundred Twelve only) into the specified bank account of the IEPF, Government of India, towards unclaimed / unpaid dividend for the financial year 2010-11. The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Dividend for the Financial Year Ended	Due Date for Transfer to IEPF
March 31, 2012	28/10/2019
March 31, 2013	20/10/2020
March 31, 2014	25/10/2021
March 31, 2015	28/10/2022
March 31, 2016	28/10/2023
March 31, 2017	27/10/2024
March 31, 2018	26/10/2025

19. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the 'Secretarial and Compliance Department' of the Company at the Registered Office or to M/s. Karvy Fintech Pvt. Limited, the Registrar and Share Transfer Agent (RTA) of the Company. In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders). Members are also requested to submit original cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant (s).

20. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax Permanent Account Number (PAN) Card. Additionally, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s).

21. Members are requested to bring and produce the Attendance Slip duly signed as per the specimen signature recorded with the Company / DPs for admission to the AGM Hall.

22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members of the Company without payment of fees at the Registered Office of the Company at 14/6, Civil Lines, Kanpur - 208 001. Inspection by the Members can be done on any working day between 10:00 a.m. to 05:00 p.m. upto the date of AGM of the Company and shall also be available at the venue of the AGM.

23. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 28, 2017.

24. Instructions for Remote E-voting

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by the Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The instructions for remote e-voting are as under:
 - A. In case a Member receives an e-mail from Karvy [for members whose email ID are registered with the Bank/ Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. USER ID and password). In case of physical folio, USER ID will be EVEN number followed by folio number. In case of Demat account , USER ID will be your DP ID and Client ID. However, if you are already registered with Karvy for remote e-voting, you can use your existing User ID and password for casting your vote.



- iii. After entering the details appropriately, click on LOGIN.
 - iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case [A-Z], one lower case [a-z], one numeric value (0-9) and a special character (@,#,\$ etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the EVENT i.e MIRZA INTERNATIONAL LIMITED.
 - vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head
 - viii. Shareholders holding multiple Folios/ Demat account shall choose the voting process separately for each Folios/ Demat Account.
 - ix. Cast your vote by selecting an appropriate option and click on **SUBMIT**. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to Modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution(s).
 - x. Corporate/ Institutional shareholders [i.e. other than individuals, HUF, NRI, etc] are required to send scanned copy [PDF/JPG Format] of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory [ies] who are authorized to vote, to the Scrutinizer through e-mail at **kn.shridhar@gmail.com** with a copy marked to **evoting@karvy.com**.
 - xi. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- B. In case of Members receiving physical copy of Notice [for members whose email IDS are not registered with the Bank/ Depository Participant(s)]
- i. Remote E-voting Event Number (even), USER ID and Password is provided in E-voting Form.
 - ii. Please follow all steps from SL. No. (i) to (xi) above to cast your vote by electronic means
- Other Instructions:**
- i. The e-voting portal will be open for voting from Monday, September 16, 2019 (09:00 A.M.) to Wednesday, September 18, 2019 (05:00 P.M.). During the period, Members of the Company, holding shares either in physical form or in dematerialised form, as on cut-off date, Wednesday, September 11, 2019, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on record date.
 - iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User

Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mrs. C Shobha Anand of Karvy Fintech Pvt. Ltd. At 040-67162222 or at 18003454001 (toll free)

- iv. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - v. The results of e-voting will be placed by the company on its website : www.mirza.co.in within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
 - vi. The resolutions proposed will be deemed to have been passed on the date of the Annual General Meeting subject to receipt of the requisite number of votes in favour of the resolutions.
- vii. CS K.N. Shridhar, proprietor of **K.N. SHRIDHAR & ASSOCIATES**, Practising Company Secretary, [Membership No. 3882, C.P No. 2612] has been appointed as the Scrutinizer to scrutinize the e-voting process and also for conduct of poll by members.
25. Electronic copy of the Notice convening the 40th Annual General Meeting of the Company and the Annual Report along with Attendance Slip and Proxy Form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 40th Annual General Meeting of the Company along with the Annual Report, E-voting Form, Attendance slip and Proxy form is being sent to the members in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notice, Circular etc. from the Company in electronic mode.

26. The details required to be given in pursuance of Regulation 36 (3) of the SEBI (LODR), Regulations, 2015 for appointment/re-appointment of Directors are as under:

Name of Director	Mr. Shahid Ahmad Mirza	Dr. Yashvir Singh	Mr. Qazi Salam Noorus	Mr. Pashupati Nath Kapoor	Mr. Subhash Sapra	CA Sudhindra Kumar Jain	CA Saumya Srivastava	Mr. Sanjay Bhalla	Mr. Shuja Mirza
DIN	00048990	00049360	00051645	00058126	00049243	00189602	08206547	00699901	01453110
Date of Birth	13/12/1957	03/02/1947	08/07/1944	09/08/1937	25/12/1941	23/05/1956	02/01/1986	14/12/1959	23/01/1981
Qualification	Diploma in Leather Technology, UK	M.Sc., M.Phil, PhD	Senior Advocate	B.Tech (Mech) IIT & M.S. (Mech) Chicago	B.Tech (Mech)	M.Com., LLB, FCA	B.Com., M.Com., FCA	B.Tech, Chemical	Graduate in Science (Computer Information System and telecommunication) from California State University, USA
Date of Appointment	01/10/2017	08/07/1994	08/07/1994	08/07/1994	08/03/2002	30/07/2008	09/08/2019	09/08/2019	01/06/2019
Expertise	Overall Incharge of Shoe Division of the Company and Purchases of Local Raw Material and Equipment for the Shoe Division	Rich and varied experience of more than two and half decades in industry, Government Bodies and Institutions	Rich and varied experience of around 50 years in the Legal Profession	Rich and vast experience of around 51 years in the Engineering Industry business in India and abroad.	Rich and vast experience in the field of Water/Waste Water Sewage Treatment Systems	Practicing Chartered Accountant having rich & varied experience of around 39 years in the field of Finance, Taxation & Accounting	Practicing Chartered Accountant having rich & varied experience of around 10 years in the field of Finance, Taxation & Accounting	Rich and varied experience of around 30 years in the Chemical Engineering	Rich experience in the field of marketing. He is associated with the marketing operations of the Company in the domestic sector since October, 2006
Relationships between Directors	Whole-Time Directors are Brothers Except Mr. NP Upadhyaya	Independent from the Management	Independent from the Management	Independent from the Management	Independent from the Management	Independent from the Management	Independent from the Management	Independent from the Management	Son of Mr. Rashid Ahmed Mirza and Nephew of whole-time Directors except Mr. NP Upadhyaya



Name of Director	Mr. Shahid Ahmad Mirza	Dr. Yashvir Singh	Mr. Qazi Salam Noorus	Mr. Pashupati Nath Kapoor	Mr. Subhash Sapra	CA Sudhindra Kumar Jain	CA Saumya Srivastava	Mr. Sanjay Bhalla	Mr. Shuja Mirza
Other Directorships	1. Euro Footwear Private Limited 2. Emgee Projects Private Limited 3. Genesis Infraprojects Private Limited	-	-	-	UEM Trading Private Limited	Merchant Chamber of Uttar Pradesh	Nuvanta Infradevelopers Private Limited	Silver Spark Private Limited	1. Aarem Heights Private Limited 2. Genesis River View Resorts Private Limited 3. Granule Infra India Private Limited
Chairman/ Membership of Committees	-	Nomination & Remuneration Committee-Member	Audit Committee-Member, Nomination & Remuneration Committee-Member & Stakeholders Relationship Committee-Member	Audit Committee-Member, Nomination & Remuneration Committee-Chairperson & Stakeholders Relationship Committee-Chairperson	Audit Committee-Member	Audit Committee-Chairperson, Nomination & Remuneration Committee-Member & Stakeholders Relationship Committee-Member	-	-	-
Shareholding in the Company	10188270 Shares i.e 8.47%	-	-	-	-	-	-	-	7140000 shares i.e 5.93%

By the Order of the Board

For MIRZA INTERNATIONAL LIMITED

(Ankit Mishra)

Company Secretary &
Compliance OfficerPlace: New Delhi
Date : August 09, 2019**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4:**

In accordance with Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of CMA A.K. Srivastava, Cost Auditor of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending March 31, 2020, at a remuneration of ₹ 30,000/- per annum plus applicable service tax and out of pocket expenses that may be incurred.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5 to 8:

Pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), **Dr. Yashvir Singh, Mr. Qazi Salam Noorus, CA Sudhindra Kumar Jain & Mr. Subhash Sapra** were appointed as Independent Directors at the Thirty-Fifth Annual General Meeting of the Company and they hold office till the conclusion of the 40th Annual General Meeting and they are eligible for re-appointment and they meet the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and they had submitted a declaration to that effect and in respect of whom the Company has received

a Notice in writing from a Member under Section 160(1) of the Act proposing their candidature for the office of Director followed by approval of the same from Nomination and Remuneration Committee of the Board of Directors of the Company at their meeting held on May 30, 2019.

Mr. Qazi Salam Noorus and Mr. Subhash Sapra are more than 75 years of age and Dr. Yashvir Singh, will attain the age of 75 years on February 03, 2022. Keeping in view the Educational Qualification and rich professional experience in their respective fields and their more than 10 years association with the Company, Board is of opinion that Dr. Yashvir Singh, Mr. Qazi Salam Noorus, CA Sudhindra Kumar Jain and Mr. Subhash Sapra are the persons of integrity and their association as Non-Executive Independent Director will be beneficial and is in the best interest of the Company.

Brief profile of Directors seeking re-appointment:

Name of Director	Dr. Yashvir Singh	Mr. Qazi Salam Noorus	CA Sudhindra Kumar Jain	Mr. Subhash Sapra
DIN	00049360	00051645	00189602	00049243
Date of Birth	03/02/1947	08/07/1944	23/05/1956	25/12/1941
Qualification	M.Sc., M.Phil, PhD	Senior Advocate	M.Com, LLB, FCA	B.Tech (Mech)
Date of Appointment	08/07/1994	08/07/1994	30/07/2008	08/03/2002
Expertise	Rich and varied experience of more than two and half decades in industry, Government Bodies and Institutions	Rich and varied experience of around 50 years in the Legal Profession	Practicing Chartered Accountant having rich & varied experience of around 39 years in the field of Finance, Taxation & Accounting	Rich and vast experience in the field on Water / Waste Water Sewage Treatment Systems
Other Directorships	-	-	Merchant Chamber of Uttar Pradesh	UEM Trading Pvt. Ltd.
Chairman/Membership of Committees	Nomination & Remuneration Committee- Member	Audit Committee- Member, Nomination & Remuneration Committee- Member & Stakeholders Relationship Committee-Member	Audit Committee-Chairperson, Nomination & Remuneration Committee- Member & Stakeholders Relationship Committee- Member	Audit Committee- Member
Shareholding in the Company	-	-	-	-

In the opinion of the Board, the Independent Directors fulfill the conditions specified in sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") such Independent Directors are independent of the Management.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolutions as set out in Item No. 5 to 8 of this notice.

Accordingly, the consent of the members is sought for passing Special Resolution(s) as set out at Item No. 5 to 8 of the Notice for re-appointment as Independent Director's of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024."

The Board recommends the resolution set forth in Item No. 5 to 8 for the approval of the Members.

Item No. 9 to 10

Pursuant to Sections 149, 152 and Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") **CA Saumya Srivastava (DIN: 08206547) & Mr. Sanjay Bhalla (DIN: 00699901)** were appointed by the Board of Directors as Additional Directors of the Company with effect from August 09, 2019 and they hold office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 63 of the Articles of Association of the Company but they are eligible for appointment and in respect of them the Company has received a notice in writing from a Members under Section 160(1) of the Act proposing their candidature for the office of Director of the Company, be and are hereby appointed as Directors of the Company.

**Brief profile of directors seeking appointment are:**

Name of Director	CA Saumya Srivastava	Mr. Sanjay Bhalla
DIN	08206547	00699901
Date of Birth	02/01/1986	14/12/1959
Qualification	B.Com., M.Com., FCA	B.Tech, Chemical
Date of Appointment	09/08/2019	09/08/2019
Expertise	Practicing Chartered Accountant having rich & varied experience of around 10 years in the field of Finance, Taxation & Accounting	Rich and varied experience of more than 20 years in the Engineering and business
Other Directorships	Nuvanta Infradevelopers Private Limited	Silver Spark Private Limited
Chairman/Membership of Committees	-	-
Shareholding in the Company	-	-

In the opinion of the Board, the Independent Directors fulfill the conditions specified in sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") such Independent Directors are independent of the Management.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 09 & 10 of the Notice for Appointment as an Independent Directors of the Company, not liable to retire by rotation, to hold office for a term of five years commencing with effect from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2024."

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 09 & 10 of the Notice.

The Board recommends the resolution set forth in Item No. 09 & 10 for the approval of the Members.

Item No. 11

Board of Directors of the Company on the recommendation of Nomination and Remuneration committee at their respective meetings held on May 30, 2019 had appointed Mr. Shuja Mirza as Additional Director (Executive) of the Company to hold office as such upto the date of Annual General Meeting. Prior to this, Mr. Shuja Mirza was working as the President (Marketing) of the Company and under his leadership, Company has been able to achieve all time record turnover of ₹ 1000 crore and has seen tremendous expansion in domestic Indian market.

Company has received a recommendation from member of the Company followed by approval of the same from

Nomination and Remuneration committee of the Board of Directors of the Company at their meeting held on August 09, 2019 for confirmation of his appointment as Whole-Time Director of the Company for a period of 3 years w.e.f June 01, 2019 on the following terms and conditions:

Remuneration by way of Salary, Dearness Allowance, Perquisites, Performance Based Bonus, Commission, medical reimbursements of self and spouse and other Allowance not exceeding a sum of ₹ 25 Lakh per month i.e., ₹ 3.00 Crore per annum, as may be finalised in consultation with the appointee.

In addition to the Salary, Allowances and Perquisites as above, the Whole-Time Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified as above:

- Gratuity- As per the Rules of the Company and applicable statutory provisions, if any, from time to time.
- Leave Encashment - As per the rules of the Company but not exceeding one month for every eleven months of completed service and un-availed leaves will be allowed to be encashed at the end of the tenure.
- Conveyance- The Company shall provide one fully insured car with driver for discharge of official responsibilities by the Director.
- Telephone, Telefax and other communication facilities - The Company shall provide/ reimburse expenses in respect of one or more cellular phones(with handset) for his use, and Telephone connections with STD & ISD facilities, fax connections, Cable Internet connections and other communication facilities at the Director's residence.
- Security- The Company shall provide for round the clock security at the Director's residences

According to Schedule-V, Part-II of the Companies Act, 2013, the Statement containing the following information:

I. General Information

1. Nature of Industry: **Fashion Industry**
2. Date or expected date of commencement of commercial production: **N/A**
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **N/A**
4. Financial performance based on given indicators

Particulars	₹ in Lacs	
	2018-19	2017-18
Turnover	1,151.70	972.09
Profit Before Tax	75.97	117.84
Profit After Tax	48.78	78.42

5. Foreign investments or collaborations, if any. **NIL**

II. Information about the appointee:

1. Background details: **Mr. Shuja Mirza is the son of Mr. Rashid Ahmed Mirza CMD of the Company. He is a graduate in Science (Computer Information System & Telecommunication) from California State University, USA. He is associated with the Company since 2006.**
2. Past remuneration: **₹ 1,20,00,000/- p.a. Salary plus ₹ 10,00,000/- as Medical.**
3. Recognition or awards: **NIL**
4. Job profile and his suitability **His job is to head the domestic expansion of the Company. He is associate with the Company since 2006 and his last designation was President (Marketing) of the Company. He leads to the company to touch ever highest domestic turnover of more than ₹ 600 crore.**
5. Remuneration proposed: **As set out above.**
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin): **His remuneration is commensurate with the size and nature of industry and his job profile.**
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: **He is the son of Chairman and Managing Director of the Company.**

III. Other information:

1. Reasons of loss or inadequate profits: **Inadequate profit under section 198 of Companies Act, 2013, to pay the remuneration comparable with role, experience, past achievements of the managerial personnel. Company is aggressively investing in domestic expansion positive outcome of which are likely to be seen in coming years.**
2. Steps taken or proposed to be taken for improvement: **Domestic sale is already improved and company will see its positive impact in profit in future.**
3. Expected increase in productivity and profits in measurable terms: **More than 50%.**

The approval of members is therefore, sought for the appointment of Mr. Shuja Mirza as Whole-time Director of the Company. Mr. Shuja Mirza shall be liable to retire by rotation as Director of the Company during his tenure of Whole-time Director of the Company

None of the Directors except Mr. Rashid Ahmed Mirza, Chairman & Managing Director, Mr. Shahid Ahmad Mirza, Mr. Tauseef Ahmad Mirza, Mr. Tasneef Ahmad Mirza, Whole-time Directors of the Company being relatives, are concerned or interested in resolution.

Accordingly, the consent of the members is sought for passing an Special Resolution as set out at Item No. 11 of the Notice for Appointment as Whole-Time Director of the Company.

The Board recommends the resolution set forth in Item No. 11 for the approval of the Members.

Item No.12 to 13

In terms of Section 180(1)(c) borrowings by a Company apart from temporary loans obtained from the Company's bankers in excess of its paid-up share capital, its free reserves and securities premium of the Company, require the approval of the Members by way of special resolution.

Section 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Members of the Company vide resolution passed in the Annual General Meeting dated September 20, 2014, approved the borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 1000 Crores (Rupees One Thousand Crores).



Keeping in view the long term expansion plans of the Company, Board of Directors at their meeting held on August 09, 2019, decided to raise this limit up to ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores) and approved the borrowings over and above the aggregate of paid-up share capital, its free reserves and securities premium of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores).

The Board recommends the Special Resolutions at Item No. 12 & 13 for approval by the Members

None of the Directors of the Company is concerned or interested in the resolution.

Item No.14

Section 196 of Companies Act, 2013 mandates that no Company shall appoint or continue the directorship of managing director, whole-time director or manager who has attained the age of seventy years unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Narendra Prasad Upadhyaya, aged 75 years, was appointed as Whole Time Director of the Company at 38th Annual General Meeting of the Company held on September 28, 2017 to hold office as such for a period of 3 years w.e.f. October 01, 2017. His continuation as Whole Time Director shall require approval of members by way of special resolution. A brief justification for the same is as under:

Mr. Narendra Prasad Updhyaya is B.Tech (Mech) and Post Graduate Diploma in Business Management and has rich professional experience of more than 20 years in leather industry. He has been associated as the Director of the Company since 1997. He is over all incharge of Unit -V of the Company situated at site -II, Unnao.

The Board of Directors is of the opinion that Mr. Narendra Prasad Upadhyaya possess relevant expertise and vast experience and his association a Whole-Time Director will be beneficial and in the best interest of the Company. The Board recommends the special resolution as set out at item no. 14 of this Notice for approval by the members.

Except Mr. Narendra Prasad Upadhyaya, none of the Directors and / or Key Managerial Personnel of the Company and /or their relatives are, in any way, concerned or interested, financially or otherwise, the Special Resolution.

Item No.15 to 17

As per Regulation 17(1A) of the Listing Regulations, with effect from April 01, 2019, no listed company shall appoint or continue the directorship of a non-executive who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Qazi Salam Noorus, Mr. Subhash Sapra and Mr. Pashupati Nath Kapoor was appointed as Non-Executive Directors of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV thereto and Rules made there under, for a term of 5(five) consecutive years with effect from the date of 35th Annual General Meeting held on September 20, 2014 upto the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019.

Mr. Qazi Salam Noorus, Mr. Subhash Sapra and Mr. Pashupati Nath Kapoor had attained age of 75 years on July 08, 2019, December 25, 2016 and August 09, 2012 respectively and their continuation as Non-Executive Directors with effect from April 01, 2019 or the date of attaining 75 years of age, whichever is later, shall require approval of members by way of special resolution.

Brief justification for the same is under:

Mr. Qazi Salam Noorus, Mr. Subhash Sapra and Mr. Pashupati Nath Kapoor are qualified and have vast experience and expertise in their respective fields relevant for the business of the Company. They are associated with the Company from more than 15 years and are advising the Board on different matters. The Board of Directors is of the opinion that they are the person(s) of integrity and their association as Non-Executive Independent Director are beneficial and in the best interest of the Company.

They fulfill all conditions specified by applicable laws for the position of Independent Directors of the Company. The Company has also received necessary declarations from them that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations. Further, they also confirmed that they are not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013. The Board recommends the Special Resolution as set out in this Notice for approval by the members.

Except Mr. Qazi Salam Noorus, Mr. Subhash Sapra and Mr. Pashupati Nath Kapoor, none of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution.

Relevant details relating to continuation of Directorship of Directors as required under the Act, Listing Regulations and Secretarial Standards (SS-2) are provided as under:

Brief Profile of Director Seeking Continuation of Directorship

Name	Mr. Qazi Salam Noorus (DIN: 00051645)	Mr. Subhash Sapra (DIN: 00049243)	Mr. Pashupati Nath Kapoor (DIN: 00058126)
Date of Birth	08/07/1944	25/12/1941	09/08/1937
Date of first appointment on the Board	08/07/1994	08/03/2002	08/07/1994
Qualification	Senior Advocate	B.Tech (Mech)	B.Tech (Mech) IIT & M.S. (Mech) Chicago
Experience and Expertise in specific functional area	Rich and varied experience of around 50 years in legal profession.	Rich and vast experience in the field on Water / Waste Water Sewage Treatment Systems	Rich and vast experience of around 50 years in the Engineering Industry business in India and abroad.
Terms & Conditions of re-appointment	As per Company's Policy on Nomination, Remuneration and Board diversity.		
Remuneration last drawn	₹ 50000/- (Sitting fee)	₹ 30000/- (Sitting fee)	₹ 50000/- (Sitting fee)
Other Directorships	NIL	UEM Trading Pvt. Ltd.	NIL
Chairman / Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL	NIL
Shareholding in Mirza International Ltd.	NIL	NIL	NIL
Relationship with other Directors and KMPs of the Company	NIL	NIL	NIL
No. of Board Meetings attended during the financial year 2018-19	4	2	4

Item No.18 & 19

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The proviso to section 188 states that nothing in section 188 (1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

Sl. No.	Name	Name of Interested Director	Nature of Relationship	Terms of Contract/ arrangements	Nature of Contract	Duration 01.10.2019-30.09.2020
1	Euro Footwear Private Limited	Mr. Rashid Ahmed Mirza Mr. Shahid Ahmad Mirza Mr. Tauseef Ahmad Mirza Mr. Tasneef Ahmad Mirza Mr. Shuja Mirza	Related Party u/s 2 (76)(iv) of the Companies Act, 2013	For the purpose of Purchase of Footwear and other Components, Jobwork charges & sale of Leather	Purchase/ Jobwork/Sale	Upto ₹ 350 crore
2	Mirza (U.K) Limited	Mr. Rashid Ahmed Mirza Mr. Shahid Ahmad Mirza Mr. Tauseef Ahmad Mirza Mr. Tasneef Ahmad Mirza Mr. Shuja Mirza	Related Party u/s 2 (76)(iv) of the Companies Act, 2013	For the purpose of Sale of Shoes	Sale of footwear	Upto ₹ 650 crore

The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on May 30, 2019 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval. The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company.

The Board, therefore, recommends the Resolution set out at Item No. 18 and 19 of the Notice for the approval of the Members in terms of Regulation 23 (4) of the SEBI LODR.

None of the Directors or Key Managerial Personnel of the Company and their relatives except as above are concerned or interested, financially or otherwise, in this resolution.

By the Order of the Board

For MIRZA INTERNATIONAL LIMITED

(Ankit Mishra)

Company Secretary &
Compliance Officer

Place: New Delhi
Date : August 09, 2019

Notes

A series of horizontal dotted lines for writing notes.

MIRZA INTERNATIONAL LIMITED

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

40th ANNUAL GENERAL MEETING

ATTENDANCE SLIP



Master Folio :	DP ID** :
No. of Shares :	Client ID** :

I hereby record my presence at the 40th Annual General Meeting of the Company at Auditorium of Directorate of Extension, Chandra Shekhar Azad (CSA) University of Agriculture and Technology, Nawabganj, Kanpur-208002 on Thursday, September 19, 2019.

I am a shareholder of the Company*

I am a Proxy/Authorised Representative of the shareholders(s)*

My name is _____

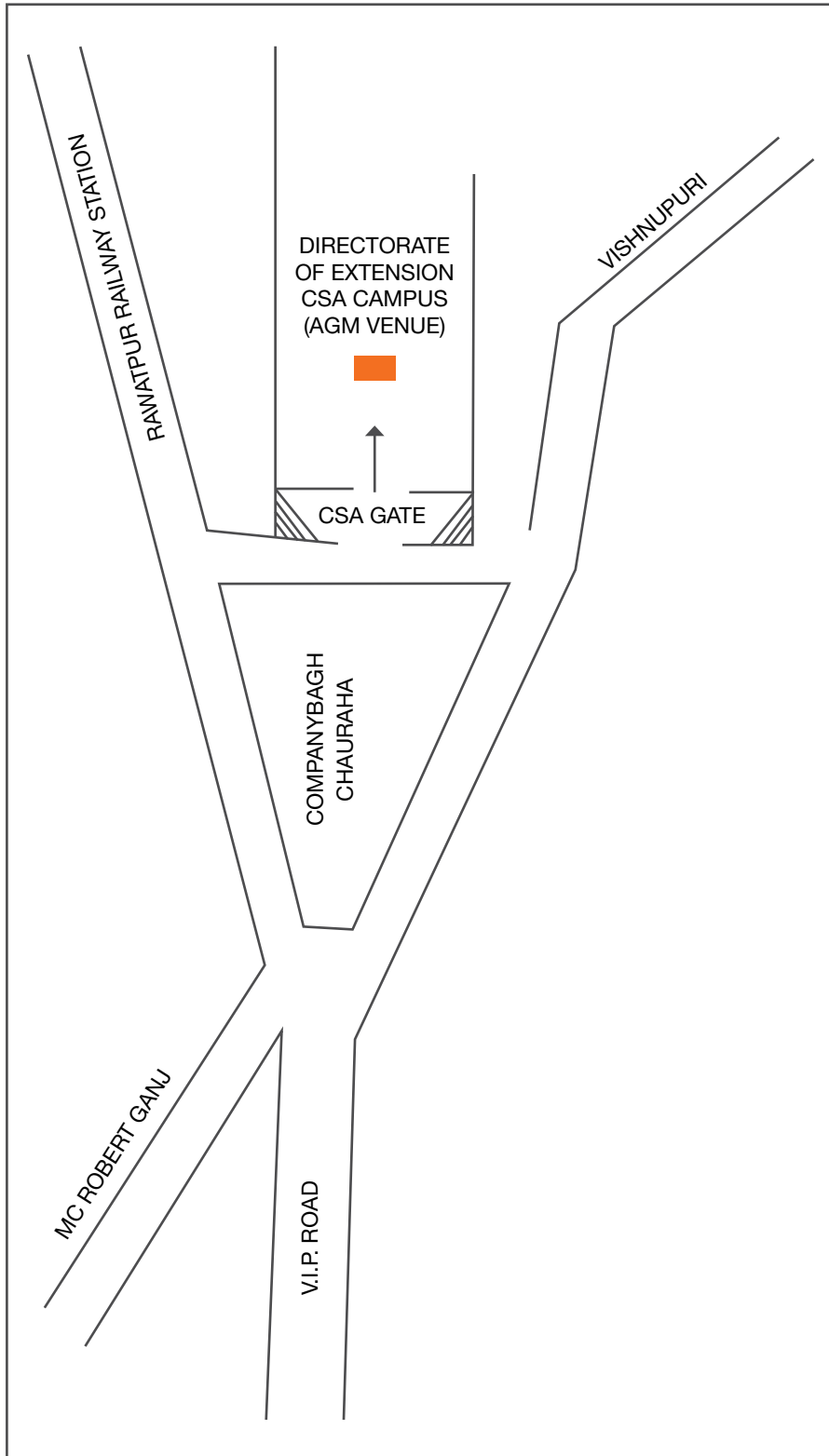
_____ (Surname) _____ (First Name) _____ (Second Name) _____

* Please strike off any one which is not applicable.

** Applicable for shareholders holding shares in electronic form.

- Note :**
- 1) Shareholder/Proxy who wishes to attend the meeting must bring the Attendance Slip at the meeting and hand over the same at the entrance, duly signed.**
 - 2) No gifts would be given to Shareholders for attending the AGM, as per SEBI instructions.**

ROUTE MAP OF THE AGM VENUE





MIRZA INTERNATIONAL LIMITED

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

40th ANNUAL GENERAL MEETING PROXY FORM

Form MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and administration) Rules, 2014)

I/ Weof
.....in
the district ofbeing a member / members of MIRZA INTERNATIONAL LIMITED hereby appoint
.....of.....

or failing him/heras my/our proxy to attend and vote for me/us and
on my/our behalf at the 40th Annual General Meeting to be held on Thursday, September 19, 2019 at 1.00 p.m. or at any
adjournment thereof.

Master Folio :	DP ID** :
No. of Shares :	Client ID** :

.....
(Signature)

Signed this day of.....2019

Affix a
₹ 1/-
Revenue
Stamp

**Applicable for shareholders holding shares in electronic form.

**Note : The Proxy must be deposited at the registered Office of the Company at 14/6, Civil Lines, Kanpur not less than
48 hours before the time for holding the Meeting**

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1.	Consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Auditors and the Board of Directors thereon.		
2.	Declaration of Dividend for the Financial Year 2018-19		
3.	Appointment of a Director in place of Mr. Shahid Ahmad Mirza (DIN: 00048990), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4.	Ratification of the remuneration payable to Cost Auditor		
5.	Re-appointment of Dr. Yashvir Singh (DIN: 00049360) as an Independent Director		
6.	Re-appointment of Mr. Qazi Salam Noorus (DIN: 00051645) as an Independent Director		
7.	Re-appointment of CA Sudhindra Kumar Jain (DIN: 00189602) as an Independent Director		
8.	Re-appointment of Mr. Subhash Sapra (DIN: 00049243) as an Independent Director		
9.	Appointment of CA Saumya Srivastava (DIN: 08206547) as an Independent Director		
10.	Appointment of Mr. Sanjay Bhalla (DIN: 00699901) as an Independent Director		
11.	Appointment of Mr. Shuja Mirza (DIN: 01453110) as Whole-time Director		
12.	Increase in Limit u/s 180(1)(c) of the Companies Act, 2013 from ₹ 1000 Crore to ₹ 1500 Crore.		
13.	Increase in limit u/s 180(1)(a) of the Companies Act, 2013 from ₹ 1000 Crore to ₹ 1500 Crore		
14.	Consent for continuation of directorship of Mr. Narendra Prasad Upadhyaya (DIN: 00049196) as Whole Time Director		
15.	Consent for continuation of directorship of Mr. Qazi Salam Noorus (DIN: 00051645) as Non-Executive Director		
16.	Consent for continuation of directorship of Mr. Subhash Sapra (DIN: 00049243) as Non-Executive Director		
17.	Consent for continuation of directorship of Mr. Pashupati Nath Kapoor (DIN: 00058126) as Non-Executive Director		
18.	Approval of Related Party Transactions with Euro Footwear Private Limited		
19.	Approval of Related party Transactions with Mirza (U.K) Limited		

Signed this day of2019

Signature of Shareholder..... Signature of Proxyholder(s).....

Affix a ₹ 1/- Revenue Stamp

Notes

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 14/6, Civil Lines, Kanpur – 208001, not less than 48 hours before the commencement of the Meeting.
2. This is only optional. Please put a `√` in the appropriate column against the resolutions indicated in the Box. If you leave For or Against column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
3. Appointing proxy does not prevent a member from attending in person if he so wishes.
4. In case of joint holders, the signature if any one holder will be sufficient, but names of all the joint holders should be stated.

