

Mirza Tanners Limited.

Annual Report 1999-2000





a niche brand of formal footwear for
upwardly mobile executives and businessmen
who have a flair for style and want comfort.

ALLOY

semi-formals for the younger generation who love
the outdoors and lead an adventurous lifestyle.



RED TAPE

a world-class, high fashion range of casuals and
semi-formal shoes, which have acquired a cult status
among the young individuals.



quality formal footwear for those who want
good value for money.

Dear Shareholders,



It's a moment of pride and satisfaction for me as I look back at the eventful year gone by. The performance of the company was exceedingly good, both in terms of market share and brand strength.

The R&D efforts have strengthened the company's mission of producing the latest generation of world class, comfort leather shoes. The state-of-the-art NOIDA plant, employing the Direct Injection process to manufacture Double Density PU soles, stands testimony to it. The management team has been highly successful in upholding the company's mission. All set to make a leap into the future, the team has imported latest machines from Italy and our brands have been showcased in various international trade fairs.

The company's flagship brand, Red Tape has been truly a front-runner and shown a steady appreciation and growth in the overseas markets of UK, South Africa, USA, Canada, New Zealand, Middle East and Hong Kong. Moreover, our newly launched brand Oaktrak, in the category of quality formal footwear has been well appreciated in all the markets. All in all, it has been a highly successful year for the Mirza Tanners Ltd.

I am sure that the efforts put in by the company shall be converted into financial terms with excellent results in the current year as well as in years to come.

I dedicate the success to the hardwork and commitment of all our employees, business associates and shareholders.

Yours sincerely,

Irshad Mirza
Chairman & Managing Director

Mirza Tanners Limited.

Global Vision. Global Marketing.

Today, Mirza Tanners Ltd. has etched a global benchmark in the footwear industry world over. The company is presently the largest exporter of world-class leather shoes and a gamut of premium essentials to the discerning buyers around the world. True to its mission, Mirza Tanners Ltd. has been successfully marketing its dynamic brandline in the global market and strengthening its market presence, stretching from United Kingdom to the Far East nations, South Africa and even Australia and New Zealand. The manufacturing processes are carried out in its strategically located state-of-the-art plants, all stages of product development conform to stringent international quality standards along with continuous R&D to herald new, revolutionary concepts in the shoe industry. A full-fledged production planning department takes care of production maintenance and delivery schedules in order to meet its full capacity utilization and produces international quality products.

International Sphere

The conscious, value-driven consumers around the world drive our passions to give them the best range of high fashion leather footwear. In U.K. the Mirza brandline, namely Oaktrak, Red Tape, Oakridge and Alloy, is sold at retail outlets along with a range of Red Tape essentials - a premium brand extension available in few top-of-the-line high fashion outlets.

Strong brand equities in U.K: Its design studio located in London produces world class designs in tune with the latest fashion trends. In the lucrative South African market, it has enhanced the brand presence too. The quality products cater to a diverse range of consumers, while keeping its finger on the pulse of the ongoing styles and trends. Adding to the impressive range of leather shoes, an extended brandline, comprising of Ozark, Bond Street and Raveli, is also manufactured and marketed here. South Africa along with other rich countries like Botswana, Mozambique, Namibia and Zimbabwe in the southern part of Africa lift a whopping 3,00,000 pairs of shoes per annum, in our summer



season, which is usually a low season for the industry.

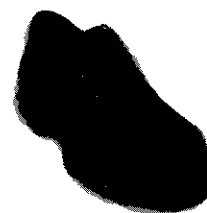
Mirza Tanners has also consolidated its share in Canada and Middle East countries, where it caters to a discerning target.

Taking Europe by storm: In Europe, Australia and New Zealand, Mirza Tanners reaches the discerning consumers through its marketing associates. In addition, an entire range of stylish shoplabel leather shoes is marketed in France, Germany and a host of Scandinavian nations. Mirza Tanners foray into the highly brand visible markets of Singapore and Hong Kong carries the principle of truly effective marketing strategies.

The dynamic network of associates and subsidiaries: The network of associates, namely MCF Trading U.K. Ltd., and its subsidiary MTL Trading (PTY) Limited ensures the Mirza products reach the target market through a sound marketing and distribution plexus. The associates follow dynamic marketing strategies to ensure brand sustenance in the competitive sphere of global market.



MCF Trading (U.K.) Ltd.



“A global vision, fueled by an ardent passion to give the best to the world, in terms of quality and value, has made Mirza Tanners a force to reckon with in the domestic and international markets.”

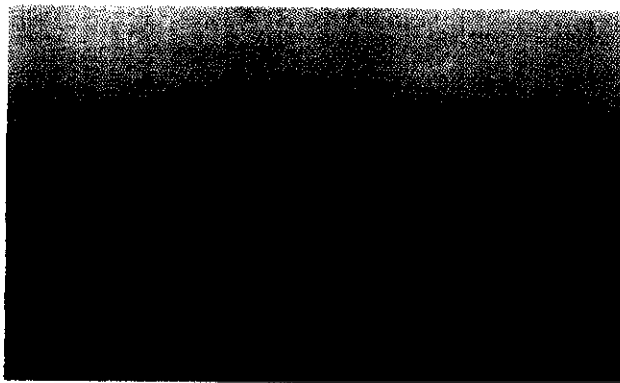
Domestic Market

The flagship brand of Mirza Tanners, Red Tape, launched two years ago has successfully managed to make an impact in the domestic market, which was largely an unbranded one flooded with shoplabels and locally made shoes.

Matching the fashion trends: Within a short span, Red Tape has assumed cult status in the minds of the target segment with its internationally designed, high fashion range of shoes. Today, it is one of the largest selling brands in its segment. In addition, Mirza Tanners has recently launched Alloy - a world-class range of semi-formals for the value conscious, outdoor-loving youngster. Oakridge, a range of formal footwear for men has also hit the town with its quality, styling

and comfort. New designs and styles are introduced every six months to render a new flair to the ongoing fashion trends. The brands not only provide complete satisfaction to the discerning consumers in terms of comfort and international styling, but also strengthen the high equity of the brandline.

The State-of-the-art Unit-III plant at NOIDA.



In-house R&D in its endeavour to make international quality leatherwear.

“Mirza Tanners has successfully positioned itself as a frontrunner in the global market on the sheer dint of its quality.”

The company is currently exploring the market potential in the high growth markets of United States and contemplating participation in all major international fairs like GARDA and GDS. The focus is presently on the entry strategies and the channels to substantiate and sustain the brand. The company is all set to make its foray by the end of 2000.

In the domestic market, Mirza Tanners is planning to relaunch Oakridge in an all new genre, and establish exclusive Red Tape showrooms in the capital. It would provide convenience marketing for the target market and also help substantiate the brand visibility.

In order to meet the consumer expectation around the world, Mirza Tanners has manufacturing plants set up in strategic locations which employ advanced, cutting-edge technology to give world-class leather footwear to the world.

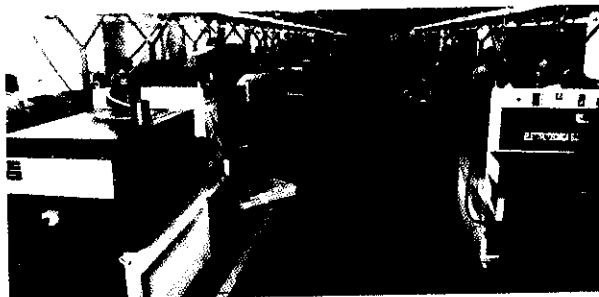
Future Plans

UNIT - III Manufacturing Plant

A new benchmark

The buyers around the world not only crave for quality products but also want value for money. Keeping this in mind, Mirza Tanners is now ready to make a leap into the future. The UNIT - III manufacturing plant at NOIDA stands testimony to the vision of Mirza Tanners Ltd. Its an archetype of the most modern production plants and houses a state-of-the-art Double Density Direct Injection Polyurethane plant, the only one of its kind in Asia, to manufacture world-class men's leather shoes for internationally known brands like Red Tape, Oaktrak and Oakridge. The company is presently one of the largest exporters of high quality leather footwear. Even the raw materials, moulds and fittings are imported from Italy, and are processed under top quality control tests. Investments worth Rs. 60 lakhs are pumped into the in-house R&D and Quality Control for the year 1999-2000, which is truly one of its kind.

The State-of-the-art Unit-III plant at NOIDA.



Manufacturing Plants & Tannery

Cutting-edge technology for
world-class leather shoes

*The unique Double Density Direct
Injection Polyurethane Plant at
NOIDA. One of its kind in Asia.*



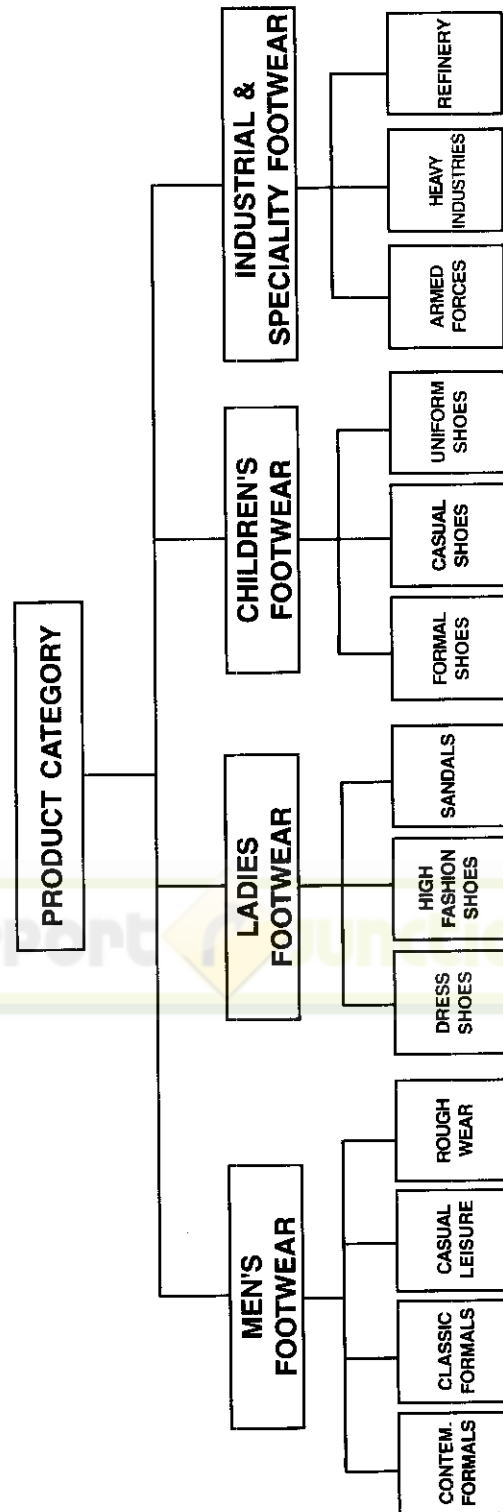
*The modern tannery division at
Magarwara, Unnao*

The company's tannery division at Magarwara, Unnao, is one of the most modern tanneries in India. This tannery alone, processes over 10 million sq.ft. of various types of fine finished leather from Indian buff calf hides, along with cow hides imported in the wet blue stage from different parts of the world.

The shoe factory at Magarwara, Unnao, has a capacity to produce 4.5 lakh pairs of shoes per annum, while the unit at Shahjani, Unnao, manufactures 10.5 lakh pairs per annum. Adding to that, the shoe unit at Juhi, Kanpur, produces 4.5 lakh shoe uppers per year. Mirza Tanners is now all set to leap into the future with its global brandline.



"FUTURE GROWTH AREAS"

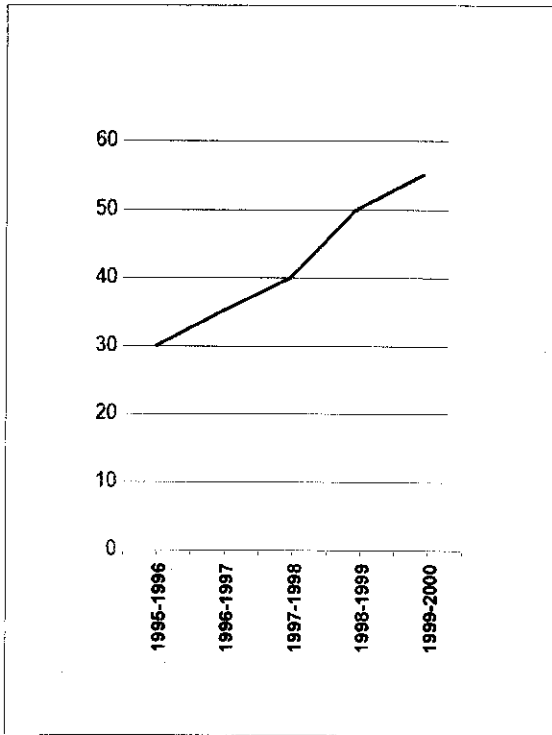


Products where Mirza is already well established.

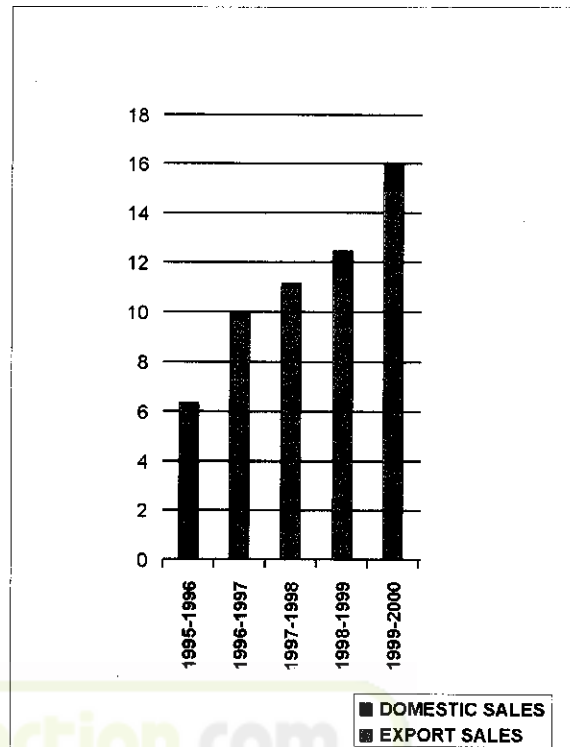
Products being developed for near future.

Products for future growth.

DIVIDEND (Percent)



DOMESTIC AND EXPORT SALES OF SHOES (Pairs in lacs)



MARKET CAPITALISATION (Rs. in crores)

