

Annual Report
2021-22

Off The Hook
LONDON



Thomas Crick
Est. 1830



**From India.
For the World.**

Off The Hook
LONDON

REDTAPE



Contents

1

Corporate Overview

Mirza International:
The World's Local Leather
Destination **02**

Letter from the Managing
Director **04**

Striding Forward with
World-Class Manufacturing **06**

Striding Forward with Global
Partnerships **08**

Striding Forward with Exciting
International Brands **10**

Striding Forward in a
Rejuvenated India **12**

Striding Forward with
Sustainable Operations **14**

Corporate Social
Responsibility **16**

Financial Highlights **18**

Awards and Accolades **19**

Corporate Information **20**



Letter from the Managing Director

P. 4

21

Statutory Reports

Management Discussion and
Analysis Report **21**

Directors' Report **26**

Report on Corporate Governance **44**

Business Responsibility Report **65**

73

Financial Statements

Standalone Financial Statements **73**

Consolidated Financial Statements **129**

AGM Notice **186**

Attendance Slip

AGM Venue Route Map

Proxy Form

Striding Forward with World-Class Manufacturing

P. 6

Striding Forward with Exciting International Brands

P. 10



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Striding Forward with Sustainable Operations

P. 14

The Indian economy is growing from strength to strength. As the global economy presently reels under pressure due to risks of stagflation and geopolitical tension, this shining beacon headed for its best run, is projected to uplift it with a 22% contribution to the global GDP growth in FY 2022-23.

The world today needs India. And the Government in many ways is acting to play a greater role, including capitalizing the country's extensive capabilities to Make in India; and not just for the nation, but for the world as well.

At Mirza International, we are partnering with this ambition of the nation. Since decades, we have played a crucial role in establishing India as a global destination for leather, leather footwear and other products. As the country's largest exporter of such products and a preferred supplier to world's leading retail chains, we believe it is time to stride forward.

We are driving structural change to separate domestic and international businesses, to propel their growth with dedicated focus. We are taking efforts to effectively use our large capacities, manufacturing excellence and innovation capabilities, to widen and deepen footprint and to enable existing and new customers globally.

Aligned with the nation, we are harnessing our potential to promote local for global.



Mirza International: The World's Local Leather Destination

Mirza International is one of India's leading manufacturers and exporters of leather footwear, apparels and accessories.

A strong proponent of Make-in-India since 1979, we have been at the forefront of making the country a force to reckon with globally. We are a supplier partner of choice in multiple overseas markets driven by our integrated capabilities right from processing leather at our tannery, to conceptualizing fashionable innovations at our design studio and manufacturing final products. Our branded and White label footwear are sought by leading international brands in the fashion capitals of the world.

With our large integrated manufacturing capacities and robust reputation, we are well-placed to consolidate and scale operations globally.

43+

Years of experience

30

Years of supplying footwear to established global brands

54 Mn

Pairs of annual footwear manufacturing capacity

Meeting Consumer Expectations Globally

Operations in 37 Countries across 6 Continents

Accra Ghana, Argentina, Australia, Bangladesh, Bhutan, Canada, China, Denmark, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Israel, Korea, Latvia, Lithuania, Mexico, Nepal, Netherlands, New Zealand, Philippines, Poland, Portugal, Saudi Arabia, Singapore, Slovakia, South Africa, Spain, Sri Lanka, Switzerland, UAE, United Kingdom, USA, Vietnam



Map not to scale. For illustrative purposes only

Global Presence

1,000+

Multi-brand outlets in UK selling Thomas Crick, Off the hook and REDTAPE brands

8

Exclusive Showrooms
(Dubai – 5, Sharjah – 1, Nepal – 1, Sri Lanka – 1)

6

Global online portals

Overseas Online Presence

United Kingdom



UAE



India Presence

348

Exclusive REDTAPE Stores

188

Cities

245

Shop-in-shop

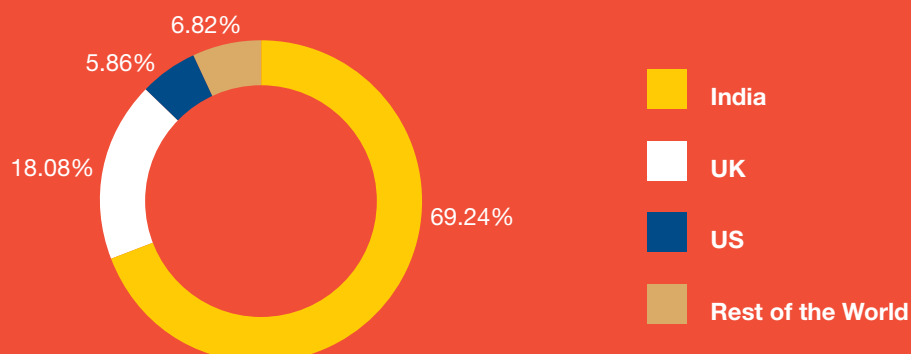
8

Online portals in India

India Online Presence



Revenue share by geography





Letter from the Managing Director



Dear Shareholders,

FY 2021-22 has been a great year for Mirza International in many ways. While our brands, products and business model were always strong, the challenges in the last two years allowed us to introspect and rethink our approach to unlock value creation potential. And this was made possible by our passionate team whose commitment helped us emerge stronger from the pandemic and deliver a record performance.

Performing through the macro challenges

The year began with the second wave of COVID-19 which was more severe and had a significant toll on social factors. However, a localized lockdown strategy by the government along with our past learnings ensured minimal impact on our operations. As the year progressed, economic activities picked up strongly, resulting in significant fiscal expansion. Globally too, the markets rebounded and demand was strong. This saw discretionary spending reviving, which helped our business.

Supported by the positive developments, we delivered one of our best performances. Our total revenue increased by 60% to an all-time high of ₹ 1,677.26 Crore in FY 2021-22. Profitability increased sharply despite the persistent challenge of high input costs, assisted by optimization measures and improved capacity utilization at 65.85% as against 38.91% in the previous year. The profit after tax grew from ₹ 7.38 Crore in FY 2020-21 to ₹ 110.44 Crore.



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Our growth has been broad-based as all segments posted robust performance. The revenue from overseas grew 54.98% to ₹ 515.89 Crore led by improved acceptance of our products among the global brands. The business also benefited from the launch of the legacy Thomas Crick brand in the UK which has great resonance in this market. We had acquired it in 2019, and owing to the pandemic, its launch got delayed. We are optimistic of this brand and intend to steadily launch it in other markets.

Revenues from domestic business grew 62.38% from ₹ 715.20 Crore in the previous year to ₹ 1,161.37 Crore in FY 2021-22. The growth was assisted by improved economic and consumer sentiments, considering which we expanded our presence from 119 to 188 cities and added 72 exclusive REDTAPE stores.

Striving to unlock value

Perhaps one of the most significant developments is the strategic scheme of arrangement to demerge REDTAPE business, aimed at driving value creation.

Pursuant to this arrangement, the REDTAPE business will be spun-off into a new entity REDTAPE Limited, which will focus on branded footwear and apparel in the Indian market.

Our Company, Mirza International, will focus on manufacturing and export of leather-based footwear and accessories, which has been its mainstay since inception. It will undertake leather exports, white labeling and private label, in the global markets for both men's and women's footwear, upholstery, furniture and accessories. Our Company will continue to hold Mirza (U.K.) Limited. It will be exclusively engaged in selling our leather-based footwear and accessories in the international market by positioning as a manufacturing partner of excellence for leading global brands looking for quality-first and sizable capacity partners.

We are confident that this measure to separate domestic and international businesses will help drive a more focused growth strategy for the respective businesses, thereby unleashing their true potential. I thank the shareholders who have whole-heartedly supported this decision and voted in favor of it. We are underway with the demerger process and expect to complete it during the current financial year.

Positioned to deliver

Going into FY 2022-23, we expect the domestic business to be strongly led by a flourishing economy. We are already witnessing good momentum led by our widened presence, and will continue to work our way to gain market share.

As for the global economy, we see some headwinds in the short-term. Our key markets of the UK, Europe and the US are faced with the challenge of high inflation and



Sustainability has been a cornerstone of our business. We have continuously adopted best practices and technologies at our manufacturing units and tannery. This has earned us a global reputation as one of the most environmentally-conscious players in this segment having low emissions and natural resource consumption and effectively managing wastes."

economic recession. The Russia-Ukraine war has especially pushed back the Euro area economies.

That said, we are confident of the long-term in these markets. Being a well-established and preferred supplier to leading brands, we are better placed to consolidate our position. We further expect to stand benefited as global companies aggressively pursue supply chain diversification in near future, driven by disruptions due to persistent lockdowns and a weak macro in China.

Sustainable growth

Sustainability has been a cornerstone of our business. We have continuously adopted best practices and technologies at our manufacturing units and tannery. This has earned us a global reputation as one of the most environmentally-conscious players in this segment having low emissions and natural resource consumption and effectively managing wastes. We are proud to have one of the best safety performances, which is one of the many ways that we care for our people.

We also actively consider the welfare of the nearby communities with efforts around education, healthcare and rural infrastructure.

Final comments

On behalf of the Board, I thank all our stakeholders for the faith reposed in us through this difficult phase. Today, as we stand better and stronger, I am confident that with your continued support, we will deliver sustainable performance to create value for all.

Warm regards,

Rashid Ahmed Mirza
Chairman and Managing Director



Striding Forward with World-Class Manufacturing

Mirza International is globally reputed as a manufacturer and supplier of leather footwear and accessories with top notch quality. We ensure every product rolling out from our facility is an uncompromised blend of quality materials, superior craftsmanship and operational excellence.



Manufacturing excellence

At Mirza International, we continue to protect our legacy of quality excellence with our world-class manufacturing capabilities. We have six fully integrated manufacturing units. Equipped with modern machinery and technology and following global best practices, they enable production of high-quality leather footwear while ensuring uninterrupted operations for timely delivery.

Our manufacturing facilities are further supported by an in-house tannery and over 25 dedicated ancillary units. This robust ecosystem

ensures sustained supply of best quality raw materials for seamless operations alongside the advantage of economies of scale which positions us competitively to scale operations and brand equity.

Asset-light scalability

We have entered into a strategic outsourcing agreement with reputed vendors for manufacture of footwear, apparels and accessories production. Following stringent quality standards and specifications set by us, they allow us to scale business in an asset-light manner while maintaining our brand equity.

4

Integrated manufacturing units

1

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

2

Advanced warehouses to serve E-commerce channels in Noida (70,000 sq. ft.) and Unnao (30,000 sq. ft.)

3

Distribution branches

65.85%

Footwear capacity utilization in FY 2021-22





Striding Forward with Global Partnerships

Mirza International is a name to reckon in the fashion capitals of the world, where we supply branded and white-label footwear. Through the years, with our ability to develop right products as per trend with global quality standards and efficient supply chain management, we have earned the reputation as a highly admired footwear exporter in the international arena.



2

In-house design studios

3.49 Mn

Branded and white-label footwear exported in FY 2021-22

Trusted Partner to Leading Global Brands

We have long-standing relations with top retail chains in the UK, US, France, Germany, Australia and UAE among others. Competing against top suppliers, we have held our positioning as a preferred supplier in these markets manifesting the solid reputation of our trendy and quality products, supply chain agility and sustainable operations. This has resulted in high customer retention and sustained new additions, providing stability and scalability.