



“REDTAPE Limited”

September 30, 2023

Management:

- Mr. Rashid Ahmed Mirza, Director and Chairman
- Mr. Shuja Mirza, Managing Director
- Mr. Sanjay Bhalla, Independent Director, also Chairman of Audit Committee; Nomination and Remuneration Committee and Stakeholders Relationship Committee
- Mr. Subhash Chander Sapra, Independent Director
- Dr. Yashvir Singh, Independent Director
- Dr. Rajshree Saxena, Independent Director
- Mr. Arvind Verma, Whole-time Director
- Ms. Sunanda, Whole-time Director
- Mr. Abhinav Jain, Chief Financial Officer
- Ms. Sakshi Mehta, Company Secretary
- Mr. Anand Saxena, Partners and representing the Statutory Auditors
- M/s Khamesra Bhatia and Mehrotra, Chartered Accountants
- Ms. Mallika Goel, Company Secretary in Practice, Scrutinizer

Sakshi Mehta:

Good Morning all. I am Sakshi Mehta, Company Secretary of REDTAPE Limited welcome you all to 2nd Annual General Meeting of the equity shareholders of the Company. Before starting the proceedings of AGM, I take this opportunity to introduce Directors of the Company. Mr. Rashid Ahmed Mirza, Director and Chairman of the Board. Mr. Shuja Mirza, Managing Director; Mr. Sanjay Bhalla, Independent Director, who is also Chairman of Audit Committee; Nomination and Remuneration Committee and Stakeholders Relationship Committee, Mr. Subhash Chander Sapra, Independent Director; Dr. Yashvir Singh, Independent Director; Dr. Rajshree Saxena, Independent Director; Mr. Arvind Verma, Whole-time Director; Ms. Sunanda, Whole-time Director; Mr. Abhinav Jain, Chief Financial Officer; Mr. Anand Saxena, Partners and representing the Statutory Auditors M/s Khamesra Bhatia and Mehrotra, Chartered Accountants; and Ms. Mallika Goel, Company Secretary in Practice, Scrutinizer of this AGM. All the Directors are present in this AGM.

This Meeting is being held through video conferencing in accordance with circulars issued by the Ministry of Corporate Affairs. The members may note that the requisite quorum is present through video conference to conduct the proceedings of this Meeting. Facility for joining this Meeting through Video Conference and other audio visual means is made available for the members on first come first serve basis. The Register of Directors and KMP maintained under section 170 and Register of Contracts under section 189 of the Companies Act, 2013 are available for inspection by the members of the Company during the proceedings of this AGM at web-site of NSDL and the Company.

As mentioned in the Notice convening the AGM, since AGM is being held electronically, proxy related procedures have been dispensed with which is in line with the regulatory requirements and thereof the Register of proxy is not made available for inspection. In accordance with the Companies Act, 2013 and SEBI Regulations, kindly note that, the members were entitled to cast their votes through e-voting from September 27, 2023 09:00 A.M. to September 29, 2023 05:00 P.M. The shareholders entitled to cast their vote as specified in the Notice were as on the cut-off date of September 23, 2023.

As per Companies Act, 2013, the voting will be carried out electronically. The result will be declared within time as per the Companies Act, 2013 and SEBI Listing Regulations, on the website of the Company.

Further, since this AGM is being held through video conferencing and other audio visual means and the resolutions mentioned in the Notice of this AGM have been put to vote through remote e-voting, there will be no proposing and seconding of the resolutions. Now, I would request Mr. Rashid Ahmed Mirza, Chairman to call the meeting in order.

Rashid Mirza:

Good morning ladies and gentlemen, I'm delighted to welcome you to the 2nd Annual General Meeting of your company REDTAPE Limited. I shall now request your Managing Director Mr. Shuja Mirza to brief you on the performance of your company. Over to you Shuja.

Shuja Mirza:

Thank you. Good morning ladies and gentlemen. I'm delighted to announce that the composite scheme arrangement of RTS Fashion Private Limited, Mirza International Limited and REDTAPE Limited has officially become effective and all shares have now been listed with

BSE and National Stock Exchange of India. Despite the difficult times our industry faced, I am proud to announce that our company has exceeded expectations with an impressive revenue figure of INR1,465 crores last year. A higher interest rate with reduced disposable income, a wide inflation that eroded income of the middle class and further dulled the consumer market, the retail slowdown we faced last year certainly threw us off a game.

But with the right strategy in place, we maximize sales and increase our net worth by 40% year on year. With such remarkable returns on capital employed, I'm certain that we will drive even more significant growth in the future. We have been primarily focused in North India with little footprint to no footprint in West, East and South India. Now we are entering newer markets in markets like Ahmedabad, like Gujarat, Telangana, Maharashtra and also we are exploring North East. I'm sure that all these markets together would be the future driver of growth for Retail Brand.

Now we entering an era of online division where a lot of people are shopping from phones and internet. We have expanded our online warehouse, multi-fold this year, and the results should start coming out from the third quarter of this financial year. We are extremely optimistic about the future of footwear industry in India and believe that we have just started. It's both humbling and exciting to see how far we have come. So let's just keep going. Thank you.

Sakshi Mehta:

Thank you sir for your detailed deliberation on business performance of the company. The annual report of the company for the financial year ended March 31, 2023 and notice in relation to this AGM together with the explanatory statement was sent to all shareholders by email whose email IDs were registered with this company and or depository participants.

With the permission of members present, I take the notice of the Annual General Meeting and Director's Report of the company for the year ended March 31, 2023 as read. The Auditor's Report dated May 30, 2023, circulated to you, is free from any qualification, observation or comments on financial transactions or matter, which would have an adverse effect on the functioning of the company. Hence, with your permission, I take the Auditor's Report as read.

Further, the Secretarial Audit Report dated August 26, 2023 circulated to you has no other qualification, observation or comments except one instance of inadvertent delayed filing of E-Form MGT 14, which was submitted with Registrar of Companies with additional fees.

The members may kindly note that as per notice convening the second AGM, the following items are placed for voting.

Item number one, is for adoption of Standalone and Consolidated Financial Statement for the year ended March 31, 2023 as an ordinary resolution.

Item number two, is for reappointment of Mr. Rashid Ahmed Mirza who retires by rotation being eligible seeks reappointment as an Ordinary Resolution.

Item number three, is to approve appointment of M/s. Ashwani & Associates, Chartered Accountants be and is -- as Statutory Auditors of the Company for a term of five consecutive years as an Ordinary Resolution.

Item number four, is to approve the remuneration of Cost Auditor for the Financial Year 2022-'23 as an Ordinary Resolution.

Item number five, is to approve the remuneration of Cost Auditor for the Financial Year '23-'24 as an Ordinary Resolution.

Item number six, is for approval of revision in the maximum remuneration payable to Mr. Shuja Mirza, Managing Director of the Company as Special Resolution.

Item number seven, is for approval for payment of performance incentive of INR18 Lakhs for the Financial Year 2022-'23 in addition to the remuneration as earlier approved by the members to Mr. Arvind Verma, Whole-Time Director of the company as Ordinary Resolution.

Item number eight, is for approval of revision in the maximum remuneration payable to Mr. Arvind Verma, Whole-Time Director of the Company as an Ordinary Resolution.

Item number nine, is for approval for appointment of Ms. Sunanda as Whole-Time Director of the Company for a term of three years effective August 1, 2023 as an Ordinary Resolution.

Item number 10, is for approval for appointment of Mr. Rashid Ahmed Mirza as Whole-Time Director of the Company designated as Executive Chairman for a term of five years subject to approval of Central Government, as an Ordinary Resolution.

I request all members who have not voted through remote e-voting to cast their votes through e-voting during this meeting. The facility of e-voting shall be available for 15 minutes. The voting results along with Scrutinizer Report will be made available within 48 hours of the meeting on website of the company, NSDL, the voting agency, BSE and NSE.

Now I invite the shareholders who had registered themselves as speaker to put forth their queries and suggestions. I request the speakers to be precise. We shall be happy to answer your questions or provide clarification after all the questions are asked.

Moderator: Thank you ma'am. Dear shareholders, we will now begin with the question-and-answer session. We will now invite the queries from the shareholders who have already registered for the same. Participants are requested to keep their queries short and specific. Since the company has received many queries from the shareholders, the management had decided to restrict the number of speaker shareholders to 10 or 11 due to time constraint. The first question is from speaker number one, Mr. Ajay Jain. Request Mr. Jain to accept the prompt and unmute his audio.

Ajay Jain: Respected Chairman, sir, myself, Ajay Kumar Jain from Delhi, one of the shareholder of the company. The balance sheet of our company is very good and clear. As per your opening speech, it shows that our company will grow in your leadership, because your vision is clear that how the company will grow in future.

I am very excited by the silent strategy of the management that success louds. You believe in doing. And you never compromise the quality that you maintain the quality very well. So that

we became the first choice of the customers as REDTAPE. And the other thing is that our company is the result of an experienced and youthful approach which is being discussed today.

And sir, I would like to say a few words about the CS department. They have made a good effort to join a minority shareholder like me in this meeting. And it took a week to persuade them to join and to speak in front of the chairman.

And I was also very happy to join. My whole family is a shareholder. I am happy to see you. Namaskar. Thank you.

Rashid Mirza: Thank you, Mr. Jain. Thank you very much.

Moderator: Thank you. Next question is from Mr. Nikhil Vijay, speaker number two. I request Mr. Nikhil to accept the prompt and unmute his audio, request to unmute your video too.

Nikhil Vijay: Hello management, this is Nikhil. First of all, thank you all for providing me the opportunity to speak at the AGM. So I am a long-term shareholder of your company and a Chartered Accountant with the profession. So, my question with the management is who all are the competitors of the REDTAPE in footwear and apparel industry and how does the REDTAPE is facing the competition?

Moderator: Thank you. Next question is from speaker number three, Yash Tandon. Request Mr. Yash Tandon to accept the prompt and unmute your audio and video.

Yash Tandon: Hi, my question to the management is there is tremendous growth of REDTAPE and what is the size of Indian sports shoes market and what would be your growth market?

Moderator: Thank you. Next question is from speaker number four, Mr. Mahesh Makhija. I request Mr. Mahesh to accept the prompt and unmute your audio.

Mahesh Makhija: Yeah, thank you very much. Respected Chairman Rashid Mirza, Chairman and Managing Director Shuja Mirza, Company Secretary Sakshi Mehta, and other eminent Board of Directors and staff members of Mirza International.

Sir I'm a shareholder of this is -- sorry this is REDTAPE Limited. I'm a shareholder of this group, Mirza International, since last 15 years. And I got the shares due to the demerger of the REDTAPE business this year itself from Mirza International that I got the shares of REDTAPE Limited.

Sir, this is our first full year of operation after the demerger of the REDTAPE business into a separate entity. Sir, we have performed extremely well for the financial year 2023 and Red Rape business having legacy of more than 25 years because this business was incubated within the Mirza International.

So, this is a business which is having a legacy of more than 25 years and we have become a -- from a footwear business to a fashion brand which is dealing into clothing and accessories for men, women and kids. We have completely covered all the segments in the fashion and lifestyle brand. Hence, catering to all the three sections of a society.

Sir, I've got some few queries. I'll just go through it very fast. Sir, the brand REDTAPE, there are three brands as per the balance sheet REDTAPE, Bond Street mode, are they owned by our company REDTAPE Limited, I would like to know.

Thank you. Sir, on the -- in the logo of the brands Mode and Bond Street below we write REDTAPE London, meaning Mode REDTAPE London Bond, Street REDTAPE London. Just explain the significance of the same later on. I would like to know.

Rashid Mirza: Purely a company of marketing.

Mahesh Makhija: That is for overseas marketing?

Rashid Mirza: Yes, correct.

Mahesh Makhija: So, our company flagship brand has become a fashion and lifestyle brand from the originality being a footwear brand. Our company has already diversified into apparel, accessories, catering to men, women and kids wear. So, these products, other than I think we make, we have got a manufacturing state of the art integrated unit as per the report of the footwear.

Rashid Mirza: Yes.

Mahesh Makhija: So, all the other products are we outsourcing within India or we are importing from abroad? So I would like to know and any plans of since we have been dealing with this apparel and accessories from last 15 years, any plans of starting our own manufacturing facility so that we can control our design quality and various other factors which will be more beneficial to the company I would like to know.

And our products are being marketed as per report through exclusive blind outlets. Are these company owned company operated or franchisee on franchisee operated and there is a on the balance sheet second page, I couldn't understand the word SIS stores 228 SIS stores you have written. I do not know what it means SIS store, if you can throw some light on that?

And I think all our stores will be digitally connected, meaning through some software, so that we can keep track of the fast moving items and efficiently manage the inventory. I would like to know, are they connected like Bata India has all their stores, whether it is franchisee or owned, they are connected to a backbone of infrastructure, IT infrastructure.

So, they know which items are moving in which store they can move one item to another store if it is not moving. So, I think we are planning this way. We are stores are already connected to each other and I would -- I'm very surprised to see the business model is like a discount store. Whether you go to REDTAPE stop or any e-commerce site, we are offering 50% to 80% or sometimes 90% discount.

So, it is more like a discount company, like similar to the warehouse factory or that brand factory, fashion factory where the products are available not at the MRP, it is always available at a discount throughout the year, depending upon the seasonality from 40 to 90 also.

And sometimes we get, I've seen some credit card, if a person buys on e-commerce, he gets a special discount, Myantra, Kotak card, this card, something like that. I am not understanding the concept, how this, I mean, I just want to understand your business model here. This is the strategy whatever MRP 10,000 less 80% at 2000, this is strategy of a company I would like to know.

And since we have de-merged from the parent family group company Mirza, I think it is the same Mirza family only and when it was de-merged, it was decided I got a letter meaning I saw the letter like 58% will be the Mirza's cap and 42% will be the belong to REDTAPE, but our company has really outperformed that when the demerger price was around 260.

Moderator: This is the operator here. Sir, I request you to keep your time as up.

Mahesh Makhija: Yes just one minute I'll take. No problem. Sir one minute otherwise, I have been writing the mails to you the company but I have not been getting any proper response. No response has come. That's why I took the opportunity of speaking at the AGM. If you want, I can stop here. Just one minute I'll take. If you don't mind.

Since this is the only AGM which is otherwise all the AGMs of Mirza was in Kanpur, you have been kind enough to have a virtual AGM so that we can -- Mumbai, your shareholder outside Kanpur can join you.

Moderator: Due to some technical issues, we are unable to connect with Mr. Makhija. Speaker number five, Shekhar Dwivedi had enrolled for the AGM, but he has not joined. Speaker number six, Mr. Praveen Kumar had enrolled for the AGM, but he has not joined the AGM. Mr. Paras, speaker number seven, he has registered, but he is unable to join due to some technical issues at his end. Next question is from speaker number 8, Mr. Rajat Kumar. Request Mr. Rajat Kumar to accept the prompt and unmute his audio. Accept the prompt and unmute your video please.

Rajat Kumar: Hi, this is Rajat Kumar. I'm your shareholder. I just want to know that, what are our top geographical locations, where we sell, and what geographical expansion are we doing?

Moderator: Thank you, sir. Next question is from speaker number nine, Mr. Arun Kumar. Request to Mr. Arun Kumar to accept the prompt and unmute your audio.

Arun Kumar: Hi, good morning. Myself is Arun. Actually, I am a shareholder of REDTAPE Limited and I do have a question with the management. Currently, REDTAPE is into the business of footwear and apparels. What is the revenue contribution of footwear and what is the revenue contribution of apparels? And one more thing, I want to add into that. Do we have plans for new products or new divisions also in future?

Moderator: Thank you. Next question is from speaker number 10, Mr. Gulshan Kumar Garg. Request to Mr. Gulshan Kumar to accept the prompt and unmute his audio and also unmute your video.

Gulshan Garg: I am Gulshan Kumar Garg. My question is, REDTAPE has done well in the past two, three years. What is the success story behind it and future plans of the company? Thank you sir.

Moderator: Thank you, sir. Since this was the last question, I now hand over the proceedings of the meeting to the management, who will answer the queries asked by the shareholders. Over to your management.

Management: So I'm trying to answer the best of my abilities, all these questions one by one at a time. So I'll start with Mr. Nikhil Vijay's question. Who are the REDTAPE competitors in apparel industry and footwear industry and how best are we facing competition? So we have a very separate, very different set of competitors for footwear and for apparel. In the footwear industry, we compete with some of the lower ranges of brands like Reebok, Adidas and Puma. Lotto and Fila are our direct competitor and brands like Campus, they have certain premium ranges that also sell in the same price vicinity as ours.

So these are all our competition for footwear. As far as garments is concerned, we would be competing with brands like Allen Solly and Peter England, John Players and even some of these primary label brands of Westside and Pantaloons. That's the market that we are pretty much catering. Now, how we're facing this competition is by improving the product quality, making a better product for consumers and overall giving consumers a better experience for shopping.

The next question was Yash Tandon asking about the growth and the size of the Indian sports shoe market? Well, I don't really think that, anyone knows the size of Indian sports shoe market as of now. But if we had to believe the surveys done by some independent agencies, they say that the Indian sports shoe in the Indian footwear industry is around INR93,000 crores and is set to increase to INR1,41,000 crores by 2025.

But these are just the figures published by brand companies on behalf of the government. So if you look at logically, India has 1.5 billion people. And if you see the size of organized footwear industry, it's miniscule. So, there's tremendous scope for growth in the future. The exact numbers, nobody knows, because still a very big part of our industry is unorganized. It's slowly and slowly becoming more and more organized. So as it gets organized, the numbers go up.

Mr. Makhija asked a lot of questions related to how we work and what the company's strategy is, whether we are a discount brand, whether we are this, whether we are that? Well, I'll try to answer everything Mr. Makhija. First of all, we like our consumers. Whenever they come shopping in REDTAPE, we want them to get the sweetest deal. We want them to get the best product, best value for the money. And each consumer should feel like he's a winner. If this winning spirit is alive, that's the DNA of our brand. As far as being considered a discount brand, so I would like to tell you, we are the company that gives the least discounts in the industry.

If you look at our pack, it's one of the highest. If you look at our margins, they are also highest. EBITDA is healthy. So whether it's 50% or 80%, this is a marketing strategy designed for making consumers buy a product. The Indian consumer mindset, unfortunately today, does not want to buy anything full price, from a car to a house, they want a discount. So this is the trend as of today. If tomorrow the trend changes, we will be flexible enough to change with the trend.

I'm sure that we've got your mails and but there are a lot of things that we cannot answer to you as far as our management strategy is concerned, because it would be unfair for other

shareholders. We like to keep certain things within closed doors because that's our strength. If we tell everyone everything then everyone would replicate what we are doing. So we can only answer of questions to a level which does not harm our company.

I'll try to answer the questions of Mr. Rajat Kumar, who wants to know what are the geographical expansions that we're doing. At present, majority of revenue comes from Jammu Kashmir, Punjab, Haryana, Himachal, Uttar Pradesh and Rajasthan. This is where I would think bulk of our revenue is coming. In the West India, we have no stores. In South India states like Tamil Nadu, we don't have a single shop. We are now expanding in countries, in cities like Hyderabad.

We're looking to open more stores in coastal Andhra Pradesh cities like Guntur, Vijayawada, Vishakhapatnam. We are also expanding in Gujarat in a big way. And the Northeast is also something that we are toying with right now, even though things are a little disturbed in Manipur, but we are trying to put stores in states like Meghalaya. The expansion will also filter down to Madhya Pradesh and central India, where again we have virtually no presence. So there is a lot of place, lot of room to grow within India as of now.

Arun Kumar is asking if REDTAPE is going to get into any other products. This year we are trying to stick to our core because the last one and a half years have been very, very turbulent in terms of retail. We are not experimenting with any new categories as of now but next year when hopefully things get more settled down we are planning to get into the luggage industry and backpacks and cabin sized suitcases. That's a natural progression that we feel would be right for our brand.

The question, the Garg wants to know, REDTAPE has done well in the last two years, what's the success story and factors behind it? We want to give our consumers the best possible bang for the buck. Our strategy is to make the best product possible and give it at the absolute lowest price with the right strategy of discounting. So we want to give a consumer the complete package deal. He has to have the right product, best design, right price, right quality, and you should also feel is one something.

So it's a combination of a lot of things that we are doing. And I think I've answered most of the questions. If there's anything else you would like us to answer, you can always send us an email and we can get back to you. Thank you.

Sakshi Mehta:

Thank you, sir. On behalf of the members of the company, I am thankful to Mr. Rashid Ahmed Mirza, Chairman of the company. And with the permission of all the members, I request the chairman to formally close the meeting.

Rashid Mirza:

Ladies and gentlemen, the business of the second Annual General Meeting being over, I declare this meeting concluded after completion of e-voting facility for 15 minutes. Goodbye and have a good day.