

Date: 22nd August, 2023

To
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra(E)
Mumbai-400051
NSE Symbol: IRISDOREME

Sub: Submission of 12th Annual Report of the Company for the Financial Year 2022-23
Ref: Disclosure under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of 12th Annual Report of the Company for the Financial Year 2022-23.

A copy of the aforesaid Annual Report is also available on the website of the Company www.irisclothings.in.

Kindly take the same on your record.

Thanking you.

Yours faithfully,

For Iris Clothings Limited

SANTOSH Digitally signed
by SANTOSH
H LADHA
LADHA Date: 2023.08.22
15:14:34 +05'30'

Santosh Ladha
Managing Director
(DIN: 03585561)

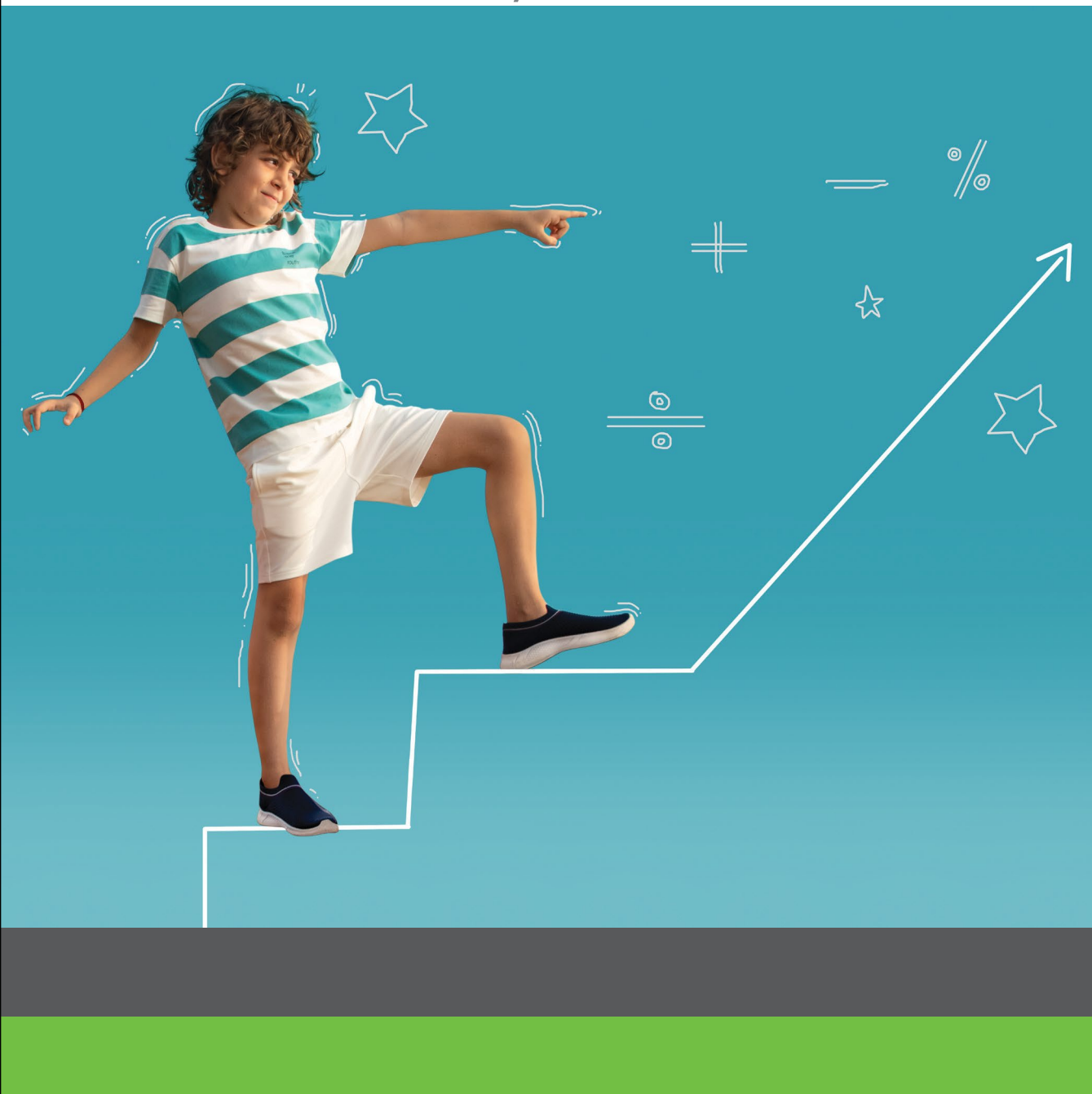
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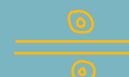
Iris Clothings Limited

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CIN: L18109WB2011PLC166895

DOREME.in

Driven by Innovation Ready for **Growth**





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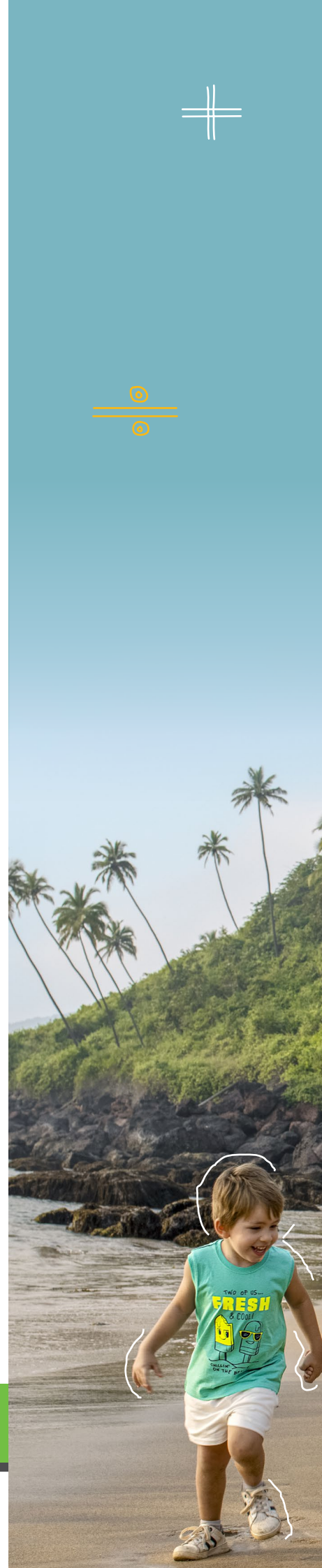
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Forward-looking statements

This Report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified those information independently.



To view this Report online and to know more about us, please visit:
www.irisclothings.in



Driven by innovation. Ready for growth.



Starting our sales through a distribution and retailer network in Mumbai, our brand has consistently grown by offering a high-quality and stylish range of clothing to infants, toddlers, and junior boys and girls. Despite multiple macroeconomic challenges, our intense focus on launching new and innovative products has helped our brand grow consistently over the years.

Towards enhancing our collection, we have signed a Licensing agreement with UTV Software Communication Pvt Ltd. ("Disney") to launch apparel designed with Disney and Marvel movie characters under the DOREME brand.

We increased our Capex spending with an aim to expand manufacturing capabilities and increase installed capacity to 35,000 pieces/day from the current 27,000 to 30,000 pieces per day.

Additionally, we expanded our distribution network and aim to add new markets in India as well as globally. We conducted a successful conference in Udaipur to showcase our complete range of products. We attended our first overseas exhibition to enhance our product visibility in the international arena. We embraced the digital era by growing our online presence through e-commerce listing.

Focussed and poised to take on the future more confidently, we are ready for the next stage of growth in our Company's journey. With our lasting commitment to innovation and dedication to children's fashion, we envisage creating sustainable value for all our stakeholders.





Iris Clothings Limited

Offering Unparalleled Quality and Style

Iris Clothings is one of the few and fastest-growing companies in India specialising in readymade kids' apparel under the DOREME brand. By designing, manufacturing, branding and selling apparel and accessories for infants, toddlers, young boys and girls, we fulfil their indoor and outdoor requirements. We create kids' wear renowned for its fun and authentic designs, comfort, quality and sense of style for this generation of fashion-conscious parents and kids.

Ethos



Vision

To provide the latest in kid's fashion in terms of both quality and affordability. We strive to present the best of designs, patterns, and fabrics to set the stage for our little stars to shine.



Mission

To design garments for all the little knights and princesses and to maximise our privilege of adorning our little wonders by providing them with both style and comfort, while adorning them in our wide range of attires.





Our Differentiating Factors

Manufacturing Capabilities

- 7 state-of-the-art manufacturing facilities with 2 dedicated facilities for warehousing and sales
- Fully integrated and automated operations allow Iris to maintain quality

Strong Geographical Presence

- Catering to a 365 million large customer base spread across India
- 143 distributors supply our products to retailers across the country
- Considerable export presence in Niger, Mozambique, Saudi Arabia, Dubai & Lisbon
- Growing digital presence with own D2C platform and online channels' FirstCry

Long-standing supplier relationship

- Established and trusted business long-term partnerships with suppliers
- Ensures timely availability of raw materials, efficient inventory management and timely delivery of products

Commitment to Quality

- Apparel made from superior-quality materials with continuous adherence to stringent quality checks

Strong Expertise

- 16 years of Textile industry experience and expertise





Our Diversified Portfolio



TOPS



T-SHIRTS



TROUSERS



SHORTS



DRESSES

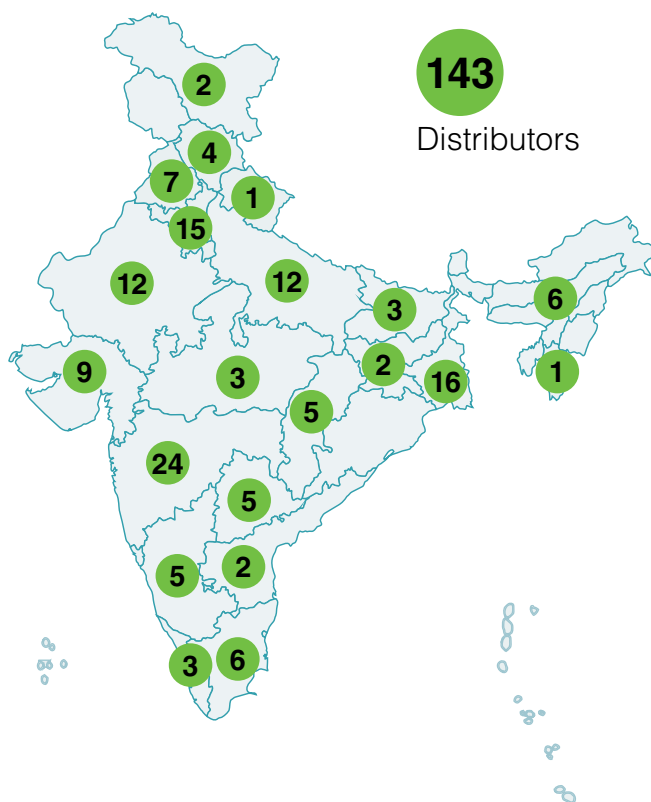


LOUNGEWEAR/
NIGHTWEAR SETS

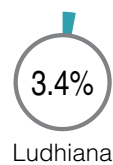
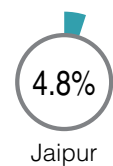
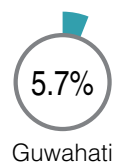
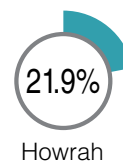


ACCESSORIES

Our Presence



Contribution to Revenue (FY2023)



Map not to scale. For illustrative purposes only.

Numbers that define us

#1

Brand

26

States of India

7

Manufacturing
units

2

Despatch units

143

Distributors

24,000

Pieces
manufactured/day

1,381

Employees



In Conversation with the Managing Director



SANTOSH LADHA
Managing Director

Q | What were the key noteworthy events of the year?

A | FY2023 was an eventful year as we undertook several key initiatives to grow our Company and our brand DOREME. We successfully launched sportswear for kids and expanded the infants wear vertical by launching the accessories line. The year further marked the year of digital transformation as we launched a B2B platform for distributors to allow real-time access to our inventory along with our own D2C e-commerce website www.doreme.in to target the online customer base. Another significant achievement involved our efforts to bolster our design endeavours, as we entered into two licensing agreements with UTV Software Communications Pvt. Ltd. ("Disney"), permitting us to incorporate Disney and Marvel characters into our apparel designs.

Q | How is the agreement with Disney going to benefit us?

A | Designing is fundamental for companies operating in the apparel industry. This becomes even more crucial when the clothes you are manufacturing are meant for the little ones and teens. Kids along with their parents are consistently seeking garments with various designs and colours. Additionally, the presence of Disney characters holds universal recognition and is cherished by every child. This agreement along with our in-house designing capabilities will allow us to create interesting attires and further enhance the demand for our products in the market.

Given these apparels will be marketed under the brand Disney x DOREME, this will enable us to further develop our brand. Furthermore, offering the garments in the premium category will positively impact both our revenue and profitability in the upcoming quarters.

Q | That makes a lot of sense. Have you started manufacturing these Disney-designed apparels?

A | Absolutely. We did a successful sample launch in January this year in Udaipur. We received a lot of appreciation for our new designs which led to multiple orders, coming from distributors across India. We ended up despatching our first order at the start of FY2024, wherein we sold summer wear T-shirts designed with Mickey characters. So, we have a strong order book and our entire focus, in the upcoming quarters, will be towards delivering on these orders and growing our brand.

Q | Talking about the initiatives taken towards digital transformation, how is the B2B platform going to help us operationally and what are some of the key functionalities present in the platform for distributors?

A | After employees, we consider distributors to be the second key pillar of our company. Their confidence and support mean everything to us. So, the platform has been introduced to benefit both of us. This platform will be



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updated on a real-time basis and provide information on the available inventory. This will allow distributors to interact with retailers based on what is visible on the platform and place orders instantly. The platform allows distributors to apply filters and easily search through multiple product categories based on the colours and designs they are looking for. Besides this, some of the key functionalities are order tracking and instant notifications when a new product is launched or made available. For us, this means significant improvement in inventory turnover cycle and sales efficiency.

Q | So, the B2B platform is a win-win for you and the distributors. To talk about the D2C e-commerce website, how are you growing your business online?

A | We plan to grow this business gradually and organically. We have undertaken various digital marketing initiatives and using social media to promote our brand and reach our target customer base.

Q | What differentiates you from other brands in the market?

A | Ever since we started this company, which is more than 18 years ago, our consistent dedication has centred on delivering quality garments at affordable prices. Coupled with that, our relentless design efforts have largely contributed to our success over the years. Today, when I see around, our distributors and customers choose us

for exactly these three reasons. I take immense pride in providing products that consistently achieve a perfect 10 out of 10 in terms of customer satisfaction.

Q | What is your strategy going forward?

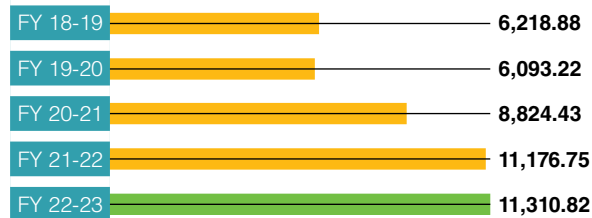
A | Over the past years, we have been primarily focussed on expanding our distribution network and building a diversified product range. Going forward, we plan to explore cross-selling opportunities with our existing distributors as we continue to onboard new distributors to expand our network in India and abroad. Additionally, we have plans to inaugurate our first Exclusive Brand Outlet (EBO) in one of our key markets, enhancing our offline presence and fortifying our brand's growth. Furthermore, we will continue to leverage our agreement with Disney and continue introducing a wider array of products featuring various Disney and Marvel characters. With these initiatives, our paramount goal for the forthcoming years remains the expansion and fortification of our brand, DOREME.



Financial Score Card

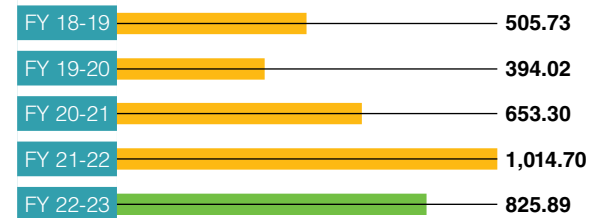
Total Revenue

Amount in Lakhs



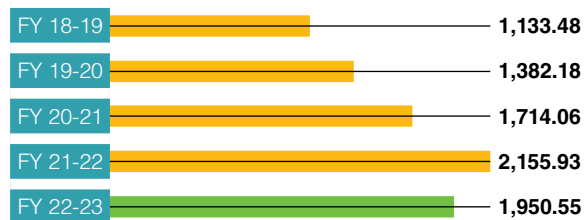
PAT

Amount in Lakhs



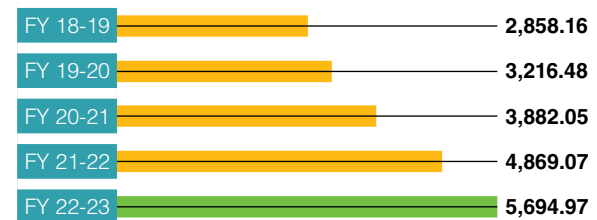
EBITDA

Amount in Lakhs



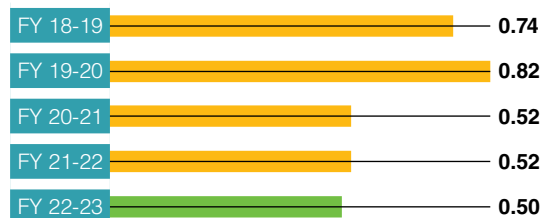
NET WORTH

Amount in Lakhs



DEBT EQUITY RATIO

Times



RETURN ON CAPITAL EMPLOYED

%



Board of Directors



MR. SANTOSH LADHA
Managing Director

Mr. Ladha holds a Bachelor's degree in Commerce and has 26 years of experience in the textile industry. He is the founder and promoter of the Company and has conceptualised and externalised the brand DOREME. He has an in-depth understanding of the domestic readymade apparel market. Being a dynamic marketing personality, he looks after the entire operations of the Company directly with the support of a strong team.



MRS. GEETA LADHA
Whole-time Director

Mrs. Ladha holds a Bachelor's degree in Commerce. She has 19 years of experience along with an unmatched exuberance in providing creative and innovative ideas to update the products. She has been with the Company since its inception.



MR. BALDEV DAS LADHA
Non-Executive Director

Mr. Baldev Ladha has an experience of more than 43 years in the textile industry. His vast experience has been an asset to the Company.



MR. NIKHIL SARAF
Independent Director

Mr. Saraf is a qualified Chartered Accountant, Chartered Financial Analyst and Company Secretary. He has over 21 years of experience in finance, taxation and consulting. He has diverse business interests including running his own accountancy firm, recruitment firm and investment advisory. An avid sports enthusiast, he is one of the Co-founders and CEO of Neev Credit Private Limited – an education focussed NBFC having offices in several states of India. This has helped him develop a strong business network across the country.



MR. MANOJ TULSYAN
Independent Director

Mr. Tulsyan is a Chartered Accountant by profession and has a total experience spanning over 17 years including key financial and administrative roles.



MRS. VRANDA MANISH RATHI
Independent Director

She has a Diploma in Dress Designing from Institute of Professional Training for Women, Indore. She has also done B.Com from Devi Ahilya Vishva Vidyalaya, Indore. She has also done Diploma in Storytelling from Kathalaya, Bangalore.



Corporate Information

Board of Directors

Mr. Santosh Ladha

Managing Director

Mrs. Geeta Ladha

Whole Time Director

Mr. Baldev Das Ladha

Non-Executive Director

Mr. Nikhil Saraf

Independent Director

Mr. Manoj Tulsyan

Independent Director

Mrs. Vranda Manish Rathi

Independent Director

Chief Financial Officer

Mr. Niraj Agarwal

Company Secretary & Compliance Officer

Mrs. Sweta Agarwal

Banker

Axis Bank Limited

Corporate Banking Branch

Kolkata

Statutory Auditor

AMK & Associates

Chartered Accountants

Stesalit Tower, Room No. 303, 3rd Floor

E 2-3, Block EP & GP Sector V

Ph: 91 (33) 40630462, 91(33) 40697147

Secretarial Auditor

Mr. Rajesh Ghorawat

Practicing Company Secretary

68, R. K. Chatterjee Road, 3rd Floor

Kolkata - 700 042

M: 9836029000 / 9831189994

Registrar & Transfer Agent

Cameo Corporate Services Limited

Subramanian Building

No.1, Club House Road, Chennai 600 002

Tel. No.: 044 – 40020700 (up to 0705)/28460390

Fax No.: 044 – 28460129

E-mail: investor@cameoindia.com

Internal Auditors

Vimal & Seksaria

Chartered Accountants

31, Ganesh Chandra Avenue,

1st Floor, Kolkata - 700 013

Ph: 91 (33) 4004 8654



Committees of the Board

Audit Committee

Stakeholders' Relationship Committee

Nomination & Remuneration Committee

Corporate Social Responsibility Committee



Management Discussion and Analysis Report

Macroeconomic Scenario

Global Economy

The global economy expanded by 3.1% in 2022, but as monetary policy continues to tighten in an effort to contain excessive inflation, growth is predicted to slacken to 2.1% in 2023 and then sluggishly recover to 2.4% in 2024. The expansion of emerging market and developing economies is anticipated to be hampered by tight financial conditions worldwide and weak external demand. Inflation has been sticky however it is expected to drop gradually as demand weakens and commodity prices moderate.

In the event of more widespread banking sector stress or if prolonged inflation pressures result in tighter-than-expected monetary policy, global growth may be less than predicted. A long-term reduction in potential growth has been made worse by the converging shocks of the pandemic, the Russian-Ukraine war, and the dramatic tightening of global financial conditions. Weak economic prospects and increased risks in the near term aggravate this slowdown. This challenging environment brings to light a variety of policy difficulties. Refocussing on global financial regulation reform is necessary considering recent bank failures.

On a global level, it is crucial to implement reliable policies to control inflation, ensure macroeconomic and financial stability, and execute reforms to lay the groundwork for a strong, sustainable, and equitable development path.

Source: Global Economic Prospects Report, June 2023 by World Bank

Indian Economy

India eventually reported an exceptional increase fuelled by an uptick in domestic demand, while the global economy was severely impacted by inflation and constrained by monetary tightening. The Indian GDP surpassed growth expectations and was up 7.2% in FY2023 driven by robust growth in the fourth quarter, as per the Economic Review for FY2023. India is expected to continue growing at this pace in the upcoming financial year as well.

Globally, supply-side easing by governments and monetary tightening by central banks have been the two main strategies for containing inflation. However, India benefited from the fact that, in comparison to other advanced countries and emerging market economies, its inflation rate surpassed the target to a lesser extent. Due to significant supply easing in

India, the average inflation rate in FY2023 was lower than that of other economies. Additionally, declining global commodity prices led to a significant drop in India's wholesale price inflation. India's headline inflation rate eventually filtered down to the retail level and achieved the target range before the year was through. Core inflation, however, remained sticky but started to decline in March 2023.

According to figures issued by CMIE, the urban unemployment rate decreased to a five-year low of 8.3% in FY2023, while the overall unemployment rate fell to a three-year low of 7.5%. This was the outcome of several policy reforms that were undertaken over the past few years, particularly following the pandemic. As a result, the corporate sector was strengthened, small firms benefited, and foreign investment increased, which in turn enhanced the economy's ability to generate jobs and promote domestic consumption. The Indian government's conviction that growth reforms will be essential to the country's economic recovery now stand validated.

Additionally, the Indian financial services industry benefited from RBI's repo rate increases to contain inflation. The banks transferred 40-45% of the hike to lending and deposit rates by end of FY2023. This has been sufficient to lower inflation to the target range without having an impact on domestic demand, coupled with government's fiscal and administrative actions.

Source: International Monetary Fund, WEO Outlook, April 2023

Indian Textile and Apparels Industry

India is the world's second-largest producer of textiles and clothing and also the fifth-largest exporter of textiles used in household, fashion, and technical items. According to a report by FICCI-Wazir Advisors, the Indian textile & apparel market is estimated at US\$ 153 billion in 2021, with the potential to reach US\$ 250 billion by 2025-26. As the apparel industry continues to undergo a substantial shift due to emerging technologies and evolving consumer tastes, it is crucial for apparel brands to stay up to date with the latest trends to maintain a competitive edge in the market.

Some of the trends that are shaping the industry are given below:

- **Athleisure Continues to Gain Popularity:** Due to the rise of hybrid working models, there is an increasing need for casual yet stylish attire that can be worn both

at home and at work. Many high-end brands have hopped on this trend and have been incorporating athletic-inspired elements into their collections.

- **Deploying Augmented Technology:** There is an increasing adoption of augmented reality (AR) and virtual reality (VR) technologies that allow consumers to try on apparels virtually. Consumers have been appreciating this as it makes their shopping experience that is more immersive and personalised and immersive. By helping the consumers get a better idea of how the clothing is going to fit them even before making the purchase, this technology has the potential to significantly reduce the number of returns.
- **Transitioning to Sustainable Fashion:** Due to the growing awareness of the environmental impact caused by the apparel industry, consumers have been increasingly prioritising sustainability in their purchase decisions. This has been creating a surge in demand for sustainable fashion as well. Brands believe this trend to persist for years to come and therefore, have been integrating eco-friendly practices like reducing carbon footprint to provide sustainable products.
- **Social Media Shopping:** In recent years, a rising number of consumers have turned to social media sites to acquire fashion inspiration and discover new products. These platforms allow users to follow influencers, brands, and retailers and see new trends and products in their feeds, making it easier for them to find and buy what they want. Social media is now being used by brands and retailers to directly communicate with their customers, provide tailored recommendations, and offer unique deals and discounts.
- **Delivering Omnichannel Experiences:** Integrating online and offline channels is critical for merchants to provide customers with a seamless and uninterrupted shopping experience. This has been shown to boost consumer satisfaction and drive brand growth.
- **Marketing Promotions:** Due to increased competition and shifting consumer preferences, the apparel industry is seeing a trend towards sales and marketing promotions. The companies are implementing creative marketing strategies to increase brand recognition, foster consumer engagement, and boost sales. They are continuously monitoring sales data and customer behaviour to be able to provide well-balanced promotions that include incentives like discounts and freebies without compromising on profitable margins.

- **Local Sourcing and Manufacturing:** Brands and retailers are responding to this trend by sourcing raw materials and manufacturing clothing locally, reducing transportation emissions and supporting local economies. Furthermore, local production allows brands to exercise greater control over the manufacturing process and better working conditions for workers, both of which are major concerns among consumers.

Source: FICCI-Wazir Analysis

Indian Kids Apparel Industry

As per industry estimates, the Indian kids apparel market is expected to grow from US\$ 21.1 billion in 2022 to US\$ 24.5 billion by 2028, growing at a CAGR of 2.6% during the forecasted period.

Children, i.e., individuals that are below the age of 15 years, make up 25-26% of the Indian population and therefore represent a huge customer base for brands catering to the kids' segment. Robust economic expansion in India, as seen in recent years, has resulted in steady increase in disposable income as well. Besides this, increasing number of nuclear families who tend to have less number of kids coupled with growing dual-income households has resulted in parents that are willing to spend more for their children's comfort and convenience. With children, in both urban and semi-urban areas, becoming increasingly exposed to media, they are becoming more aware of the brands that appeal to them and have started actively participating in making apparel purchases along with their parents. Brands, on the other hand, have been attracting customers by offering superior visual merchandising, appropriate product assortment, promotional strategies through targeted advertising. There has also been an increasing trend among domestic and international brands to go beyond their existing target audience of adults by expanding their product lines to incorporate children's wear as well.

Company Overview

Iris Clothings Limited ("Iris" or "the Company") is a fast-growing kids' apparel company that is engaged in designing, manufacturing, branding, and selling garments. The Company's products are sold under our brand 'DOREME', which was launched within a year of starting the business in 2005. DOREME started its sales through a distributor-retailer network based out of Mumbai. Since then, the brand has been steadily gaining popularity from word-of-mouth publicity. It has also gained acceptance in the retail stores given its high-quality and stylish range of collection and our ability to continuously launch new products with varied designs.

Iris currently operates out of 4 key manufacturing sites based out of Howrah in West Bengal. Our brand has good presence in 26 states across India with Maharashtra, Rajasthan, Gujarat, and NCR being our key markets. We have tie-ups with 140+ distributors who are selling our garments. Over the years, we have built a strong presence in the offline market, and also launched our D2C website www.doreme.in in FY2023 to build an online presence.

Our Products and Services

The Company is dealing in only one segment i.e., manufacturing and trading of readymade garments and clothing accessories in the kids' segment through its only brand 'DOREME'. DOREME offers a wide range of apparels for infants, toddlers, and junior boys and girls that suit both their indoor and outdoor requirements. This includes tops, t-shirts, trousers, shorts, dresses, polyfil suits, loungewear/nightwear, sweatshirts, hoodies, padded suits, and accessories, among others.

Developments in FY2023

Performance

- In Q1, the Company's revenues witnessed a strong growth of 19.2% YoY, however, there was a dip on a sequential basis due to normal seasonality and overall lower sales volumes. EBITDA margin was impacted and stood at 18.2%, down 422 bps YoY, due to high raw material prices.
- In Q2, there was a mild dip in revenues on a YoY basis, due to muted demand in the industry.
- In Q3, revenues continued to remain impacted and decreased 18.7% due to muted demand in the industry. EBITDA margins were significantly impacted and stood at 15.7%, down 514 bps YoY, despite ease in raw material prices as the inventory standing on books were at elevated prices.
- In Q4, the Company saw demand pick-up in full swing and revenues were up 14.8% YoY. However, EBITDA margins continued to remain impacted and stood at 14.1% down 183 bps YoY.

Signed Licensing Agreement with Disney

In November 2022, the Company successfully signed two licensing agreements with UTV Software Communications Pvt. Ltd. ("Disney") to use Disney and Marvel characters. The agreements will allow Iris Clothings to design kids apparels using intellectual properties from Disney movies like Mickey Mouse, Aladdin, Lion King, Frozen, etc. and from Marvel movies like Spiderman, Doctor Strange, Thor, etc. Iris plans to launch these apparels under the Disney



x DOREME brand under the premium category. Given the tremendous popularity of these characters among kids, it will help attract Iris more customers and ultimately strengthen the DOREME brand.

The Company also conducted a sample launch of kids' apparels designed with Disney and Marvel movie characters in January 2023 in Udaipur and the same received an impressive response.

Launched new product categories

The Company launched the accessories line under its infantwear vertical in Q1. Followed by the sportswear vertical that was launched in Q3. The Company plans to grow both these verticals in the quarters to come.

Expanded distribution footprint

Domestically, Iris added 15+ new distributors during the year. It added its first distributor in Uttarakhand and expanded its presence in existing markets such as Maharashtra, West Bengal, Himachal Pradesh, Punjab, Delhi, Chhattisgarh, Tamil Nadu, among others. On the export front, the Company sent out shipments to countries like Nepal, Portugal, Zambia, and Saudi Arabia.



Digital Initiatives

In June 2022, the Company launched its B2B platform for wholesalers to give them real-time access to the Company's inventory and improve the overall turnaround time in the whole order to execution cycle. Through this platform, Iris aims to improve its sales efficiency and reduce inventory turnover days. Ever since its launch, the platform has been seeing an encouraging response. Functionalities like real-time access to inventory, order tracking, better filtering options to view product categories and being the first ones to get notified when a new article is launched, are receiving immense appreciation from the distributors.

In September 2022, the Company launched its own D2C e-commerce platform – www.doreme.in. The platform boasts of DOREME's entire apparel range for junior boys and girls between the ages of 0-16 in varied designs and colours. Iris believes this to be a significant milestone in its journey of digital transformation. Having an online presence, would allow the Company to grow their brand, DOREME, immensely. Iris has been consistently investing towards digital marketing as well to further grow its online presence and their brand.

Our Strategy

Expanding Product Portfolio

Iris has carved a niche for itself by focussing on kids' segment and has established a strong brand 'DOREME'. It offers a wide range of affordable and good quality apparels for infants, toddlers, and children in their pre-teens, serving both their indoor and outdoor requirements. In the year gone by, the Company also launched sportswear for kids and plans to enter the undergarments vertical in the coming year. Iris aims to keep expanding its product offerings to provide a greater choice to customers.

Integrated Operations

Iris is an integrated player with 100% in-house infrastructure right from design conceptualisation, raw material procurement, manufacturing & branding and finally selling this to distributors. Being completely backward integrated allows the Company to have better quality control, be cost-efficient and have healthy operating margins.

Manufacturing Prowess

Iris has four manufacturing facilities and nine units at Howrah, West Bengal.

- **Foreshore Road, Howrah** – This plant has four units for stitching and finishing with fully automated stitching machines from Japan and from a renowned indigenous brand; and one unit for despatch.

- **Pachla, Howrah** – Iris set up its first fully modernised stitching and finishing unit here with online processes. The Company further enjoys locational advantage in terms of skilled labour and raw material availability.
- **Uluberia, Howrah** – Iris consolidated all the manufacturing activities in a single location and has installed fully automated cutting machinery from Italy and printing machinery from US and Poland. The Company has also employed a fully modernised stitching and finishing unit with online processes.
- **Srijan Industrial Park, Bombay Road** – The Company set up its third fully modernised stitching & finishing unit with online processes and also has one unit for despatch.

Our current installed capacity stands at 33,000 pieces per day, out of which Iris produces 24,000 pieces per day.

Constant Innovation & Quality Consciousness

The Company's growth driver has been its designing skills and constant innovation in its product line. 5-10% designs are repeated every year, but 90% new designs are launched every year. Iris ensures adherence to the desired standards of quality and specifications for its products and processes by undertaking adequate and stringent quality checks. This has helped the company in building strong customer trust and securing repeat business.

Wide Network of Distributors

The DOREME brand has good presence in 26 states across India with Maharashtra, Rajasthan, Gujarat, and NCR being the Company's key markets. Iris had over 140 distributors as of March 31, 2023. While most of the sale happens through this distribution network, the Company also sells through online e-commerce channels like FirstCry and its own D2C website www.doreme.in. Moreover, the Company keeps participating in various industry exhibitions and tradeshow to increase its visibility among the trade partners. Iris has planned an extensive channel partner loyalty and engagement programme to drive their stickiness and boost morale.

Enhancing Brand Visibility

For a larger part, ever since the Company started operating, the brand has been steadily gaining popularity from word-of-mouth publicity. However, Iris has been undertaking digital marketing and branding initiatives to better mirror the customers' fast-changing needs. The Company plans to commence these activities to enhance its brand recall and customer connect on social media channels. This would eventually drive traffic to its exclusive online platform launched during the year.

Outlook

The Company expects demand pick-up to continue in FY2024 as well. They further expect margins to improve on the back of new inventory that will be purchased in the current prices, that are lower.

Iris has laid down a detailed plan to streamline their focus areas in the coming year.

- **Leverage the partnership with Disney** and launch various product categories with different characters in a phased manner to grow the brand.
- **Continuously grow their presence** by expanding their distribution network and adding new markets in both domestic and international locations. While in India, Iris will keep increasing its footprint in Tier II & III cities; globally, the Company plans to target newer regions in Middle East, Africa, and West Asia.
- **Explore cross-selling opportunities** by leveraging their large distribution network to sell their recently launched products.
- **Grow the digital platforms** by onboarding more and more distributors on the B2B platform and keep exploring opportunities to grow the online business.
- **Increase brand visibility** and recall through various social media campaigns and engagements which will ultimately drive traffic to the online platform.

Over the past years, the Company's efforts have been completely dedicated towards three levers – expanding the product portfolio, growing the distribution base, and transforming digitally. Going forward, Iris believes that these three levers coupled with the confidence of its distributors and their focus towards building the DOREME brand will set them on the path of accelerated growth.

Opportunities & Threats

The growth is expected to be driven by factors such as increased purchasing power, driving growth in primary discretionary spend, better access and availability of

products, brand consciousness, increasing urbanisation and rising digitisation. The Company is in the process of evaluating various options for the same and plans to grow domestically and internationally keeping in view the new opportunities created.

Indian markets are likely to emerge as one of the largest markets in the next few decades, therefore many international apparel brands have commenced operations in India increasing the competition intensity. However, by being focussed on providing good quality garments at affordable prices Iris is less exposed to this threat.

Risks and Concerns

The existing uncertainties related to elevated commodity prices can dampen the performance of the Company. However, the Company's long-standing relationships with suppliers allows Iris to exercise better price at the time of raw material procurement. Moreover, the distributors' confidence on the Company and the brand helps Iris to easily pass on price hikes to avoid material impact on margins. Iris' current manufacturing locations helps them to benefit through locational synergies as well when it comes to raw material and skilled labour availability.

Internal Control

The Company maintains adequate and effective Internal Control Systems commensurate with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorisation. It also ensures that they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting principles along with the assets of the Company being adequately safeguarded against significant misuse or loss. An independent Internal Audit function is an important element of Company's Internal Control System. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee of the Board.

Financial Performance

(₹ in Lakhs)

Particulars	FY2023	FY2022	% Change
Total Income	11,311	11,177	1%
Expenses	9,360	9,021	4%
Earnings Before Interest, Tax, Depreciation & Amortisation	1,951	2,156	(10) %
EBITDA Margin (%)	17.2%	19.3%	(204) bps
Depreciation & Amortisation	530	560	(5) %
Earnings Before Interest and Tax	1,420	1,596	(11) %
Finance Costs	300	239	26%
Profit Before Tax	1,120	1,357	(18) %
Profit After Tax	826	1,015	(19) %
PAT Margin (%)	7.3%	9.1%	(178) bps

- Total income increased marginally by 1% YoY due to low sales volumes on the back of muted demand in the industry.
- EBITDA was impacted due to increase in raw material prices and minimal pass through.

Human Resource

We strongly believe that our employees have been the key pillars of our success in this market. Therefore, we continue to empower and motivate our workforce to unleash their potential so they can achieve individual excellence and enhance their contribution in achieving departmental goals. The Company provides a diverse and an inclusive work environment that helps the employees feel a sense of belonging and companionship with their team. Because of our inclusive work culture and ability to offer opportunities for career growth, we are able to attract and retain the best of talent. The employee strength of the Company stood at 1,381, as of March 31, 2023.

Cautionary Statement

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions may be forward-looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information, or events.

Board's Report

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2023.

STATE OF COMPANY'S AFFAIRS

Financial Performance

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	11,310.82	11,176.75
Total Expenses	10,190.35	9,819.27
Profit or Loss before Exceptional Extraordinary items	1,120.47	1,357.48
Profit or Loss before tax	1,120.47	1,357.48
Less: Tax Expenses	294.58	342.78
Profit or Loss after Tax	825.89	1,014.70
Other Comprehensive Income	-	(27.67)
Total Comprehensive Income	825.89	987.03

During the year under review, the performance of your company was satisfactory. The Company has reported total income of ₹ 11,310.82 Lakhs for the current financial year as compared to ₹ 11,176.75 Lakhs in the previous financial year. Total Comprehensive Income for the year under review amounted to ₹ 825.89 Lakhs in the current financial year as compared to ₹ 987.03 Lakhs in the previous financial year. The profit after tax for the year stands at ₹ 825.89 Lakhs as compared to ₹ 1,014.70 Lakhs in the previous year.

Change in nature of business

There was no change in the nature of business of the company.

Management Discussion and Analysis Report

The Company's business activity primarily falls within a single business segment i.e., manufacturing and trading of garments. The analysis on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis Report forming part of this report.

SHARE CAPITAL

Equity Shares

The paid-up Equity Share Capital as on March 31, 2023 was ₹ 16,31,41,260/-. There was no change in the Share Capital during the year under review.

Sweat Equity Shares

In terms of Sub-rule (13) of Rule 8 of The Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any Sweat Equity Shares.

Differential Voting Rights

In terms of Rule 4(4) of The Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any share with Differential Voting Rights.

Employee Stock Options

In terms of Rule 12(9) of The Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any Employee Stock Options.

DIVIDEND

Your Directors have not recommended any dividend for the year under review.

Transfer of unpaid & unclaimed Dividends & Shares to Investor Education and Protection Fund (IEPF)

Pursuant to 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") there was no unclaimed/unpaid dividend, hence the company is not required to transfer any amount to Investor Education and Protection Fund.

RESERVES

During the year under review, your Directors have not proposed to transfer any amount to Reserves.

MATERIAL CHANGES AND COMMITMENT

There are no material changes or commitments that took place after the close of financial year till date which will have any material or significant impact on the financials of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

Energy conservation continued to be a key focus area. Various initiatives were undertaken by all manufacturing plants to minimise the power consumption.

During the year under review, the energy consumed by the company was 17,28,419 units amounting to ₹ 195.82/- Lakhs.

Technology Absorption

We are well aware of latest technology being available in our field of operation. Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.

Foreign Exchange Earning and Outgo

The Company is creating a network across the globe through export of its products.

During the year under review, the details of foreign exchange earnings and outgo are as given below:

Particulars	(₹ in Lakhs)	
	Financial Year 2022-23	Financial Year 2021-22
Earning in Foreign Currencies	295.37	267.75
Expenditure in Foreign Currencies	5.41	-

RISK MANAGEMENT

The Company has a risk management framework comprising risk governance structure and defined risk management process. The risk governance structure of the Company is a formal organisation structure with defined roles and responsibilities for risk management. The risks existing in the internal and external environment are periodically identified and reviewed, based on which, the cost of treating risks is assessed and risk treatment plans are devised.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR projects are given in 'Annexure - A' to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or provided any guarantee or made any investment under provisions of Section 186 of the Companies Act, 2013. However, the particulars of all loans, guarantees or investments made by the Company are given in notes to Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered with Related Parties during the financial year were on an arm's length basis and were in ordinary course of business and the provision of Section 188 of the Companies Act, 2013 are not attracted. There are no materially significant related party transactions during the period under review made by the Company with Promoters, Directors or other designated person which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC- 2 is not required. However, details of all related party transactions are given in Notes to Financial Statements.

BOARD OF DIRECTORS, COMMITTEES AND MANAGEMENT

Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee are constituted in accordance with Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"], wherever applicable. The details are provided in Corporate Governance Report which forms the part of the Annual Report.

Appointment

Considering the knowledge, expertise, experience, skills and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors had appointed Mrs. Vranda Manish Rathi (DIN: 02759920) as

the Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. December 8, 2022 and her appointment was subsequently approved by the Members at the Extra-Ordinary General Meeting held on February 3, 2023.

Resignation

Ms. Savli Prabhakar Mangle (DIN: 07414487), Non-Executive Independent Director of the Company resigned from the Board w.e.f. October 10, 2022.

Retirement by Rotation

Pursuant to Section 152 of the Companies Act, 2013, at least two-third of the total number of Directors (excluding independent directors) shall be liable to retire by rotation.

The Independent Directors hold office for a fixed term of not exceeding five years from the date of their appointment and are not liable to retire by rotation.

Accordingly, Mr. Baldev Das Ladha (DIN: 03585566), Non-Executive Director, being the longest in the office among the Directors liable to retire by rotation, retires from the Board this year and, being eligible, has offered himself for re-appointment.

The brief resume and other details relating to Mr. Baldev Das Ladha who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the notice calling ensuing Annual General Meeting.

Re-appointment of Directors

During the year under review, Mr. Nikhil Saraf (DIN: 00611163) was re-appointed as the Non-Executive Independent Director of the Company for a period of five consecutive years w.e.f. August 31, 2022 at the 11th Annual General Meeting held on September 19, 2022.

Further, the Members of the Company at the Extra-Ordinary General Meeting held on February 3, 2023, have approved the re-appointment of Mr. Santosh Ladha (DIN: 03585561) as Managing Director and Mrs. Geeta Ladha (DIN: 03585488) as Whole-time Director of the Company for a period of 3 (three) years w.e.f. July 30, 2023 respectively.

Meetings of the Board & Committees

The details of Board and Committee Meetings held during the Financial Year ended on March 31, 2023 and the attendance of the Directors are set out in the Corporate Governance Report which forms part of this report. The maximum time gap between any two Board Meetings was not more than

120 days as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors.

The details of meeting of Independent Directors are set out in the Corporate Governance Report which forms part of this report.

Declaration by Independent Directors

The Company has received requisite declarations/ confirmations from all the Independent Directors confirming their independence as per provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board relies on their declaration of independence.

Familiarisation Programme for Independent Directors

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a programme for familiarising the Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives.

Further, at the time of appointment of an Independent Director, the company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a director. The details of programmes for familiarisation for Independent Directors are available on the website of the Company www.irisclthings.in.

Annual Evaluation of Board's Performance

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors. The details are provided in Corporate Governance Report which forms the part of the Annual Report.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them 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 at the end of the financial year and of the profit / loss of the company for that period;

- c) the directors had taken proper and sufficient care 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) the directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism/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 or Ethics Policy. It aims to provide an avenue for employees through this policy to raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. It also provides for direct access to the Chairman of the Audit Committee. The Vigil Mechanism/Whistle Blower Policy is being made available on the Company's website www.irisclthings.in.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Nomination and Remuneration Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and independence of Directors. The policy has been duly approved and adopted by the Board, pursuant to the recommendations of the Nomination and Remuneration Committee. The Remuneration Policy has been uploaded on the Company's website www.irisclthings.in. Further the salient features of the policy are given in the Report of Corporate Governance forming part of this Annual Report.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2023 in Form MGT - 7 is in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 and is available on the website of the Company at www.irisclthings.in.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's Subsidiary, Joint Venture or Associate during the Financial Year 2022-23.

DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The current system of internal financial control is aligned with the statutory requirements. Effectiveness of internal financial control is ensured through management reviews, controlled self-assessment and independent testing by the Internal Auditor.

AUDIT AND ALLIED MATTERS

Statutory Auditor

M/s. AMK & Associates, (FRN: 327817E) Chartered Accountants, have been appointed as Statutory Auditors of the Company at the Annual General Meeting held on August 31, 2019 for a term of 5 consecutive years to hold office from the conclusion of 8th Annual General Meeting till the conclusion of 13th Annual General Meeting to be held in the year 2024.

The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Statutory Auditor Report to the Members for the year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has

been no instance of fraud reported by the statutory auditors for the period under review.

Internal Auditor

As recommended by the Audit Committee, the Board of Directors had re-appointed M/s. Vimal & Seksaria, Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2022-23 to conduct internal audit of the Company and their report on findings is submitted to the Audit Committee on periodic basis.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had re-appointed Mr. Rajesh Ghorawat, Company Secretary in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year 2022-23 in the prescribed Form MR-3 is appended as 'Annexure – B' to this Board's Report.

COST RECORDS

The Company has maintained cost records for the products as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

CORPORATE GOVERNANCE

The Company adheres to follow the best corporate governance. As per Regulation 34 read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with a certificate received from the Statutory Auditors confirming compliance is annexed and forms part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review impacting the going concern status and the operations of the Company in future.

DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company have constituted Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace.

During the year under review, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

REMUNERATION RATIO TO DIRECTORS/KMP/EMPLOYEES

The disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure – C' forming part of this report.

OTHER DISCLOSURES

Secretarial Standards

The company has complied with the applicable provisions of Secretarial Standards SS-1 and SS-2 with respect to convening of Board Meetings and General Meetings during the period under review.

Proceeding pending under the Insolvency and Bankruptcy Code, 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

APPRECIATION & ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the assistance and co-operation received from the Government authorities, financial institutions, banks, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services continuously being rendered by the Company's executives, staff and workers.

For and on behalf of the Board
Iris Clothings Limited

Annexure - A

Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR Policy of the Company:

The vision of our company, is to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, by making definitive triple bottom-line (social, economic and environmental) impact. While we always had a strong commitment to comply with the law, we seldom hesitate to go beyond the limits laid under law and put in an extra effort to achieve the status of a responsible corporate citizen in tune with the Company's values. Aiming at creating shared values for all stakeholders, we seek to integrate Corporate Social Responsibility ("CSR") into our businesses processes.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be accessed at the website of the Company at www.irisclothings.in.

2. Composition of CSR Committee:

As per the Companies Act, 2013, the Company has constituted CSR Committee consisting of following directors:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Nikhil Saraf	Chairman - Non-Executive Independent Director	1	1
Mr. Manoj Tulsyan	Member - Non-Executive Independent Director	1	1
Ms. Savli Prabhakar Mangle (resigned w.e.f. October 10, 2022)	Member - Non-Executive Independent Director	-	-
Mrs. Vranda Manish Rathi (appointed w.e.f. December 08, 2022)	Member - Non-Executive Independent Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

These details are disclosed on the Company's website at www.irisclothings.in.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The Company at present is not required to carry out impact assessment in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

5. (a) Average net profit of the Company as per section 135(5): ₹ 919.33 Lakhs

(b) Two percent of average net profit of the company as per section 135(5): ₹ 18.39 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 18.39 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 18.52 Lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 18.52 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
18.52	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any: Nil

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board
Iris Clothings Limited

Place: Howrah
Date: August 12, 2023

Santosh Ladha
Managing Director
(DIN: 03585561)

Nikhil Saraf
Chairman, CSR Committee
(DIN: 00611163)

Annexure - B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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 of
M/s. Iris Clothings Limited
103/24/1, Foreshore Road
Shibpur, Howrah – 711 102

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Iris Clothings Limited (hereinafter called “the Company”). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (“Audit Period”) generally 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.

I 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, 2023, to the extent applicable, 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 regulations 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) Regulations, 2018 (Not Applicable to the Company during the period under review);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company during the period under review);
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the period under review);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the period under review);

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the period under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the period under review).
- (vi) Other applicable laws generally applicable to the Industry/Company.
- a) The Factories Act, 1948;
 - b) The Payment of Wages Act, 1936;
 - c) The Minimum Wages Act, 1948;
 - d) The Payment of Gratuity Act, 1972;
 - e) The Child Labour (Prohibition & Regulations) Act, 1986;
 - f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
 - g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
 - h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982.

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

- (i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India;
and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except that the Company has made disclosure of related party transactions on consolidated basis under Regulation 23(9) SEBI (LODR) Regulations, 2015, for the half year ended March 31, 2022 with little delay.

In respect of other laws specifically applicable to the Company, I have relied on the information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings/committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while dissenting members' views, if any, are captured and recorded as part of the minutes.

The Company has submitted the Compliance Certificate to Stock Exchanges with regard to maintenance of Structured Digital Database (SDD) pursuant to Regulations 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 for the quarters ended on June 30, 2022, September 30, 2022 and December 31, 2022. Further we confirm that the Company was required to capture 1 (one) event during the quarter ended March 31, 2023 and it has accordingly captured the said required event.



I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no major events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Kolkata
Date: August 12, 2023

Rajesh Ghorawat
Practising Company Secretary
M. No.: F7226
C.P. No.: 20897
UDIN: F007226E000798115
ICSI Peer Review No.: 1992/2022

Annexure-I

To
The Members of
M/s. Iris Clothings Limited
103/24/1, Foreshore Road
Shibpur, Howrah – 711 102

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: August 12, 2023

Rajesh Ghorawat
Practising Company Secretary
M. No.: F7226
C.P. No.: 20897
UDIN: F007226E000798115
ICSI Peer Review No.: 1992/2022

Annexure – C
PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year are given hereunder:

Name	Designation	Remuneration paid during FY 2022-23* (₹ in Lakhs)	Ratio of remuneration to median remuneration of employees (Including Whole-time Directors)
1. Mrs. Geeta Ladha	Whole-time Director	125	134.46
2. Mr. Santosh Ladha	Managing Director	125	134.46

*Sitting fees paid to Non-executive Directors during the year is not considered as remuneration for ratio calculation purpose.

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are given hereunder:

Name	Designation	% increase in remuneration in the financial year
Mrs. Geeta Ladha	Whole-time Director	6.84
Mr. Santosh Ladha	Managing Director	6.84
Mr. Niraj Agarwal	Chief Financial Officer	30.71
Ms. Sweta Agarwal	Company Secretary	10

- iii. The percentage of increase in the median remuneration of employees in the financial year: 14.58% (due to Annual Appraisal).
- iv. The number of permanent employees on the role of company as on March 31, 2023 is 1381 nos., including Executive directors.
- 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: Nil
- vi. Affirmation that the remuneration is as per the remuneration policy of the company: The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board
Iris Clothings Limited

Place: Howrah
Date: August 12, 2023

Santosh Ladha
Managing Director
(DIN: 03585561)

Geeta Ladha
Whole-time Director
(DIN: 03585488)

Corporate Governance Report

The Corporate Governance Report of Iris Clothings Limited ('the Company') has been prepared in compliance to the requirements of Regulations 17 to 27, read with Schedule V and Clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations').

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's commitment towards the adoption of best corporate governance practices goes beyond compliance with the law and endeavors to embrace responsibility for corporate actions and the impact of its initiatives on all its stakeholders.

Your Company continuously strives for the betterment of its corporate governance mechanisms to improve efficiency, transparency, accountability and achieve business excellence in its day-to-day operations within which all stakeholders of the Company, viz., its Members, Directors, management, society and environment at large have aligned objectives. Company's Governance framework enshrines ethical and responsible conduct of business to create lasting stakeholder value and ensuring that the Company's businesses are being conducted in an accountable and fair manner.

2. BOARD OF DIRECTORS:

The Board of Directors ("Board") is responsible for the strategic supervision and overseeing the management performance and governance of the Company on behalf of the Members and other stakeholders.

The Company has a very balanced and diversified Board of Directors. The composition of the Board primarily takes care of the business needs and stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced and competent persons from the fields of finance & taxation, law, governance etc. They take active part at the Board and Committee Meetings

by providing their valuable guidance and expert advice to the Board and the Management on various aspects of business policy direction, governance, compliance etc. and play a critical role in resolving strategic issues, which enhances the transparency and adds value in the decision-making process of the Board of Directors.

Your Company's Board comprises of the appropriate mix of Executive, Non-Executive and Independent Directors including one women Independent Director to maintain its independence. The Board consists of Six Directors out of which 2 are Executive Directors and remaining 4 are Non-Executive Directors including three Independent Directors.

Category of Directors	No of Directors
Executive Director (ED)	2
Independent Directors	3
Non-Executive Director	1

In terms of the provisions of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/or the Committees of other companies with changes therein, if any, on periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- holds Directorship positions in more than Twenty (20) companies [including Ten (10) public limited companies and Seven (7) listed companies;
- holds Executive Director position and serves as an Independent Director in more than Three (3) listed companies;
- is a Member of more than Ten (10) Committees and/or Chairperson of more than Five (5) Committees, across all the Indian public limited companies in which they are Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given below:

Name of Director	Category	No. of Board Meetings Attended	Attendance at last AGM held on September, 19, 2022	Directorship in other public companies	No. of Committee position held in other companies [#]	
					Chairperson	Member
Mr. Santosh Ladha (DIN: 03585561)	Executive Director (Managing Director)	7	Yes	0	0	0
Mrs. Geeta Ladha (DIN: 03585488)	Executive Director (Whole-time Director)	7	Yes	0	0	0
Mr. Baldev Das Ladha (DIN: 03585566)	Non-Executive Director	7	Yes	0	0	0
Mr. Nikhil Saraf (DIN: 00611163)	Non-Executive Independent Director	7	Yes	0	0	0
Mr. Manoj Tulsyan (DIN: 08919887)	Non-Executive Independent Director	7	Yes	0	0	0
Ms. Savli Prabhakar Mangle (DIN: 07414487)*	Non-Executive Independent Director	2	Yes	1	0	1
Mrs. Vranda Manish Rathi (DIN: 02759920)**	Non-Executive Independent Director	1	NA	0	0	0

* resigned w.e.f October 10, 2022

** appointed w.e.f. December 8, 2022

[#] Committees considered are Audit Committee and Stakeholder's Relationship Committee.

Ms. Savli Prabhakar Mangle (DIN: 07414487), the Independent Director resigned from the Company as she was unable to continue to serve on the Board, owing to other preoccupations and commitment to complete some time-bound responsibilities. The Director has confirmed that there are no other reasons for resignation other than stated above.

Meetings of the Board of Directors

During the year under review, 7 (Seven) Meetings of the Board of Directors were held on April 29, 2022, July 27, 2022, August 17, 2022, November 11, 2022, December 08, 2022, January 02, 2023 and February 03, 2023 respectively. The gap between any two meetings does not exceed 120 days.

Directorships in Listed Entities as on March 31, 2023

None of the Directors are holding Directorship in other listed entities as on March 31, 2023.

Shareholding of Directors

Details of equity shares of the Company held by the Directors as on March 31, 2023 are given below:

Name	Category	Number of Shares
Mr. Santosh Ladha	Executive Director	13,16,459
Mrs. Geeta Ladha	Executive Director	77,62,914
Mr. Baldev Das Ladha	Non-Executive Director	6,66,517

Disclosures of Relationships between directors

No Director is related to any other Director on the Board except Mr. Santosh Ladha, Mrs. Geeta Ladha and Mr. Baldev Das Ladha in terms of the definition of "Relative" given under the Companies Act, 2013.

Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as

required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses (Textile products manufacturing and extraction of raw material and marketing), policies and culture (including the Mission, Vision and Values) major risks/threats and potential opportunities and knowledge of the industry in which the Company operates;
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company, Leadership & effective communication qualities;
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;
- iv) Financial and Management skills;
- v) Technical / Professional skills and specialised knowledge in relation to Company's business.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business.

Board Procedure

The Board of Directors convenes regular meetings to discuss and review strategic, operational and financial matters. It adheres to a formal schedule and has a predefined set of reserved matters for its decision-making. These include approving interim and preliminary financial statements, budgets, the annual financial plan, significant contracts, capital investments and strategic decisions such as business restructuring, debt management and human resources.

Board Meetings Notice is circulated to the members of the Board, well in advance. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to take informed decisions. The agenda and related information are circulated in electronic form through their email, which is easily accessible to the Board members. The Board ensures that all relevant information is provided

to directors before each meeting. The information as required under Part A of Schedule II to the SEBI Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Company adheres to the Secretarial Standard-1 on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India.

Code of Conduct for Board of Directors and Senior Management

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management (The Code). The Code has been communicated to the Directors and Senior Management. The Code has also been posted on the Company's website at www.irisclothings.in. All Board of Directors and Senior Management have confirmed compliance with code for the year ended March 31, 2023.

Apart from receiving remuneration, if any, that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or its Directors and its Senior Management.

The Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Independent Directors and Separate Meeting of Independent Directors

Independent Directors play an eminent role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity on the Board and accordingly makes its recommendations to the Board of Directors.

Certificates have been obtained from the Independent Director confirming their position as Independent

Director on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the declarations received from the Independent Directors, the Board confirms that the Independent Directors fulfill the conditions specified in these regulations and that they are Independent of the Management.

The Company also has a structured Familiarisation framework for the Independent Directors. It takes due steps for familiarising the Independent Directors with the Company's procedures and practices, by providing them the necessary documents, reports and internal policies. The familiarisation programme for Independent Directors is given on the website at www.irisclothings.in.

As stipulated by Regulation 25(3) of the SEBI Listing Regulations and Section 149(8) read with Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 03, 2023 during the Financial Year, without the attendance of Non-Independent Directors.

The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole, assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. AUDIT COMMITTEE:

Audit Committee acts in accordance with the terms and reference specified by the Board which includes the recommending on the appointment, re-appointment, terms of appointment, replacement or removal of the statutory auditor and the fixation of audit fees, review and monitor the auditor's performance and effectiveness of the audit process, financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, evaluation of internal financial control and risk management system, any subsequent modification of transaction of the Company's related party, monitoring the end use of the fund raised through public offers and related matters.

Composition

Name of the Director	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle*	Non-Executive Independent Director	Member
Mrs. Vranda Manish Rathii**	Non-Executive Independent Director	Member

* resigned w.e.f October 10, 2022

** appointed w.e.f. December 08, 2022

Ms. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

There were 4 meetings of the Audit Committee held during the Financial Year ended March 31, 2023 on April 29, 2022, July 27, 2022, November 11, 2022 and February 03, 2023 respectively.

S. No.	Name of the Director	Number of Audit Committee Meetings attended during the Financial Year ended March 31, 2023
1.	Mr. Nikhil Saraf	4
2.	Mr. Manoj Tulsyan	4
3.	Ms. Savli Prabhakar Mangle	2
4.	Mrs. Vranda Manish Rathii	1

The Internal Auditors and the representative of the Statutory Auditors also attended the Audit Committee Meetings. The Internal Audit Report is directly placed to the Audit Committee.

The Chairman of Audit Committee meeting was present at the Annual General Meeting held on September 19, 2022. The minutes of Audit Committee meetings are placed in the Board for noting.

Terms of Reference

The terms of reference of the Audit Committee are in line with Regulation 18(3) read with Schedule II, Part - C of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 are briefly described below:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditors and Internal 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:
 - a) 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;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report, if any.
- To review with 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter;
- To review and monitor the Auditor's independence and performance and effectiveness of the 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 Company, 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, 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 thereon;
- 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;
- To review the utilisation of loans and/ or advances from/ investment by the company to its subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;

- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Review of information by Audit Committee

- To review the following:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - c) internal audit reports relating to internal control weaknesses; and
 - d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - e) 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 utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Composition

Name of the Director	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle*	Non-Executive Independent Director	Member
Mrs. Vranda Manish Rathii**	Non-Executive Independent Director	Member

* resigned w.e.f October 10, 2022

** appointed w.e.f. December 08, 2022

Ms. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

Two Meeting of the Nomination and Remuneration Committee was held during the Financial Year ended March 31, 2023 on July 27, 2022 and December 8, 2022 respectively.

S. No.	Name of the Director	Number of Nomination & Remuneration Committee Meetings attended during the Financial Year ended March 31, 2023
1.	Mr. Nikhil Saraf	2
2.	Mr. Manoj Tulsyan	2
3.	Ms. Savli Prabhakar Mangle	1
4.	Mrs. Vranda Manish Rathii	-

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Identification of person who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommended to the Board their appointment and removal;
- Devising a policy on Board diversity;
- Deciding 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- Evaluating the balance of skills, knowledge and experience on the Board upon the appointment of an independent Director. Based on this evaluation, preparing a description of the role and capabilities required of an independent Director. The recommended candidate for the position of an independent Director should possess the identified capabilities. The Committee may utilise external agencies, consider candidates from diverse backgrounds, and take into account the time commitments of the candidates when identifying suitable candidates.

Performance Evaluation

Pursuant to the provisions of the Act, SEBI Listing Regulations and Guidance Note on Board Evaluation issued by the SEBI, Nomination and Remuneration Committee has devised a criteria for the evaluation of the performance of Directors including Independent Directors. An indicative list of factors on which evaluation was carried out includes experience, attendance, acquaintance with the business, effective participation, strategy, contribution and independent judgement.

During the financial year 2022-23, the performance of the independent directors was evaluated by the entire Board, excluding the director being evaluated.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole and the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The performance evaluation process for the Financial Year 2022-23 has been completed.

Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Nomination & Remuneration Committee formulates and reviews Nomination and Remuneration Policy and also lays down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy laid down the factors for

determining remuneration of Non-Executive Directors, Key Managerial Personnel and other employees.

The Company does not have any Employee Stock Option Scheme. The Nomination and Remuneration policy may be referred to at the Company's official website at the web link www.irisclthings.in.

A. Remuneration to Executive Directors:

The Executive Directors are paid salary as per agreement, considered by Board & Committee. In addition, the Company provides with certain perquisites, allowances and benefits in accordance with terms of contract, if any. In the event that there is no breach of the terms of the agreement, if any, by the Executive Director, the Company exercise the discretion to terminate his/her services during the terms of agreement, without assigning any reason thereof, then and in that event, the Executive Director may be paid a compensation of a sum which shall not exceed the remuneration which he/she would have earned.

B. Remuneration to Non-Executive Directors and Independent Directors:

The Independent Directors and Non-Executive Directors are paid sitting fees for attending the meetings of the Board and/or Committee thereof with the discretion of Board. The Non-Executive Directors and Independent Directors, in their individual capacity, did not have any pecuniary relationship or transactions with the Company during the financial year 2022-23.

C. Remuneration to Key Managerial Personnel (KMP) and other Employees:

The objective of the Policy is to have a compensation framework that will reward and retain talent. The remuneration will be such as to ensure the correlation of remuneration to performance is clear and meet appropriate performance benchmark. Remuneration to Key Managerial Personnel, Senior Management and other Employees will involve a balance between fixed and variable pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goal.

The Nomination & Remuneration Committee recommend the remuneration of KMP and other Employees.

D. Remuneration paid or payable to Directors for the year ended March 31, 2023 are as follows:

Non-Executive Directors (NEDs):

Name of the Directors	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Baldev Das Ladha	17,500	-	17,500
Mr. Nikhil Saraf	35,000	-	35,000
Mr. Manoj Tulsyan	35,000	-	35,000
Ms. Savli Prabhakar Mangle	10,000	-	10,000
Mrs. Vranda Manish Rath	5,000	-	5,000

Executive Directors (EDs):

Name of the Directors	Salary (₹)	Perquisites (₹)	Others (₹)	Total (₹)
Mr. Santosh Ladha	1,25,00,000	-	-	1,25,00,000
Mrs. Geeta Ladha	1,25,00,000	-	-	1,25,00,000

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

Composition

Name of the Director	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle*	Non-Executive Independent Director	Member
Mrs. Vranda Manish Rath**	Non-Executive Independent Director	Member

* resigned w.e.f October 10, 2022

** appointed w.e.f. December 08, 2022

Ms. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee. One Meeting of the Stakeholders Relationship Committee was held during the Financial Year ended March 31, 2023 on February 03, 2023.

S No.	Name of the Director	Number of Stakeholders Relationship Committee Meetings attended during the Financial Year ended March 31, 2023
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	Ms. Savli Prabhakar Mangle	-
4.	Mrs. Vranda Manish Rath	1

Terms of Reference

The terms of reference and roles of the Stakeholders Relationship Committee as framed in line with provisions of SEBI Listing Regulations and Companies Act, 2013, are as under:

- To resolve the grievances of the security holders of the Company 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.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Ms. Sweta Agarwal, Company Secretary, is the Compliance Officer of the Company and responsible for ensuring compliance with the requirements of Securities Laws. The Company has received no complaints during the Financial Year.

The Chairman of the Stakeholders Relationship Committee was present at the last AGM of the Company held on September 19, 2022 to answer the queries of the security holders.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

Composition

Name of Director	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle*	Non-Executive Independent Director	Member
Mrs. Vranda Manish Rathi**	Non-Executive Independent Director	Member

* resigned w.e.f October 10, 2022

** appointed w.e.f. December 08, 2022

One Meeting of the Corporate Social Responsibility Committee was held during the Financial Year ended March 31, 2023 on February 03, 2023. Ms. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

S. No.	Name of the Director	Number of Corporate Social Responsibility Committee Meetings attended during the Financial Year ended March 31, 2023
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	Ms. Savli Prabhakar Mangle	-
4.	Mrs. Vranda Manish Rathi	1

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII of the Companies Act, 2013 and recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

7. GENERAL BODY MEETINGS:

a) Location and time where last three AGMs were held:

The details of the last three Annual General Meetings (AGMs) of the Company held as under:

Financial Year	Date and Time	Venue	No of Special Resolutions passed
2021-22	September 19, 2022 at 4.00 p.m.	Through Video Conferencing ('VC')/Other Audio- Visual Means ('OAVM')	1 (One) - Re-appointment of Mr. Nikhil Saraf (DIN: 00611163) as a Non-Executive Independent Director of the Company
2020-21	September 27, 2021 at 4.00 p.m.	Through Video Conferencing ('VC')/Other Audio- Visual Means ('OAVM')	-
2019-20	September 29, 2020 at 3.00 p.m.	103/24/1, Foreshore Road, Howrah -711102	-

b) Extraordinary General Meeting:

Apart from the Annual General Meeting, an Extra-ordinary General Meeting of the Company was held during the Financial Year 2022-23, wherein the following special resolutions were passed:

Financial Year	Date and Time	Venue	No of Special Resolutions passed
2022-23	February 03, 2023 at 11.00 a.m.	103/24/1, Foreshore Road, Howrah -711102	<ul style="list-style-type: none"> Approval of appointment of Mrs. Vranda Manish Rathi (DIN: 02759920) as the Non-Executive Independent Director of the Company; Approval of re-appointment of Mr. Santosh Ladha (DIN: 03585561) as the Managing Director of the Company; Approval of re-appointment of Mrs. Geeta Ladha (DIN: 03585488) as the Whole-time Director of the Company.

c) Postal Ballot

No Special Resolution was passed during financial year 2022-23 through postal ballot.

As on the date of this report, no Special Resolution is proposed to be passed through Postal Ballot.

8. MEANS OF COMMUNICATION:

The quarterly / annual financial results are normally published in “Business Standard” (English) and “Aajkal” (Bengali). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and 46(2)(b) to (i) of SEBI Listing Regulations, wherever applicable, were uploaded on the websites of the National Stock Exchange of India Limited (NSE) at www.nseindia.com and the Company at www.irisclothings.in. During the year, press releases, presentations made to analysts / institutional investors were made available on the website of the Company.

9. GENERAL SHAREHOLDER INFORMATION:

i. The particulars of the Annual General Meeting for the year ended March 31, 2023 is as under:

Date of 12 th Annual General Meeting	Venue	Time
September 18, 2023	Annual General Meeting is being conducted through Video-Conferencing/Other Audio-Visual Means	4.00 p.m.

ii. Financial Calendar: Our tentative calendar for declaration of results for the financial year 2022-23 are given below:

Financial Calendar	Period	Declaration of Unaudited Results
1 st Quarter	April 1 to June 30	On or before August 14, 2023
2 nd Quarter	July 1 to September 30	On or before November 14, 2023
3 rd Quarter	October 1 to December 31	On or before February 14, 2024
Audited Financial Results	January 1 to March 31	On or before May 30, 2024

iii. The Company's financial year begins on April 1 and ends on March 31 of the following year.

iv. Dates of Book Closure: As mentioned in the Notice of this AGM.

v. Dividend Payment Date: Not Applicable.

- vi. Listing on Stock Exchange:** The Company's Shares are currently listed and traded on the following Stock Exchanges

Name of the Stock Exchange	Address	Stock Code / Symbol
National Stock Exchange of India Limited (NSE)	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	ISIN - INE01GN01017, Symbol – IRISDOREME

Listing Fees as applicable have been paid.

vii. Market Price Data:

Monthly High and Low price of shares traded at National Stock Exchange of India Ltd during the Financial Year 2022-23 are as:

Period	Monthly Low (₹)	Monthly High (₹)
Apr'2022	195.05	252.00
May'2022	205.00	258.80
Jun'2022	186.80	239.80
Jul'2022	186.20	200.85
Aug'2022	177.00	223.00
Sep'2022	178.30	256.80
Oct'2022	224.00	262.80
Nov'2022	235.00	254.10
Dec'2022	237.05	278.80
Jan'2023	247.25	295.00
Feb'2023	290.05	331.00
Mar'2023	300.00	325.00

- viii. Suspension of Securities of the Company from Stock Exchange:** The Securities of the Company are not suspended from trading on the stock exchange.

- ix. Registrars and Share Transfer Agents:** All matters pertaining to Share Transfers / Transmissions are being handled by Cameo Corporate Services Limited, the Registrars and Share Transfer Agents.

Address: Cameo Corporate Services Limited

Subramanian Building

No.1, Club House Road Chennai 600 002

Tel. No.: 044 – 40020700(upto 0705)/28460390

Fax No.: 044 – 28460129

E-mail: investor@cameoindia.com

- x. Share Transfer System:** The Company has in place a proper and adequate share transfer system. The Company formed a Committee known as "Stakeholders Relationship Committee" to process share transfer request as delegated by the Board of Directors of the Company. M/s. Cameo Corporate Services Limited, the Registrar and Share Transfer Agent of the Company was appointed to ensure that the share transfer system is maintained in physical as well as electronic form.
- xi. Dematerialisation of Shareholding and Liquidity:** 1,63,14,126 i.e., 100% of the paid-up Share Capital had been dematerialised, as at March 31, 2023.

A reconciliation of share capital, audited by Practicing Company Secretary (PCS) is submitted to the Stock Exchanges on a quarterly basis in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018.

xii. Address for Correspondence:

Iris Clothing Limited

Registered Office Address: 103/24/1, Foreshore Road, Howrah – 711102

Email: accounts@irisclothings.in

Website: www.irisclothings.in

xiii. Distribution of Shareholding:

The shareholding distribution of equity shares as on March 31, 2023 is given below:

No of shares (Range)	No of shareholders	No of Equity shares held	Percentage of holding
1 – 100	939	22,258	0.1364
101-500	179	45,255	0.2774
501-1000	37	29,431	0.1804
1001 – 2000	30	43,328	0.2656
2001 – 3000	16	41,245	0.2528
3001 – 4000	8	27,533	0.1688
4001 – 5000	7	31,772	0.1948
5001 – 10000	25	1,73,419	1.0630
10001 and above	67	1,58,99,885	97.4608
Total	1308	1,63,14,126	100.0000

Categories of Shareholders as on March 31, 2023:

Category	No of Shares held	% of shareholdings
Promoters' Holding	1,15,70,084	70.92
Non-Promoters' Holding	47,44,042	29.08
Total	1,63,14,126	100.00

xiv. Credit Ratings: During the year under review, CRISIL has given the credit rating of "CRISIL BBB-/Stable(reaffirmed)" on the credit facilities of the Company.

10. DISCLOSURES:

- All the related party transactions have been entered into are in the ordinary course of business and at arms' length basis. There are no materially significant related party transactions that may have potential conflict with the interests of the Company. The Company has the Related Party Transaction Policy which has been hosted on the website of the Company at www.irisclothings.in. In any case, disclosures regarding the transactions with related parties are given in the notes to the accounts of Financial Statements.
- The Company has complied with the applicable provisions of the SEBI (LODR) Regulations, 2015 as well as the other applicable regulations and guidelines of SEBI and other statutory authorities. Consequently, there are no strictures or penalties imposed on the Company for any matter relating to capital markets during the last three years except for the mentioned below:

The National Stock Exchange of India Limited had imposed fine of ₹ 50,000/- for delay in submission of related party disclosures to the stock exchanges for half year ended March 31, 2022 under Regulation 23(9) of the SEBI (LODR) Regulations, 2015. The aforesaid default had occurred due to unavoidable circumstances. Your Company had paid the amount of fine immediately to the National Stock Exchange of India Limited.

- The Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The Company promotes ethical behaviour in its operations and has a Vigil mechanism which is overseen through the Audit Committee. This policy has been posted on the website of the Company.
- The Company has complied with all mandatory requirements under the applicable provisions of SEBI Listing Regulations.

- e. The Company has adopted Policy for determining 'material' subsidiaries which has been placed in the website of the Company www.irisclthings.in.
- f. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year 2022-23.
- g. The Company has received a certificate from a Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- h. The Board had accepted all recommendation of mandatory committees during the financial year 2022-23.
- i. Details of total fees for all services, paid by the Company to the Statutory Auditors have been provided under Notes to the Financial Statement forming part of this Annual Report.
- j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
- number of complaints filed during the financial year - NIL
 - number of complaints disposed of during the financial year - N.A.
 - number of complaints pending as on end of the financial year – NIL
- k. Pursuant to point 10(m) of Schedule V of the SEBI Listing Regulations, the Company hereby confirms that during the Financial Year ended March 31, 2023, no loan / advances in nature of loan are provided to firms/ Companies in which the directors of the Company are interested.
- l. The Company does not have any subsidiary, hence, details with respect to date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries, are not applicable.
- m. The financial statements have been prepared in accordance with the applicable Accounting Standards and relevant provisions of the Companies Act, 2013 and related rules, as amended from time to time.
- n. The Company has complied with the requirements as specified in the SEBI (LODR) Regulations, 2015 to the extent applicable except delay in submission of related party disclosures to the stock exchanges for half year ended March 31, 2022 under Regulation 23(9) of the SEBI (LODR) Regulations, 2015.
- o. Disclosure on discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:**
- **Shareholders' Rights**
The Company is committed to ensuring transparency and timely communication with its shareholders and stakeholders regarding its financial performance and significant events. In line with this commitment, the Company publishes its half-yearly (including quarterly) financial performance in newspapers, providing wider access to this information. These financial updates are also promptly posted on the Company's website, allowing shareholders and other interested parties to access the information easily.
 - **Modified opinion in Audit Report**
The Statutory Auditors have provided an unmodified opinion in their Audit Reports on the financials the Company for the year ended March 31, 2023.
 - **Reporting of Internal Auditor**
Internal Audit Report are directly to the Audit Committee.

11. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code. Chief Executive Officer's (MD) certificate regarding compliance of the Code of Conduct by the Directors and Senior Management is appended to this Report.



12. COMPLIANCE CERTIFICATE FROM THE AUDITORS:

The Company has obtained a certificate from Statutory Auditors of the Company, regarding the compliance with the provisions of Corporate Governance as required under the SEBI Listing Regulations. The same is annexed to this Report.

For and on behalf of the Board
Iris Clothings Limited

Place: Howrah
Date: August 12, 2023

Santosh Ladha
Managing Director
(DIN: 03585561)

Geeta Ladha
Whole-time Director
(DIN: 03585488)

Independent Auditor's Certificate on Corporate Governance

To the members
of the **IRIS Clothings Limited**

1. We, AMK & Associates, Chartered Accountants, the Statutory Auditors of IRIS Clothings Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **AMK & Associate**
Chartered Accountants
FRN 327817E

Manish Kumar Agarwal
Partner
M.No. 064475
UDIN: 23064475BGUEJI8471

Kolkata
August 12, 2023



**CERTIFICATE REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2023.

For Iris Clothings Limited

Place: Howrah
Date: August 12, 2023

Santosh Ladha
Managing Director
DIN: 03585561

Certification by Managing Director and Chief Financial Officer

(Under Regulation 17(8) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements), Regulations, 2015)

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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. There 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - a) significant changes in internal control over financial reporting during the year, if any;
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board
Iris Clothings Limited

Place: Howrah
Date: August 12, 2023

Santosh Ladha
Managing Director
(DIN: 03585561)

Niraj Agarwal
Chief Financial Officer
(PAN: AORPA9626F)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
M/s. Iris Clothings Limited
103/24/1, Foreshore Road
Shibpur, Howrah - 711102

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Iris Clothings Limited (CIN L18109WB2011PLC166895) (hereinafter referred to as 'the Company')**, produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Mr. Nikhil Saraf	00611163	April 22, 2019
2.	Mrs. Geeta Ladha	03585488	August 27, 2011
3.	Mr. Santosh Ladha	03585561	July 27, 2018
4.	Mr. Baldev Das Ladha	03585566	August 27, 2011
5.	Mr. Manoj Tulsyan	08919887	October 15, 2020
6.	Mrs. Vranda Manish Rathi	02759920	December 8, 2022

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on the verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: August 12, 2023

Rajesh Ghorawat
Practising Company Secretary
M. No.: F7226
C.P. No.: 20897
UDIN: F007226E000798115

Independent Auditor's Report

To the Members of IRIS Clothings Limited

Report on the Audit of the Ind AS financial statements

Opinion

We have audited the Ind AS financial statements of IRIS Clothings Limited ("the Company") which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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 that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies act, 2013, 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards 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 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of 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, 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 financial statements – Refer Note 34 (i) (1) to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that has considered reasonable and appropriate in the circumstances, nothing has come



to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid by the Company during the financial year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting

under rule 11(g) is not applicable to the Company for the financial year 2022-23.

For **AMK & Associates**
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
Partner

Place: Kolkata
Date: May 04, 2023

Membership No. 064475
UDIN: 23064475BGUEFC4024

Annexure "A" to the Independent Auditors' Report

Annexure to the Independent Auditors' Report to the Members of IRIS Clothings Limited referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant, and equipment at reasonable intervals.

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 and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year, hence reporting under clause (i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and in the opinion, the coverage and procedure of such verification by the management is appropriate, having regard to size of the Company. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not, made investments in, provided any guarantee or security, or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, hence the clause (iii) of Order is not applicable.

(iv) As the Company has not, given or provided or made, any loans, investments, guarantees, and security the provisions of sections 185 and 186 of the Act is not applicable. Therefore, reporting under clause (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

As informed to us, no order has been passed by the Company law Board and National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal against the company for any violation of deposit provisions.

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

We have, however, not made a detailed examination of the cost 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:

- c) Details of dues of Income tax, Goods and Service Tax, cess which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹) (Net of Deposit)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,35,68,260/-	A.Y. 2013-14	C.I.T.(Appeal)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year hence, reporting under clause 3 (ix)(c) of the Order is not applicable.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) We report that the Company has neither taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates,

- a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Goods and Service Tax, Provident Fund, Employees' State Insurance, cess, and other material statutory dues applicable to it to the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, cess, and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

or joint ventures, hence reporting under clause 3 (ix)(e) of the Order is not applicable.

- (f) We report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies, hence reporting under clause 3 (ix) (f) of the Order is not applicable.

- (x) According to the information and explanations given to us, no money was raised

by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause (x) of the Order is not applicable

- (xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.

- (b) During the year, no fraud by the company or any fraud on the company has been noticed or reported, accordingly no such report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) According to the information and explanations given to us, the Company has a mechanism or policy for whistle-blower complaints to lodge. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company, hence reporting under clause (xii) of the Order is not applicable.
- (xiii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence the provisions of section 192 of Companies Act are not applicable to the Company.
- (xvi) The company is not required to be registered as a non- banking financial company under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- As represented to us by the management, the group has no CIC.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility ("CSR") and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act, or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

For **AMK & Associates**
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
Partner

Place: Kolkata

Date: May 04, 2023

Membership No. 064475

UDIN: 23064475BGUEFC4024

Annexure “B” to the Independent Auditors’ Report

Annexure to the Independent Auditors’ Report to the Members of IRIS Clothings Limited referred to in paragraph 2 (g) of Report on Other Legal and Regulatory Requirements in our Report of even date.

Report on the Internal Financial Controls 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 IRIS Clothings Limited as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 Company’s internal financial controls system over financial reporting.

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 unauthorized 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **AMK & Associates**
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
Partner

Place: Kolkata
Date: May 04, 2023

Membership No. 064475
UDIN: 23064475BGUEFC4024



Balance Sheet

as at March 31, 2023

		(₹ in Lakhs)	
Particulars	Note No.	As on March 31, 2023	As on March 31, 2022
I ASSETS:			
1 Non-current Assets			
Property, Plant & Equipment	2	2,184.72	2,513.26
Right of Use Assets		503.81	597.29
Other Intangible Assets		2.45	4.28
Financial Assets			
Other Financial Assets	3	110.03	105.02
Deferred Tax Assets (Net)	4	85.29	68.31
		2,886.30	3,288.16
2 Current Assets			
Inventories	5	4,492.04	3,374.30
Financial Assets			
Trade receivables	6	3,125.22	2,373.19
Cash & cash equivalents	7	1.78	4.05
Other Bank balances	8	145.43	138.06
Loans	9	4.23	4.12
Current Tax Assets (Net)		51.26	-
Other Current Assets	10	224.62	197.03
		8,044.58	6,090.76
TOTAL ASSETS		10,930.88	9,378.92
II EQUITY AND LIABILITIES:			
1 Equity			
Equity Share capital	11	1,631.41	1,631.41
Other Equity	12	4,063.56	3,237.66
		5,694.97	4,869.07
2 Non-current Liabilities:			
Financial Liabilities			
Lease Liabilities	13	582.56	661.39
		582.56	661.39
3 Current Liabilities			
Financial Liabilities			
Borrowings	14	2,848.28	2,550.11
Lease Liabilities	15	79.06	65.12
Trade Payables	16		
(A) total outstanding dues of micro enterprises and small enterprises		30.37	80.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,641.87	995.65
Other financial liabilities	17	4.28	74.49
Other current liabilities	18	49.49	64.32
Current Tax Liabilities (net)		-	18.64
		4,653.35	3,848.46
TOTAL EQUITY AND LIABILITIES		10,930.88	9,378.92
Accounting Polices	1		

In terms of our report on even date

For AMK & AssociatesChartered Accountants
FRN: 327817E**Manish Kumar Agarwal**

M. No. 064475

Place: Kolkata

Date: May 04, 2023

Santosh LadhaManaging Director
(Din: 03585561)**Sweta Agarwal**

Company Secretary

Geeta LadhaWhole Time Director
(Din: 03585488)**Niraj Agarwal**

Chief Financial Officer

Statement of Profit and Loss

for the Year Ended March 31, 2023

(₹ in Lakhs)

Sl No	Particulars	Note No.	For the period ended 31.03.2023	For the period ended 31.03.2022
I	Revenue From operations	19	11,300.14	11,152.13
II	Other Income	20	10.68	24.62
III	Total Income (I +II)		11,310.82	11,176.75
IV	EXPENSES			
	Cost of Materials Consumed	21	5,236.66	5,776.95
	Purchases of Stock-in-Trade	22	1,966.37	933.63
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress"	23	(1,028.77)	(925.95)
	Employee benefit expense	24	1,825.73	1,674.98
	Finance costs	25	299.81	238.50
	Depreciation and amortization expense	26	530.27	559.95
	Other expenses	27	1,360.28	1,561.21
	Total expenses (IV)		10,190.35	9,819.27
V	Profit(loss) before exceptional items and tax(III-IV)		1,120.47	1,357.48
VI	Exceptional items		-	-
VII	Profit/ (loss) before tax (V-VI)		1,120.47	1,357.48
VIII	Tax Expenses	28		
	a) Current Tax		310.00	364.63
	b) Income tax related to earlier years		1.56	-
	c) Deferred Tax		(16.98)	(21.85)
			294.58	342.78
IX	Profit/(loss) for the period (VII-VIII)		825.89	1,014.70
X	Other Comprehensive Income	29		
	(a) Items that will not be reclassified to profit or loss		-	(27.67)
	(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
			-	(27.67)
XI	Total Comprehensive Income for the period (IX+X)		825.89	987.03
XII	Earnings per equity share	30		
	1) Basic		5.06	6.22
	2) Diluted		5.06	6.22
	Accounting Policies	1		

In terms of our report on even date

For AMK & AssociatesChartered Accountants
FRN: 327817E**Manish Kumar Agarwal**

M. No. 064475

Place: Kolkata

Date: May 04, 2023

Santosh LadhaManaging Director
(Din: 03585561)**Sweta Agarwal**

Company Secretary

Geeta LadhaWhole Time Director
(Din: 03585488)**Niraj Agarwal**

Chief Financial Officer

Statement of Cash Flow

for the Year Ended March 31, 2023

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,120.47	1,357.48
Adjustments for:		
- Depreciation	530.27	559.95
- Sundry Balances Written Off	0.00	(0.33)
- Finance Cost	299.81	164.07
- Lease Rent	0.00	95.32
- OCI Defined Benefit Scheme	-	(27.67)
- Interest Income	(0.00)	(8.69)
Operating Profit Before Working Capital Changes	1,950.55	2,140.12
Adjustments for:	-	-
- Trade Payables	540.04	97.90
- Trade and other Receivables	(784.74)	(952.69)
- Inventories	(1,117.74)	(843.19)
Cash Generated from Operations:	588.10	442.14
- Direct Taxes Paid	(381.46)	(345.99)
Net Cash generated from Operating Activities	206.64	96.15
(B) CASH FLOW FROM INVESTING ACTIVITIES	-	-
Purchase of Property, Plant and Equipments (Net)	(199.90)	(466.56)
Term Deposit other than cash equivalents	(7.37)	7.68
Interest Received	0.00	8.69
Net Cash used in Investing Activities	(207.28)	(450.20)
(C) CASH FLOW FROM FINANCING ACTIVITIES	-	-
Proceeds from Short Term Borrowings	298.17	516.23
Interest Paid	(299.81)	(164.07)
Net Cash generated/(used) in Financing Activities	(1.63)	352.16
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(2.26)	(1.89)
Opening Cash and Cash Equivalents	4.05	5.93
Closing Cash and Cash Equivalents	1.79	4.05

In terms of our report on even date

For AMK & Associates

Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal

M. No. 064475

Place: Kolkata

Date: May 04, 2023

Santosh Ladha

Managing Director
(Din: 03585561)

Sweta Agarwal

Company Secretary

Geeta Ladha

Whole Time Director
(Din: 03585488)

Niraj Agarwal

Chief Financial Officer

Statement of Changes in Equity

for the Year Ended March 31, 2023

a Equity Share Capital

(₹ In Lakhs)

Particulars	No. of Equity Shares of ₹ 10 each fully paid up	Balance at the beginning of the reporting period April 01, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period March 31, 2023
Equity Share	16,314,126	1,631.41	-	1,631.41	-	1,631.41

Particulars	No. of Equity Shares of ₹ 10 each fully paid up	Balance at the beginning of the reporting period April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period March 31, 2022
Equity Share	16,314,126	1,631.41	-	1,631.41	-	1,631.41

b Other Equity

Particulars	Reserve and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period (April 01, 2021)	12.92	2,237.72	2,250.64
Changes in accounting policy/ prior period expenses	-	-	-
Restated Balance at the beginning of the reporting year April 01, 2020	12.92	2,237.72	2,250.64
Profit for the year	-	1,014.70	1,014.70
OCI Components of Remeasurements of the net defined benefit Plans	-	(27.67)	(27.67)
Balance at the beginning of the reporting period (April 01, 2022)	12.92	3,224.74	3,237.66
Changes in accounting policy/ prior period expenses	-	-	-
Restated Balance at the beginning of the reporting year (April 01, 2022)	12.92	3,224.74	3,237.66
Profit for the year	-	825.89	825.89
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
Balance at the end of the reporting period (March 31, 2023)	12.92	4,050.63	4,063.55

In terms of our report on even date

For AMK & Associates

Chartered Accountants
FRN: 327817E**Manish Kumar Agarwal**

M. No. 064475

Place: Kolkata

Date: May 04, 2023

Santosh LadhaManaging Director
(Din: 03585561)**Sweta Agarwal**

Company Secretary

Geeta LadhaWhole Time Director
(Din: 03585488)**Niraj Agarwal**

Chief Financial Officer

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

1. CORPORATE INFORMATION

IRIS Clothings Limited is a limited company incorporated under the provision of the Companies Act, 1956 and domiciled in India. The registered office of the company is at 103/24/1, Foreshore Road Shibpur Howrah-711102 West-Bengal India. The Company is engaged in manufacturing of Readymade Garments.

Its shares are listed on the National Stock Exchange (NSE) Main Platform, India.

2. Statement of Compliance

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 read with sub-section (1) of section 210 A the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

2.1. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 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, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

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

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

2.2. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II to Schedule III to the Companies Act, 2013 ("the Act") applicable for the Companies preparing and presenting their financial statements as per Ind AS. The Statement of Cash Flows has prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees (INR) and per share data are presented in Indian Rupee to two decimal places.

2.3. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

i) Sales of goods

The Company recognises revenue from sale of goods when the goods are delivered, and titles have been passed at which time all the following conditions are satisfied:

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

- b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii) Export Incentives

Revenue in respect of the export incentives is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

iii) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regards to the amount to be realized and the ultimate collection thereof.

iv) Interest and Dividend Income

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised

cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for expected credit losses (ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

v) Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.4. Properties, Plant and Equipment (PPE)

PPE is recognised 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work in progress”.

Depreciation is recognised using reducing balance method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

2.5. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

2.6. Impairment of Tangible and Intangible Assets other than Goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

2.7. Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on First in First Out (FIFO) method except work in progress which is valued at raw material cost plus conversion costs depending upon the stage of completion. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving, and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.8. Employee Benefits

i) Short Term Employee Benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders

the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii) Post-employment benefits:

- a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.
- b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss.

Defined benefit costs are categorized as follows:

- i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements);
- ii) Net interest expense or income; and
- iii) Re-measurement.

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The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognized in the Balance Sheet, represents the Company's liability based on actuarial valuation.

iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

2.9. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option

to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with

reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Transition

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.10. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

1) Financial Assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to

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cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

c) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

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Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2) Financial liabilities

- a) Financial liabilities, including derivatives, which are designated for measurement at

FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

- b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

2.11. Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.12. Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have

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occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes

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in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

2.13. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute

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a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

- a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month

ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

- b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
 - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

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The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as

the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

2.14. Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

2.15. Government Grant:

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant.

Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

2.16. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.17. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18. Share-based payment arrangements:

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

2.19. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance

assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

2.20. Foreign currencies:

- i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.
- iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
 - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rates; and
 - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

2.21. Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income and computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

The Company irreversibly opted to pay the Current Tax as per the Section 115BAA of the Income Tax Act, 1961.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end

of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

2.22. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- i) a Company entity has a present obligation (legal or constructive) as a result of a past event; and
- ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii) a present obligation arising from past events when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

2.23. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for.
- b) uncalled liability on shares and other investments partly paid.
- c) funding related commitment to associate companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.24. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i) changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.25. Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.26. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2.27. Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.28. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to

the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

Note No. 2 Property, Plant & Equipment

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Original Cost as at 01.04.22	Addition during the year	Sales/Adjustments during the year	Total Cost as at 31.03.2023	Up to 01.04.22	For the Period	Up to 31.03.2023	As at 31.03.2023
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Land	18.35	-	-	18.35	-	-	-	18.35
Building	1,023.76	-	-	1,023.76	336.77	65.26	402.03	621.73
Plant & Machinery	2,652.08	76.66	-	2,728.73	1,346.18	244.06	1,590.22	1,138.51
Electrical Installation	265.42	3.76	-	269.18	130.50	25.17	155.67	113.51
Office Equipments	67.39	6.91	-	74.30	53.90	6.67	60.57	13.73
Furniture Fittings	493.93	30.31	-	524.24	268.27	63.40	331.67	192.57
Vehicles	179.68	16.29	28.71	167.26	51.72	31.61	82.13	86.33
Total	4,700.61	133.92	28.71	4,805.81	2,187.35	436.18	2,622.30	2,184.72
Previous Year	4,277.72	483.55	60.66	4,700.61	1,767.89	463.03	2,187.35	2,513.26

Note No. 2 Right of Use Assets

DESCRIPTION	GROSSBLOCK			DEPRECIATION			NET BLOCK	
	Original Cost as at 01.04.22	Addition during the year	Sales/Adjustments during the year	Total Cost as at 31.03.2023	Up to 01.04.22	For the Period	Up to 31.03.2023	As at 31.03.2023
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Land & Building	827.54	-	-	827.54	230.25	93.48	323.73	503.81
Total	827.54	-	-	827.54	230.25	93.48	323.73	503.81
Previous Year	752.27	75.27	-	827.54	136.78	93.48	230.25	597.29

Note No. 2 Other Intangible Assets

DESCRIPTION	GROSSBLOCK			DEPRECIATION			NET BLOCK	
	Original Cost as at 01.04.22	Addition during the year	Sales/Adjustments during the year	Total Cost as at 31.03.2023	Up to 01.04.22	For the Period	Up to 31.03.2023	As at 31.03.2023
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer Software	15.93	-	-	15.93	11.65	1.83	13.48	2.45
Total	15.93	-	-	15.93	11.65	1.83	13.48	2.45
Previous Year	15.83	0.10	-	15.93	8.22	3.44	11.65	4.28

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

3 Other Financial Assets

Particulars	As on March 31, 2023	As on March 31, 2022
Security Deposits	110.03	105.02
	110.03	105.02

4 Deferred Tax Assets (net)

Particulars	As on March 31, 2023	As on March 31, 2022
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:		
Deferred Tax Assets		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	85.29	68.31
Total Deferred Tax Assets	85.29	68.31
Deferred Tax Liabilities		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
Total Deferred Tax Liabilities	-	-
	85.29	68.31

5 Inventories

Particulars	As on March 31, 2023	As on March 31, 2022
Raw Materials	413.41	324.10
Work in Progress	1,190.05	1,121.52
Finished Goods	2,808.20	1,847.96
Stores and Spares	80.38	80.72
	4,492.04	3,374.30

6 Trade Receivables

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good	3,125.22	2,373.19
	3,125.22	2,373.19
Trade Receivables ageing schedule		
Outstanding for following periods from due date of payment		
Unsecured-Considered Good		
Undisputed Trade receivables –considered good		
Less than 6 months	3,097.20	2,294.34
6 months - 1 year	3.55	64.77
1-2 years	18.53	12.22
2-3 years	5.59	1.86
More than 3 years	0.36	-
Total	3,125.22	2,373.19

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

7 Cash and cash equivalents

Particulars	As on March 31, 2023	As on March 31, 2022
Balances with banks		
- In current accounts	0.64	1.61
Cash on hand	1.14	2.44
	1.78	4.05

8 Other Bank Balances

Particulars	As on March 31, 2023	As on March 31, 2022
Special Term Deposit / Balance with banks held as Margin Money	145.43	138.06
	145.43	138.06

9 Loans

Particulars	As on March 31, 2023	As on March 31, 2022
To Employee	4.23	4.12
	4.23	4.12

10 Other Current Assets

Particulars	As on March 31, 2023	As on March 31, 2022
Security Deposits to others	0.25	0.25
Other advances		
Advance to Parties	57.59	97.26
Other Advances	0.50	0.50
Others		
Prepaid Expenses	6.94	6.72
Balances with Government Dept	159.34	92.31
	224.62	197.04

11 Equity Share Capital

Particulars	As on March 31, 2023	As on March 31, 2022
Authorised		
Equity Share of ₹ 10/- par value		
1,65,00,000 Equity Share	1,650.00	1,650.00
Issued, Subscribed and Paid-up Capital		
Equity Share of ₹ 10/- par value		
1,63,14,126 (2021-22- 1,63,14,126) Equity Share of ₹ 10/- par value fully paid up	1,631.41	1,631.41
	1,631.41	1,631.41

Notes:

- The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. each holder of equity shares is entitled to one vote per share.

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.

3. Details of Shareholders holding more than 5% of total shares:

Particulars	As on March 31, 2023		As on March 31, 2022	
	No. of Shares	% to Total Shares	No. of Shares	% to Total Shares
Geeta Ladha	7,762,914	47.58	7,726,414	47.36
Santosh Ladha	1,316,459	8.07	1,273,959	7.81

4. The reconciliation of the number of shares outstanding:

Particulars	As on March 31, 2023		As on March 31, 2022	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of shares at the beginning	16,314,126	163,141,260	16,314,126	163,141,260
Addition during the Year	-	-	-	-
Number of shares at the closing	16,314,126	163,141,260	16,314,126	163,141,260

5. Shares held by promoters at the end of the year 31st March, 2023

Sl. No.	Promoter name	No. of Shares	% of total shares**	% Change during the year
1.	Geeta Ladha	7,762,914.00	47.58	0.47
2.	Santosh Ladha	1,316,459.00	8.07	3.34
3.	Baldev Das Ladha	666,517.00	4.09	-
4.	Kamala Devi Ladha	437,906.00	2.68	-
5.	Baldev Das Ladha (HUF)	728,000.00	4.46	-
6.	Santosh Ladha (HUF)	652,288.00	4.00	-
7.	Shruti Ladha	6,000.00	0.04	100.00
	Total	11,570,084.00	70.92	

12 Other Equity

Particulars	As on March 31, 2023	As on March 31, 2022
Securities Premium		
Balance as per last Account	12.92	12.92
	12.92	12.92
Retained Earnings		
Surplus at the beginning of the year	3,224.74	2,237.72
Add: Profit for the year	825.90	1,014.70
Add/(Less): OCI Components of Remeasurements of the net defined benefit Plans	-	(27.67)
	4,050.64	3,224.74
Total	4,063.56	3,237.66

a) Securities Premium

Securities premium is used to record premium amount received on issue of securities. The reserve can be used for the purpose as given in provisions of the Companies Act, 2013 (the "Companies Act").

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

13 Financial -Non-Current

Particulars	As on March 31, 2023	As on March 31, 2022
Lease Liabilities	582.56	661.39
	582.56	661.39

14 Borrowings

Particulars	As on March 31, 2023	As on March 31, 2022
Loans repayable on demand		
Secured		
From Banks		
Cash Credit	2,848.28	2,550.11
Total	2,848.28	2,550.11

Note:

Cash Credit:

Primary: Exclusive Charge over the hypothecation of stocks and book debts and other current assets of the Company both present and future Collateral: Exclusive Charge over Property, Plant and Equipments of the Company both present and Future.

Cash Credit facilities has been guaranteed by the directors.

15 Lease Liabilities

Particulars	As on March 31, 2023	As on March 31, 2022
Lease Liabilities	79.06	65.12
	79.06	65.12

16 Trade payables

Particulars	As on March 31, 2023	As on March 31, 2022
Dues to Micro and Small Enterprises	30.37	80.13
Others		
For Goods	1,428.60	920.92
For Capital Goods	17.72	17.16
For Others	195.54	137.71
	1,641.87	1,075.79
	1,672.23	1,155.92
Trade Payables ageing schedule		
Outstanding for following periods from due date of payment		
MSME- other than disputed dues		
Less than 1 year	30.37	80.13
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	30.37	80.13

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022
Other than MSME- other than disputed dues		
Less than 1 year	1,624.75	978.69
1-2 years	1.15	16.96
2-3 years	15.96	-
More than 3 years	-	-
Total	1,641.86	995.65

17 Other financial liabilities

Particulars	As on March 31, 2023	As on March 31, 2022
Others		
Liabilities for Expenses	4.67	19.88
Gratuity Payable	(0.39)	54.61
	4.28	74.49

18 Other current liabilities

Particulars	As on March 31, 2023	As on March 31, 2022
Advances from Customers	7.96	22.09
Others		
TDS and other taxes payable	41.53	36.70
Security Deposits	-	5.53
	49.49	64.32

19 Revenue From operations

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
(a) Sale of products		
- Traded goods	2,105.58	949.01
- Raw Material	2.36	11.27
- Manufactured good & Others	9,149.05	10,132.86
	11,256.99	11,093.14
(b) Other operating revenues	43.15	59.00
	11,300.14	11,152.13

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Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

20 Other Income

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
(a) Interest Income		
From Bank	8.39	8.06
From Others	0.64	0.63
(b) Other non-operating income		
Government Grants Received	-	15.00
Discount Received	0.12	0.25
Insurance Claim Received	1.53	0.68
	10.68	24.62

21 Cost of Materials Consumed

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Opening Stock of Raw Materials	324.10	423.22
Add: Raw materials Purchased	5,325.97	5,677.84
	5,650.07	6,101.05
Less: Closing Stock of Raw Materials	413.41	324.10
	5,236.66	5,776.95

22 Purchase of Stock-in-Trade (Readymade Garments & Accessories)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Purchase of Stock-in-Trade	1,966.37	933.63

23 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Opening Stock		
Finished Goods	1,683.60	776.82
Stock in Trade	164.36	133.66
Work-in-Progress	1,121.52	1,133.05
	2,969.48	2,043.53
Less: Closing Stock		
Finished Goods	2,706.34	1,683.60
Stock in Trade	101.86	164.36
Work-in-Progress	1,190.05	1,121.52
	3,998.25	2,969.48
Increase / Decrease in Stock	(1,028.77)	(925.95)

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

24 Employee benefit expenses

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Salaries, Wages and Bonus	1,657.35	1,488.02
Contribution to provident and other funds	107.46	137.48
Staff Welfare Expenses	60.92	49.48
	1,825.73	1,674.98

25 Finance Costs

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest		
Banks	222.26	157.02
Others	69.27	75.21
Other Borrowing Costs	8.27	6.27
	299.81	238.50

26 Depreciation and Amortization Expense

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Depreciation	434.96	463.03
Amortisation	95.31	96.91
	530.27	559.95

27 Other Expenses

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Consumption of stores and spares part	417.04	533.83
Power and Fuel	195.82	170.96
Rent	36.27	32.88
Repairs to buildings	7.95	6.95
Repairs to machinery	78.54	54.03
Repairs to others	25.49	42.76
Insurance	9.74	10.28
Rates and Taxes excluding taxes on Income	3.39	2.51
Stitching, Printing, Embroidery and Other Expenses	33.76	221.28
Carriage Outward	83.98	90.30
Commission Paid	85.57	90.29
Sales Promotion Expenses	78.71	24.93
Director's Sitting Fees	0.98	1.41

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Payments to the Auditor		
As Auditor	1.50	1.50
For Tax Audit	0.25	-
For Fees for Other Services (incl for issuing various certificates)	1.25	0.13
For Reimbursement of out of pocket expenses	-	-
Donation	2.93	0.55
CSR Expenses	18.52	14.51
Discount Allowed	136.59	148.81
Professional Charges	52.13	53.14
Travelling and Conveyance	25.20	14.10
Security Guard Charges	8.10	5.89
Miscellaneous Expenses	61.70	43.88
Sundry Debit Balance Adjusted	0.04	(0.33)
Net (gain)/loss on foreign currency transaction	(5.18)	(3.36)
	1,360.28	1,561.21
Items that will not be reclassified to profit or loss		
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	-	(27.67)
Equity Instruments through Other Comprehensive Income		
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;	-	-
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	-	-
Others (specify nature).	-	-
	-	(27.67)

28. Tax Expense

The components of income tax expense for the years ended 31 March 2023 and 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	310.00	364.63
Income Tax for earlier years	1.56	-
Deferred Tax	(16.98)	(21.85)
Total Tax Charge	294.58	342.78
Current Tax	310.00	364.63
Deferred Tax	(16.98)	(21.85)

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

28.1: Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 2022 is, as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Accounting profit before tax	1,120.47	1,357.48
Applicable tax rate	25.17%	25.17%
Computed tax expense	282.02	341.65
Tax effect of:		
Exempted Income	-	-
Non-deductible items	2.47	-
Effects of Expenses Incurred in Current Year but allowable in Next Years	41.92	-
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	-
Others	(16.41)	22.98
Tax expenses recognised in the statement of profit and loss	310.00	364.63
Effective tax rate	27.67%	26.86%

28.2: Deferred Tax

	Year Ended March 31, 2023	Year Ended March 31, 2022
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	68.31	46.46
Credit / (charge) for equity instruments through OCI	-	-
Credit / (charge) for re-measurement of the defined benefit	-	-
Credit / (charge) to the statement of profit and loss	16.98	21.85
At the end of year DTA / (DTL) (net)	85.29	68.31

29 Other Comprehensive Income

	Year Ended March 31, 2023	Year Ended March 31, 2022
Items that will not be reclassified to profit or loss		
Re-measurements of the deferred benefit plans	-	(27.67)
	-	(27.67)
Items that will be reclassified to profit or loss	-	-
	-	-

30 Earnings per share

Particulars	Calculation	For the period ended March 31, 2023	For the period ended March 31, 2022
a) Basic Earnings per share	Net Profit attributable to Equity Shareholders	825.89	1,014.70
	Weighted Average Number of Equity Shares outstanding	163.14	163.14
	Basic Earnings Per Share of ₹ 10/- each fully paid up	5.06	6.22
b) Diluted Earnings per share	Net Profit attributable to Equity Shareholders	825.89	1,014.70
	Weighted Average Number of Equity Shares outstanding	163.14	163.14
	Diluted Earnings Per Share of ₹ 10/- each fully paid up	5.06	6.22

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

31. Contingent Liabilities and Commitments (to the extent not provided for)-

i. Contingent Liabilities:

1. Claims against the Company not acknowledged as debts (Net of Deposit) –

Particulars	March 31, 2023	March 31, 2022
1) Income Tax *	135.68	135.68

*The company had received a Demand Order dated March 16, 2016, for Assessment year 2013-14, under Section 143(3) of the Income Tax Act, 1961, of ₹ 159.63/-(in Lakhs), against which, on April 29, 2016, an Appeal has been filed before the Commissioner of Income Tax Appeal. The company has already paid ₹ 23.95/-(in Lakhs) against the demand order. The matter is still pending before the concerned authorities. (Net off Refunds and Self-Assessment Tax)

2. Guarantees

Particulars	March 31, 2023	March 31, 2022
Guarantees	74.64	74.64

3. Commitment

Particulars	March 31, 2023	March 31, 2022
a. Estimated Capital Commitments (Net of advances)	NIL	NIL
b. Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	1,354.61	1,624.32

32. As per Section 135 of the Companies Act, 2015, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A Corporate Social Responsibility Committee has formed by the Company as per the Act.

The amounts expended are as follows:	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) amount required to be spent by the company during the year	18.39	14.12
(b) amount of expenditure incurred	18.52	14.51
(c) shortfall at the end of the year	Nil	Nil
(d) total of previous year shortfall	Nil	Nil
(e) reason for shortfall	NA	NA
(f) nature of CSR activities		
(i) construction/acquisition of any assets	-	-
(ii) on purpose other than (i) above	18.52	14.51
(g) details of related party transactions,	NA	NA
(h) provision made with respect to a liability incurred by entering into contractual obligations	NA	NA

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

33. Details of dues to Micro and Small Enterprise as per MSMED Act, 2006 as per the information available with the Company:

S. No.	Particulars	March 31, 2023	March 31, 2022
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	30.37	80.13
	(ii) Interest due thereon	Nil	Nil
(b)	Interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed date	Nil	Nil
(c)	Interest due and payable for the period of delay in making the payments (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

34. Disclosure as required by Indian Accounting Standard (Ind AS) 19 on Employee Benefits

(a) Defined Contribution Plans

The Company has recognized expenses towards the defined contribution plans as under:

Sl. No.	Particulars	March 31, 2023	March 31, 2022
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	107.46	93.60
c.	Others	-	-

(b) Defined Benefits Plan:

Defined Benefit Plans (Gratuity) as per actuarial valuation on 31st March 2023

Particulars	Gratuity (Funded)	
	March 31, 2023	March 31, 2022
I Reconciliation of Defined Benefit Obligations (DBO) during the year ended		
1 Present value of DBO at the beginning of period	119.35	132.42
2 Current service cost	34.17	32.31
3 Interest cost	8.47	9.14
4 Past Service Cost	-	-
5 Actuarial (Gains)/Losses	(14.41)	(53.27)
6 Benefits paid	-	(1.25)
7 Present value of DBO at the end of period	147.58	119.35
II Reconciliation of Fair Value of plan assets during the year ended		
1 Plan assets at the beginning of period	140.10	98.62
2 Expected returns on plan assets	11.90	8.09
3 Actuarial Gains/(Losses)	(2.54)	(3.83)
4 Company contribution	55.00	38.47
5 Benefits paid	-	(1.25)
6 Plan assets at the end of period	204.46	140.10

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2023	March 31, 2022
III Reconciliation of fair value of assets and obligation as at		
1 Present value of Defined Benefit Obligation	147.58	119.35
2 Fair value on plan assets	204.46	140.10
3 Status [Surplus/(Deficit)]	56.88	20.75
4 Effect of Asset Ceiling / Onerous Liability	-	-
5 Net assets / (liability) recognised in the Balance Sheet	56.88	20.75
IV Expenses recognised during the year		
1 Current service cost	34.17	32.31
2 Net Interest cost	(3.43)	1.05
3 Expected Return on Plan Assets	-	-
4 Past Service Cost	-	-
5 Total expenses recognised in the Statement of Profit & Loss	30.74	33.36
V Other Comprehensive Income		
Re measurements of the net defined benefit liability/(assets)		
Actuarial (gain)/loss for the year on PBO	(14.41)	(53.27)
Actuarial (gain)/loss for the year on Asset		
Return on Plan Assets (excluding Interest Income)	2.54	3.83
Total Re-measurement in OCI	18.87	(16.08)
VI Major category of plan assets as a % of the total plan assets		
Fund Managed By LIC	100%	100%
Total	100%	100%
VII Actuarial assumptions		
1 Discount rate (%)	7.40%	7.10%
2 Expected Rate of Return on Assets	7.40%	7.10%
3 Rate of escalation in salary (per annum) (%)	6.00%	6.00%
4 Mortality table (IALM) Table Ultimate	2012-14	2012-14

Sensitivity analysis-

Under Base Scenario -Defined Benefit Obligations – ₹ 194.71 lakhs

Particulars	Change in Assumptions	March 31, 2023	March 31, 2022
Discount Rate	1.00 % increase	133.67	174.67
	1.00 % decrease	164.98	218.47
Change in salary increase	1.00 % increase	163.98	219.50
	1.00 % decrease	134.38	173.50

Maturity Profile of Defined Benefit Obligations

Year	Amount (₹ In Lakhs)
April 2023 – March 2024	12.44
April 2024 – March 2025	1.77
April 2025 – March 2026	0.73
April 2026 – March 2027	5.27
April 2027 – March 2028	2.92
April 2028 –	6.41

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

35. Segment information as per IND AS-108

Operating segment are components of the Company whose operating results, the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance regularly review and for which discrete financial information is available.

The Company is engaged primarily on the business of "manufacturing & trading of readymade garments business" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. Lease Disclosures:

36.1 The following is the break-up of current and non-current lease liabilities as March 31, 2023, and March 31, 2022

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease Liabilities	79.06	65.12
Non- Current Lease Liabilities	582.56	661.39
Total	661.62	726.51

36.2 The following is the movement in lease liabilities during the year ended March 31, 2023 & March 31, 2022

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning	726.51	704.23
Additions	-	75.27
Finance cost accrued during the period	68.67	74.43
Deletion	-	-
Payment of lease liabilities	133.56	127.42
Balance at the End	661.62	726.51

36.3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 & March 31, 2022, on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	79.06	139.03
One to five years	442.88	527.86
More than five years	139.68	287.47
Total	661.62	954.36

36.4 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36.5 During the period ended March 31, 2023 the expense recognized in the statement of profit and loss includes:

- Rental Expenses recorded for Short-term lease ₹ 1,35,99,076 for the year ended 31 March 2023 (Previous Year: ₹ 52,89,079/-)
- Variable lease expense not forming part of lease liability of ₹ Nil (Previous Year: ₹ Nil)

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

37. Related Party information as per Ind AS 24.

I. List of Related Party

(a) Key Management Personnel (KMP)

Name of the Key Management Personnel	Relationship
Mrs. Geeta Ladha	Whole-time Director
Mr. Santosh Ladha	Managing Director
Mr. Manoj Tuslyan	KMP Of the Entity
Mr. Nikhil Saraf	KMP Of the Entity
Ms. Vranda Manish Rathi	KMP Of the Entity
Iris Clothings limited Employees Gratuity Fund	Gratuity Trust
Mr. Niraj Agarwal	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary

(b) Relative of the Key Managerial Personnel

Name of the Relative of KMP	Relationship
Mr. Baldev Das Ladha	Relative of KMP

(c) Entities in which Control of the Company and/or Key Management Personal exist

Name of the Relative of KMP	Relationship
Iris Fashions Pvt. Ltd	Control of KMP
Iris Apparels Pvt. Ltd	Control of KMP

II. Transaction with related parties

For the Financial year ended 2022-23

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7.80
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	5.40
3	Mr. Santosh Ladha	Managing Director	Remuneration	125.00
4	Mrs. Geeta Ladha	Whole Time Director	Remuneration	125.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.18
6	Mr. Manoj Tuslyan	KMP Of the Entity	Director Sitting Fees	0.33
7	Mr. Nikhil Saraf	KMP Of the Entity	Director Sitting Fees	0.33
8	Mrs. Vranda Manish Rathi	KMP Of the Entity	Director Sitting Fees	0.05
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	55.00
10	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.96
11	Mr. Niraj Agarwal	Chief Finance Officer	Remuneration	6.64

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

For the Financial year ended 2021-22

Sl. No	Name of the Party	Nature of Relationship	Nature of Transaction	Amount (₹ In Lakhs)
1	Iris Fashions Pvt Ltd.	Control of KMP	Machinery Hire Charges	7.80
2	Iris Apparels Pvt Ltd.	Control of KMP	Machinery Hire Charges	5.40
3	Mr. Santosh Ladha	Managing Director	Director Remuneration	117.00
4	Mrs. Geeta Ladha	Managing Director	Director Remuneration	117.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.18
6	Mr. Manoj Tulsyan	KMP of Entity	Director Sitting Fees	0.38
7	Mr. Nikhil Saraf	KMP of Entity	Director Sitting Fees	0.38
8	Ms. Savli Prabhakar Mangle	KMP of Entity	Director Sitting Fees	0.38
9	Mrs Sweta Agarwal	Company Secretary	Remuneration	3.45
10	Mr. Niraj Agarwal	Chief Finance Officer	Remuneration	5.08

III Outstanding balance as on: 31.03.2023

Sl.	Name of the party	March 31, 2023	March 31, 2022
1	Iris Fashions Pvt. Ltd.	2.26	-
2	Iris Apparels Pvt. Ltd.	1.57	-
3	Mr. Santosh Ladha	-	6.50
4	Mrs. Geeta Ladha	-	6.50
5	Mr. Baldev Das Ladha	-	0.02
6	Mr. Manoj Tulsyan	-	0.09
7	Mr. Nikhil Saraf	-	0.09
8	Mrs. Vranda Manish Rathi	-	-
9	Iris Clothings Limited Employees Gratuity Fund	0.50	-
10	Mrs. Sweta Agarwal	0.33	0.30
11	Mr. Niraj Agarwal	0.54	0.49

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

38. Financial Instruments

Financial Instruments by category

Particulars	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets/ liabilities at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through other Comprehensive Income	-	-	-	-
Financial Assets designated at Amortised Cost				
Cash and Cash Equivalent	1.78	-	4.05	-
Bank balances other than above	145.43	-	138.06	-
Investment	-	-	-	-
Trade and Other Receivables	3,125.22	-	2,373.19	-
Loan	114.26	-	109.15	-

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at fair value through profit or loss				
Financial Liabilities designated at amortised cost				
Borrowings	2,848.28	-	2,550.11	-
Lease Liabilities	661.62	-	726.51	-
Trade and Other payables	1,672.23	-	1,075.78	-
Other Financial Liabilities	4.28	-	74.49	-

Fair Value Hierarchy

Level-1 Quoted Price (unadjusted) is active markets for identical assets or liabilities

Level-2 Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e.) derived from prices)

Level-3 Inputs other than quoted prices included within Level-1 that are based on non-observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023:

Particulars	As of March 31, 2023	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-	-	-	-
Liabilities				
Derivative financial instruments	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As of March 31, 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-	-	-	-
Liabilities				
Derivative financial instruments	-	-	-	-

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

39. Financial risk management objective and policies

The Company's financial liabilities includes Loan and borrowings and Trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade & other receivables, deposits and cash & cash equivalents.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The Company's activities expose it to Credit Risk, Liquidity Risk and Market Risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Credit Risk- A risk that counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. The Company is exposed to credit risk from its operating and financial activities.

Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note 6 (Six) as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables (gross of allowances) has been considered from the date the invoice falls due.

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
Trade receivables					
As at 31stMarch, 2023					
Secured	-	-	-	-	-
Unsecured	-	3,097.20	3.55	24.48	3,125.22
Total	-	3,097.20	3.55	24.48	3,125.33
As at 31stMarch, 2022					
Secured	-				-
Unsecured	-	2,294.34	64.77	14.08	2,373.19
Total	-	2,294.34	64.77	14.08	2,373.19

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

- B. Liquidity Risk-** A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's finance department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, Term loans among others.

- C. Market Risk-** A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- (i) Foreign Currency Risk-** A risk that the fair value or future value of the cash flows of a forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's import and export activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

Derivative instruments and un-hedged foreign currency exposure:

The Company does not enter into any derivative instruments for trading or speculative purposes.

- (ii) Interest rate risk-** The Company's exposure to the risk of changes in market interest rates relates primarily to long-term debt.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Outstanding	0-1 year	2-5 year	5-10 year	Above 10 years
As at March 31, 2023					
Borrowings	2,848.28	2,848.28	-	-	-
Lease Liabilities	661.62	79.06	442.88	139.68	-
Trade Payables	1,672.23	1,655.12	17.11	-	-
Other financial liabilities	4.28	4.28	-	-	-
Total	5,186.41	4,586.74	459.99	139.68	-
As at March 31, 2022					
Borrowings	2,550.11	2,550.11	-	-	-
Lease Liabilities	726.51	65.12	299.30	362.08	-
Trade Payables	1,075.78	1,058.82	16.96	-	-
Other financial liabilities	74.49	74.49	-	-	-
Total	4,426.89	3,748.54	316.26	362.08	-

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

40. Capital management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short-term deposits.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing for reported periods.

Contribution to political parties during the year 2022-23 is ₹ Nil (previous year ₹ Nil)

41. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.

42. Events after the reporting period

There have been no events after the reporting date that require disclosure in financial statements.

43. Additional Disclosures:

- a. The Company has not revalued its Property, Plant and Equipment accordingly disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable to the Company.
- b. During the year, the Company has not granted any Loans or Advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment to promoters, directors and KMPs either severally or jointly with any other person
- c. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company for the financial year 2022-23.
- d. The Company has been taken borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.
- e. The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.
- f. The company has any not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31 03 2023.
- g. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

- h. The Company does not have any investment through more than two layers of investment companies as per section 2(87)(d) and section 186 of the Companies Act 2013.
- i. During the year Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries, the company.
- j. During the year Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k. The Company does not have such transaction which are not recorded in the books of accounts during the year and also there are not such unrecorded income and related assets related to earlier years which have been recorded in the books of account during the year.
- l. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

44. Ratio Analysis

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.73	1.58	9.23%	-
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.63	0.68	-8.33%	-
Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Service	0.56	0.66	-15.54%	-
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.16	0.23	-32.48%	Due to increase in Operating Expenses
Inventory turnover ratio	Net Sales	Average Inventory	2.87	3.78	-23.93%	-
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivables	4.11	5.78	-28.87%	Due to increase in Trade Receivables
Trade payables turnover ratio	Net Credit Purchase/ Cost of Goods Sold	Average Trade Payables	4.49	6.03	-25.49%	Due to increase in Trade Payables
Net capital turnover ratio	Net Sales	Average Working Capital	4.01	6.28	-36.11%	Due to increase in Working Capital

Notes

Forming Part of the Financial Statements for the year ended March 31, 2023

(₹ in Lakhs)

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance
Net profit ratio	Net Profit	Net Sales	0.16	0.23	-32.48%	Due to increase in Operating Expenses
Return on Capital employed	EBIT	Average Capital Employed	0.27	0.37	-26.17%	Due to increase in Operating Expenses
Return on investment	Profit After Tax	Average total Assets less DTA (Net)	0.08	0.12	-32.00%	Due to increase in Operating Expenses

45. Previous year figures are regrouped and reclassified to make them comparable with Ind AS presentation.

46. The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 4th May 2023.

In terms of our report on even date

For AMK & Associates

Chartered Accountants

FRN: 327817E

Manish Kumar Agarwal

M. No. 064475

Place: Kolkata

Date: May 04, 2023

Santosh Ladha

Managing Director

(Din: 03585561)

Sweta Agarwal

Company Secretary

Geeta Ladha

Whole Time Director

(Din: 03585488)

Niraj Agarwal

Chief Financial Officer



Notice

Notice is hereby given that the 12th Annual General Meeting (AGM) of the Members of M/s. Iris Clothings Limited ("the Company") will be held on Monday, September 18, 2023 at 4.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

Item No. 2. Re-appointment of a Director

To appoint a director in place of Mr. Baldev Das Ladha (DIN: 03585566), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-election.

For Iris Clothings Limited

Date: August 12, 2023
Place: Howrah

Sweta Agarwal
Company Secretary

Notes:

1. The Ministry of Corporate Affairs ('MCA'), inter-alia, vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue..

Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.

In compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the 12th AGM of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Scrutiniser at rgadvisory18@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
4. M/s. Cameo Corporate Services Limited, having its registered office at Subramanian Building No. 1, Club House Road, Chennai - 600 002 is appointed as Company's Registrar & Transfer Agents for its share registry (both, physical as well as electronic).
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. As per the provisions of Section 103 of the Companies Act, 2013, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.
8. In accordance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the Annual General Meeting along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Depositories. Members may note that the Notice of AGM and Annual Report 2022-23 will also be available on the Company's website www.irisclthings.in, website of the National Stock Exchange of India Limited at www.nseindia.com and on the website of Central Depository Services Limited at www.evotingindia.com.
9. Members are requested to notify changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, etc. to the concerned Depository Participant/Registrar and Transfer Agent/Company.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for on-line inspection at the AGM.
11. Information of Director proposed to be re-appointed at the forthcoming Annual General Meeting as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings is provided in the annexure to this Notice.
12. The Register of Members shall remain closed from September 12, 2023 to September 18, 2023 (both days inclusive) for the purpose of 12th AGM of the Company.
13. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts.

Voting Through Electronic Means:

14. Pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with **Central Depository Services (India) Limited** for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as Venue Voting on the date of the AGM will be provided by CDSL.
15. The Board of Directors has appointed Mr. Rajesh Ghorawat, Practicing Company Secretary (FCS: 7226, C.P.: 20897) as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.
16. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
17. The remote e-voting period commences on **Friday, September 15, 2023 (9:00 am)** and ends on **Sunday, September 17, 2023 (5:00 pm)**. During this period, members of the Company holding shares as on the cut-off date of Monday, September 11, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
18. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date, being September 11, 2023. Any person, who ceases to be the Member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
19. Any person who become member of the Company subsequent to the dispatch of the Notice of AGM and holds the shares as on the cut-off date i.e., September 11, 2023 may obtain the Login ID and Password by sending a request at helpdesk.evoting@cdslindia.com or Company/RTA. However, if you are already registered with CDSL for remote e-voting then you can

use your existing User ID and Password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

20. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- i. The voting period begins on **Friday, September 15, 2023 (9:00 am)** and ends on **Sunday, September 17, 2023 (5:00 pm)**. During this period, shareholders of the Company holding shares, as on the cut-off date i.e., Monday, September 11, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through**

their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLoginThe system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - a) The shareholders should log on to the e-voting website www.evotingindia.com.
 - b) Click on "Shareholders" module.
 - c) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - d) Next enter the Image Verification as displayed and Click on Login.
 - e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - f) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <IRIS CLOTHINGS LIMITED> on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: rgadvisory18@gmail.com and accounts@irisclthings.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at accounts@irisclthings.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at accounts@irisclthings.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to accounts@irisclthings.in.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Annexure to the Notice

Details of Directors seeking appointment / reappointment in Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Baldev Das Ladha
Date of birth	March 08, 1943
Nationality	Indian
Date of first appointment on the board	August 27, 2011
Qualification	Graduate (Commerce)
Experience in functional area	He has an experience of more than 43 years in the textile industry. His vast experience has been an asset to the Company.
Relationship with other Directors	Father of Mr. Santosh Ladha, Managing Director
Shareholding in the Company	6,66,517 Equity Shares
List of directorship held in other Listed Companies	Nil
Committee membership in other Listed Companies	Nil

Notes

[illegible]

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