

Date: 5<sup>th</sup> September, 2024

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 13<sup>th</sup> Annual Report of the Company for the Financial Year 2023-24**  
**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 13<sup>th</sup> Annual Report of the Company for the Financial Year 2023-24.

A copy of the aforesaid Annual Report is also available on the website of the Company [www.irisclothings.in](http://www.irisclothings.in).

Kindly take the same on your record.

Thanking you.

Yours faithfully,  
For Iris Clothings Limited

**Santosh** Digitally signed  
**Ladha** by Santosh Ladha  
Date: 2024.09.05  
15:03:36 +05'30'

**Santosh Ladha**  
**Managing Director**  
(DIN: 03585561)

*Encl.: as above*

## Iris Clothings Limited

103/24/1, Foreshore Road, Howrah 711 102, India  
+91 33 2637 3856 / 2640 4674 | info@irisclothings.in  
CIN: L18109WB2011PLC166895



# TOMORROW'S TRENDSETTERS



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₹ 1,220.2 Million

Total Income ↑ 7.9%

₹ 164.9 Million

PBT ↑ 47.2%

₹ 264.3 Million

EBITDA ↑ 35.5%

₹ 122.1 Million

PAT ↑ 47.9%



To view this Report online and to know more about us, please visit:

[www.irisclothings.in](http://www.irisclothings.in)

### 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 publicly available resources and has not verified that information independently.



# TOMORROW'S TRENDSETTERS

At IRIS Clothings, we believe in setting the stage for the future of fashion. The theme "Tomorrow's Trendsetters" encapsulates our vision of empowering the next generation with styles that are both innovative and timeless. As we continue to push the boundaries of design and quality, we remain committed to crafting garments that not only meet the needs of today's youth but also anticipate the trends of tomorrow.

In a world where fashion is constantly evolving, IRIS Clothings stands at the forefront, creating apparel that resonates with the aspirations and dynamism of the younger generation. From our bold designs to our relentless pursuit of excellence, we are not just following trends – we are defining them.

"Tomorrow's Trendsetters" is a celebration of this journey, highlighting our role in shaping the future of fashion for the little stars of tomorrow. With this theme, we showcased our ability to innovate, inspire, and lead the way in kids' fashion, ensuring that every child not only wears a garment but also carries forward a piece of the future.



## Shaping Trends through Unique Experiences

**Iris Clothings Limited is a readymade garment company renowned for designing, manufacturing, branding, and selling kids' wear under the brand name DOREME in India. We offer a broad range of unique apparel for infants, toddlers, and junior boys and girls. Our commitment to quality and continuous innovation in product lines and design makes us a preferred brand in this segment.**

In a world where fashion is constantly evolving, IRIS Clothings stands at the forefront, creating apparel that resonates with the aspirations and dynamism of the younger generation. From our bold designs to our relentless pursuit of excellence, we are not just following trends – we are defining them. "Tomorrow's Trendsetters" is a celebration of this journey, highlighting our role in shaping the future of fashion for the little stars of tomorrow. With this theme, we showcased our ability to innovate, inspire, and lead the way in kids' fashion, ensuring that every child not only wears a garment but also carries forward a piece of the future.

**26**

States of presence

**160+**

Distributors

**2**

Despatch units





## 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.

## What Sets Us Apart!

- Established long-standing relationships with suppliers
- Serving a vast customer base of approximately 365 Million
- Continuous investments in expanding manufacturing capabilities, with high return on capital employed, demonstrating efficient capital use
- With more than 15 years of experience, promoters have strong expertise in the industry
- Fully integrated and automated operations enable IRIS to maintain superior quality



**25,000** Pieces  
Manufactured/day

**10,000+**  
Retailers

**1,395**  
Employees

## Our Recent Developments for Expansion

### Dec 2021

Launched the infant wear vertical



### Jun 2022

- We have introduced a new line of accessories under the infant wear vertical
- Introduced the B2B platform specifically designed for wholesalers

### Sep 2022

Introduced the D2C e-commerce platform for customers



### Nov 2022

Signed licensing agreements to design apparel using Disney & Marvel movie characters

### Dec 2022

Unveiled a new line of sportswear for kids



### Jan 2023

We launched a new collection of kids' apparel featuring Disney and Marvel characters in Udaipur

### Apr 2023

Despatched first order of Disney-designed apparel

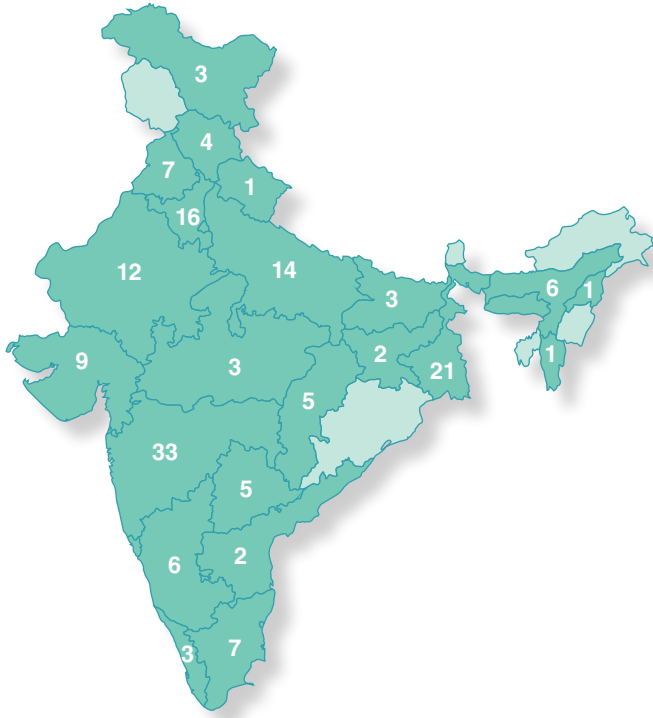


### Sep 2023

Inaugurated our first Exclusive Brand Outlet (EBO) in Howrah

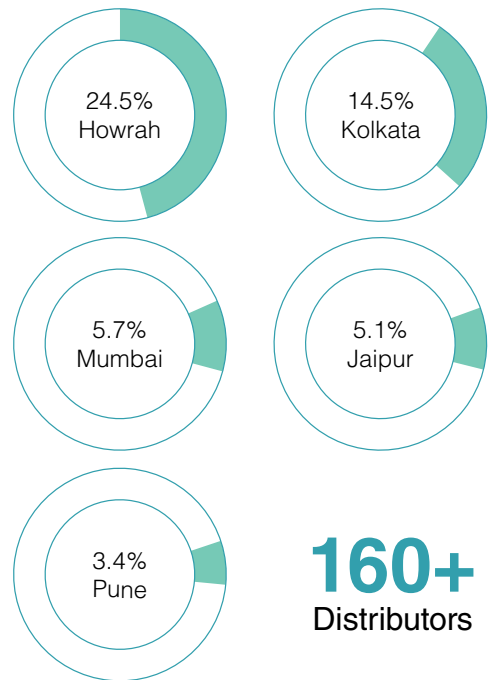
## Our Growing Geographical Footprint

During the reporting year, we significantly expanded our national and global presence. We successfully onboarded 10 new distributors across Maharashtra and Uttar Pradesh, strengthening our foothold in key regions. Additionally, our robust export demand, with shipments to Africa and Saudi Arabia, now accounts for 45% of our revenue.



Map not to scale. For illustrative purposes only.

### Contribution to Revenue



## Pioneering Excellence in Clothing



Tops



T-Shirts



Loungewear/  
Nightwear Sets



Trousers



Shorts



Accessories



## MANUFACTURING PROWESS

# Where Innovation Meets Efficiency

Manufacturing excellence has always been one of our core strengths, driving our success and growth. Our state-of-the-art facilities not only amplify our capabilities exponentially but also enable us to achieve economies of scale and leverage locational synergies. These advanced manufacturing operations ensure that we maintain high standards of quality and efficiency, positioning us as a leader in the industry.

### Our Manufacturing Facilities



#### Foreshore Road, Howrah

Our manufacturing unit at Foreshore Road, Howrah, is equipped with four state-of-the-art stitching and finishing units, utilising fully automated stitching machines sourced from Japan and a renowned indigenous brand. Additionally, the facility includes a dedicated despatch unit to ensure efficient and timely delivery of products.



#### Pachla, Howrah

At Pachla, Howrah, we have set up our first fully modernised stitching and finishing unit with online processes. This strategic location offers a significant advantage with its skilled labour force and abundant raw material availability, enhancing our efficiency and production capabilities.



#### Uluberia, Howrah

Our state-of-the-art manufacturing unit at Uluberia consolidates all production activities in one location, featuring fully automated cutting machinery from Italy, advanced printing machinery from the US and Poland, and a fully modernised stitching and finishing unit with online processes. This integration ensures superior efficiency and quality in our manufacturing operations.



#### Srijjan Industrial Park, Bombay Road

At Srijjan Industrial Park, Bombay Road, we have set up our third fully modernised stitching and finishing unit with online processes, along with a dedicated despatch unit.

7

Manufacturing Units

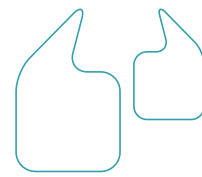
**33,000** Pieces/day

Total Installed Capacity



**MANAGING DIRECTOR'S MESSAGE**

# Where Vision Meets Fashion



We successfully broadened our distribution network by integrating 10 new distributors in key regions, including Maharashtra and Uttar Pradesh, which has significantly enhanced our market presence.

**Dear Shareholders,**

At IRIS Clothings, we embody the belief that hard work paves the path to success. As I present to you the Annual Report for the financial year 2023-24, I am thrilled to announce that we have concluded yet another successful year of setting new benchmarks, pursuing sustainable growth and moving ahead with agility and determination.

With the commitment to providing exceptional services and the zeal to constantly innovate to reach excellence, we have set the stage for a promising future. With the textile industry undergoing a phase of consolidation, characterised by the strategic execution of expansion plans to drive significant revenue growth, we have steadily strengthened our capabilities to capitalise on the lucrative opportunities and fortify our market presence. Our unwavering focus on optimising our capacity resulted in improved efficiencies throughout the organisation.

### Operational Highlights

The year of reporting has been a transformative year for Iris Clothings, characterised by robust operational advancements and strategic expansions. We successfully broadened our distribution network by integrating 10 new distributors in key regions, including Maharashtra and Uttar Pradesh, which has significantly enhanced our market presence. Our Exclusive Brand Outlets (EBOs) have shown exceptional performance, particularly with the high demand for our newly introduced winter wear collections. The infant wear segment continued its strong momentum, contributing notably to our revenue.

We also expanded our product portfolio by introducing new designs in our Disney apparel line, further solidifying our position in the kids' apparel market. To support these developments, we established a state-of-the-art, technology-driven facility that has streamlined our operations, ensuring quicker and more efficient despatch of merchandise. Our newly

implemented B2B platform has gained widespread acceptance among distributors, with the majority of orders now being managed through this digital channel. These operational achievements underscore our commitment to growth and innovation, positioning IRIS Clothings for sustained success in the years to come.

### Financial Performance

Our financial performance in FY2024 stands as a testament to our operational resilience and efficiency, especially in the face of industry-wide challenges. Despite a slowdown in the broader market, we delivered robust results, with revenue growing by 7.88% to ₹12,201.81 Lakhs compared to the previous financial year. This growth reflects our strategic initiatives and strong market presence.

Our EBITDA saw a significant increase of 35.49%, reaching ₹2,642.75 Lakhs, underscoring the effectiveness of our operational strategies. The improvement in EBITDA margins by 450 basis points further highlights our enhanced efficiency and cost management. In terms of profitability, our PAT grew from ₹825.89 Lakhs to ₹1,221.19 Lakhs, showcasing our ability to drive bottom-line growth.

This solid performance has also led to improved returns, with our Return on Assets (ROA) increasing by 160 basis points to 9.2%, and our Return on Capital Employed (ROCE) rising by 460 basis points to 21.20%. These figures reflect our commitment to maximising shareholder value while maintaining a strong financial foundation.

### Way Forward

Looking ahead, Iris Clothings is poised for significant growth as we continue to build on the successes of FY2024. Our focus will be on expanding our Exclusive Brand Outlets, with plans to open 15 new stores, enhancing our brand presence across key regions. We will also deepen our product offerings in the infant wear segment and introduce more innovative designs in our Disney apparel line to capture a larger market share.

Geographical expansion remains a priority, particularly in eastern India, as we strengthen our presence in Uttar Pradesh and Uttarakhand. On the digital front, we will leverage our B2B platform and enhance our e-commerce capabilities to drive sales and improve customer engagement. With these strategic initiatives, we are confident in our ability to achieve sustained growth and reinforce our position as a leader in the kids' apparel industry.

### Conclusion

I would like to express my sincere gratitude to our stakeholders, including shareholders, customers, business partners, employees, and the wider community, for their continued trust and support. Their contributions have been integral to our success. I also acknowledge the invaluable guidance of our esteemed Board members. As we progress on our journey, we are confident of accelerating value creation and ushering a stronger future for all stakeholders.

Warm Regards,

**Santosh Ladha**

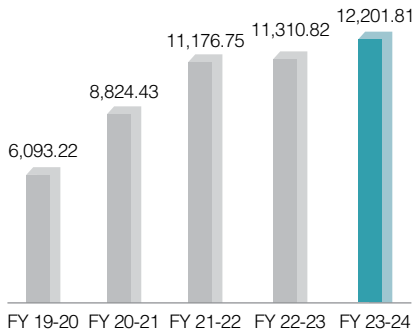
Managing Director

## FINANCIAL PARAMETERS

# Precision in Finance Excellence in Outcomes

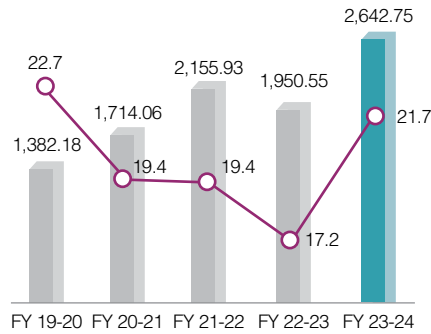
### Total Revenue

(₹ Lakhs)



↑ 4 Years CAGR **18.96%** Y-o-Y Growth **7.88%**

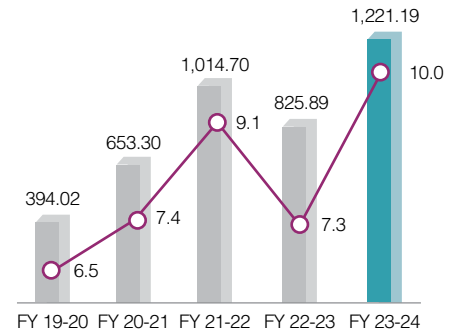
### EBITDA and EBITDA Margins



↑ 4 Years CAGR **17.59%** Y-o-Y Growth **35.49%**

■ EBITDA (₹ Lakhs) ○ EBITDA margin (%)

### PAT and PAT Margins

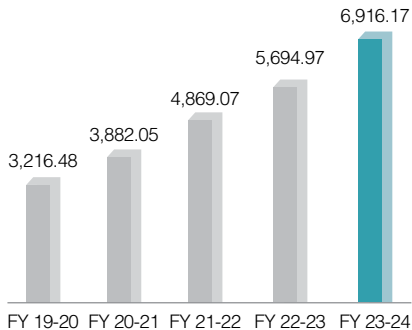


↑ 4 Years CAGR **32.69%** Y-o-Y Growth **47.86%**

■ PAT (₹ Lakhs) ○ PAT margin (%)

### Net Worth

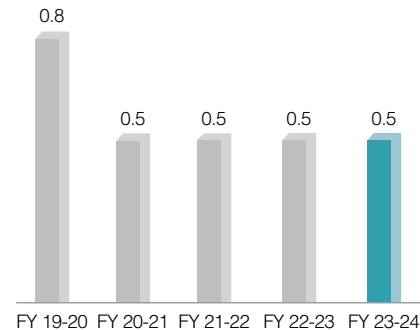
(₹ Lakhs)



↑ 4 Years CAGR **21.44%** Y-o-Y Growth **xx%**

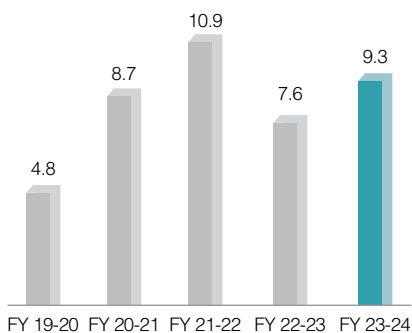
### Debt to Equity Ratio

(Times)



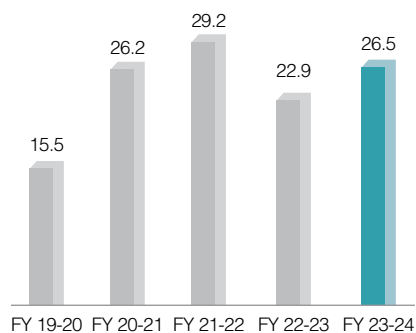
### Return on Assets

(in %)



### Return on Capital Employed

(in %)



**BOARD OF DIRECTORS****Leadership Rooted in Experience****MR. SANTOSH LADHA**  
Managing Director

Mr. Ladha holds a Bachelor's degree in Commerce and has 27 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 20 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

He has an experience of more than 44 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 22 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

He is a Chartered Accountant by profession and has a total experience spanning over 18 years including key financial and administrative roles over several boards of organisations.

**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,  
3<sup>rd</sup> 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, 3<sup>rd</sup> 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,  
1<sup>st</sup> 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





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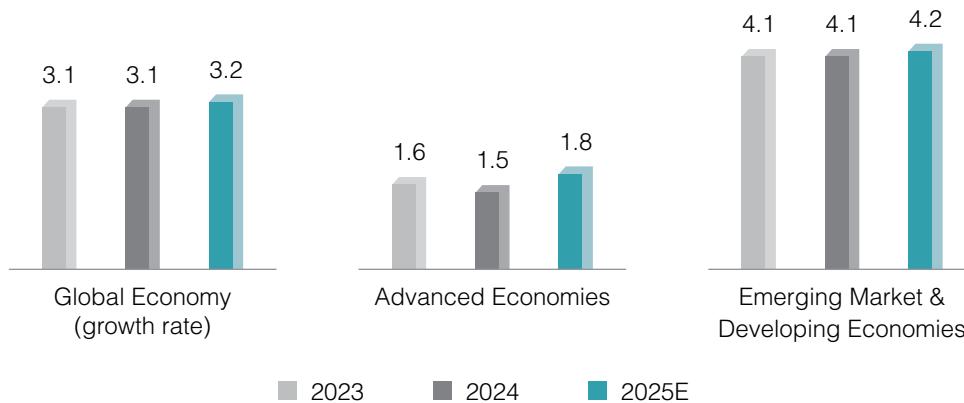
# Management Discussion and Analysis Report

## Global Economy

The global economy demonstrated remarkable resilience against numerous challenges, with growth holding steady as inflation returned to target. The year unfolded with a series of notable occurrences, beginning with supply chain disruptions as a repercussion of the pandemic, progressing to a conflict between Russia and Ukraine that led to global energy and food crises, and ultimately resulted in a significant

uptick in inflation rates which is anticipated to decline in FY 2024-25. According to the World Economic Outlook by IMF, global growth is projected to continue at 3.2% in CY2025. Furthermore, global headline inflation is expected to decline from 6.8% in CY2023 to 5.9% in CY2024 and 4.5% in CY2025, with developed economies reaching their inflation targets sooner than emerging and developing economies.

## World Economic Growth Outlook



Source: Indian Monetary Fund

E = Estimated

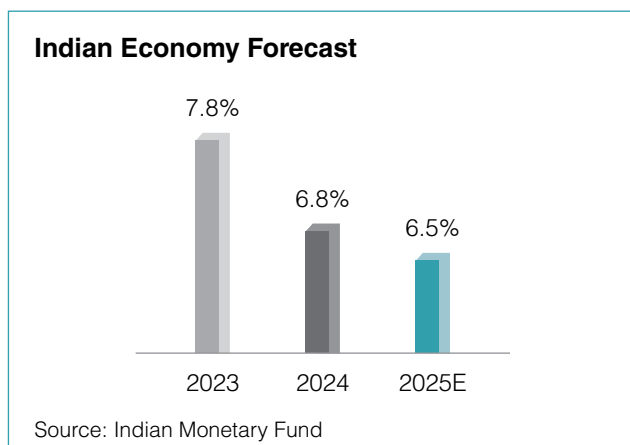
## Indian Economy

According to the International Monetary Fund (IMF), India's economy is emerging as the fastest growing in the world and is expected to become the 3<sup>rd</sup> largest economy within the next five years. During the fiscal year 2023-24, India's economy and its financial system remained buoyant on the back of strong macroeconomic fundamentals, moderating inflation, ever increasing domestic demand and a stronger position in global trade. Despite macro challenges like geopolitical tensions and varying FDI trends, India continues

to remain in a bright spot. While India's economic outlook for CY2024 appears stable, the General Elections during the period could lead to some turbulence. IMF remains optimistic in its forecast with a strong 6.8% projected growth in CY2024 and 6.5% in CY2025.

## Indian Textile & Apparel Industry

The Indian textile industry is one of the largest in the world, with a strong foundation in both raw material sourcing and manufacturing. It holds a significant position within the country's economy, contributing 2.3% to India's GDP, accounting for 13% of Industrial production, and adding 12% to the nation's export value. Moreover, the sector is a major source of employment, supporting the livelihoods of a large workforce. India's competitive advantage in the textile industry is further sharpened by its skilled labour force and the cost-effective nature of its production processes compared to other leading textile countries. Recognising the significance of the textile and apparel sector, the government is committed to its growth and competitive edge. Initiatives to ensure a consistent supply of raw materials, stable power supply at competitive rates, Production Linked Incentive Scheme and Make in India are expected to drive the textile industry's advancement.



Source: Indian Monetary Fund

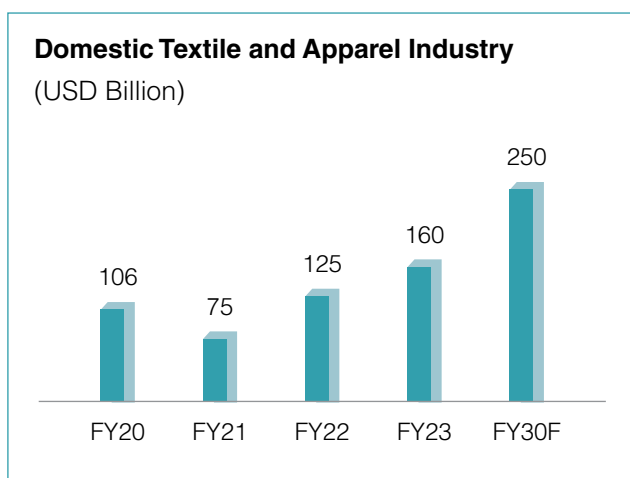
In the recent years, India's textile market has experienced significant expansion and surge in creative innovation. As per IBEF, the size of India's textile industry is expected to reach USD 250 Billion by FY2030 from USD 160 Billion in FY2023 with an expected compound annual growth rate of 8%, as per the India Brand Equity Foundation report on textile sector. The apparel market is growing due to expanding middle class, more discretionary spending and favourable consumer demographics. As the demand for quality and diversity is increasing across different market segments it makes India a lucrative market for domestic and international players alike.

### Determinants of Market Expansion:

- Automation and robotics are transforming manufacturing processes enhancing productivity and providing competitive edge
- Increasing health consciousness and shifts in lifestyle have led the growth of activewear and athleisure markets
- Digitalisation is refining design processes, supply chain management and customised marketing strategies creating a more connected and customer-centric industry
- Skill development programs and initiatives focused on rural clusters are creating a competent labour force, preparing the sector for future expansion

Thus, these are some of the trends that are shaping the industry to stay ahead of the curve by constantly innovating.

Source: EMIS Indian Textiles Sector Report



Source: The India Brand Equity Foundation (IBEF) Report

### Indian Kids Apparel Industry

According to the recent survey (Asian news international), the Indian kids wear market is expected to grow significantly, with projections indicating a compound annual growth rate (CAGR) of 9.1% between FY 2020-25, targeting a robust market size of ₹ 1.56 Trillion. This anticipated growth is supported by the significant proportion of the Indian population comprised children, accounting for approximately 25-26%. Kid's fashion has also seen a surge in popularity with companies launching attractive clothing that aligns with current fashion trends for children. Demographic shifts serve as a pivotal driver for the children's clothing sector, with rapid urbanisation leading to retail growth and a parallel increase in the e-commerce sector.

The surge in demand for children's clothing is largely attributed to the rapid retail expansion across India and the introduction of differentiated designs that cater to the evolving consumer preferences. Several other factors are contributing to the market's growth, including the enhancement of distribution networks and the introduction of competitive new offerings.

### Factors influencing the Kids Apparel Industry:

- The rising number of newborns globally has infused demand for kids' apparel, leading to increased parental spending on children's clothing
- Consumer consciousness regarding children's appearances and the desire to adopt new cultural trends are influencing market dynamics
- Parents are increasingly seeking sustainable, durable, and long-lasting clothes that can withstand their children's active lifestyles, further fuelling market demand
- Influence of social media on kids' apparel choices is also propelling market growth
- In response to the above market dynamics, brands are seizing the opportunity to enter in this growing market by offering high-quality designs to a broader audience

The Indian Kids apparel market is also benefiting from various economic trends, such as urbanising population with rising disposable income and favourable consumer demographics, driving the demand for a diverse range of textile products. Customers have become more discerning and well-informed about Indian clothing, giving more importance to thoughtful designs and focusing on comfort as well as luxury. The appetite for quality and variety is driving growth across segments and this trend shows no signs of slowing down, making India an attractive market for domestic and international players.

Source: EMIS Report Indian Textile Industry

IRIS Clothings Limited is a fast-growing kids apparel company that is engaged in manufacturing, designing, branding, and selling garments for kids wear. Established in 2005, the company has built a position in the kids' wear market with its signature brand "DOREME".

## Company Overview

IRIS Clothings Limited is a fast-growing kids apparel company that is engaged in manufacturing, designing, branding, and selling garments for kids wear. Established in 2005, the company has built a position in the kids' wear market with its signature brand "DOREME". Renowned for its unique collection of readymade garments, IRIS Clothings caters to fashion needs of children and toddlers with a diverse range of tailored designs.

The journey of DOREME began 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 significant presence in the retail stores given its high-quality and stylish range of collection and the company's ability to continuously launching new products with varied designs.

The company currently operates out of 4 key manufacturing sites located in Howrah, West Bengal. This strategic base supports the brand's extensive presence in 26 states across India, with Maharashtra, Rajasthan, Gujarat, and NCR being the key markets. The company's distribution network is robust, with 170+ distributors actively selling DOREME garments. In pursuit of growth, IRIS Clothings is focusing on domestic expansion through the launch of Exclusive Brand Outlets across India and is also extending its reach internationally with exports to Africa, Nepal and Saudi Arabia.

Over the years, the company has built a strong presence in the offline market, however, it is also building presence in the online market. The launch of D2C website and [www.doreme.in](http://www.doreme.in), marks the brand's presence into the digital marketplace, offering customers an alternative platform to access its products.

## Products and Services

The company specializes in manufacturing and selling of readymade garments and clothing accessories for kids under its brand "DOREME". The brand DOREME offers a wide range of collection for infants, toddlers, and junior boys and girls, catering to their needs for both indoor and outdoor.

The product portfolio includes a wide range of items across categories such as summer wear, winter wear, sportswear, and swimwear. The collection includes an array of tops, t-shirts, pyjamas, trousers, shorts, dresses, polyfil suits, sweatshirts, hoodies, joggers, dryfit and accessories such as bags and bottles.

## Developments in FY2024

- **FAMA Licence:** Company's Uluberia plant has been granted the Facility and Merchandise Authorisation (FAMA) license to manufacture and distribute products merchandise featuring Disney's intellectual property. The licensing agreement allows IRIS to design and sell kids apparel using Disney movie characters. Capitalising on this partnership, IRIS has introduced a line of children's clothing under the Disney x DOREME brand within the premium category.
- **Despatched first order of Disney-designed apparels:** Sample launch of kids' apparels designed with Disney & Marvel characters in Udaipur.
- **Expansion of Product offerings:** During the fiscal year, IRIS has broadened its product portfolio by launching a new range of winter wear, sportswear and performance wear for kids across India. The company plans to further diversify these categories, aiming to cater to the different clothing needs of kids in the upcoming year.
- **Enhanced Distributor Network:** In FY2024, IRIS has broadened its domestic distribution by adding 10+ new distributors. The company has strengthened its market presence in existing markets such as Maharashtra, Gujarat, Rajasthan, Bengaluru, West Bengal, and Punjab, during the fiscal year.
- **Launch of Exclusive Brand Outlets (EBOs):** To strengthen its retail footprint, company inaugurated two Exclusive Brand Outlets (EBOs) in Kolkata. The brand's visibility has been further enhanced with new store opened in Siliguri mall and in Dhanbad, Jharkhand.

- **Global Exports:** In the export market, the company currently ships to countries like Nepal, Portugal, Mozambique, Zambia, and Saudi Arabia. These countries buy ready products from IRIS under the brand name “DOREME” and sell it in their stores. In the coming years, IRIS plans to increase depth in existing geographies of the UAE, Middle East, and Saudi Arabia.

## Strategy

- **Expanding Geographical Footprint:** The DOREME brand has significantly broadened its reach in over 26 states across India, with an expansive network of 170 distributors, which has been growing consistently. Before the pandemic, the brand had approximately 85 distributors which has now doubled to 170 in the two years' timeframe. In line with its expansion strategy company have added 10 new distributors in FY2024, strengthening its position in Maharashtra, West Bengal and other western regions. To further increase the brand's presence company has also ventured into the Northeastern market such as Nagaland. Moreover, the company aims to increase its distributor network to 190 by FY2026 by tapping new markets.
- **Strengthening Retail Presence:** The company is enhancing its retail footprint by opening Exclusive Brand Outlets (EBOs), with two launches in Kolkata in FY2024 and currently have six operational EBOs. In coming years, IRIS plans to open 15 Company Owned EBOs to get closer to its target customers and enhance the brand recall among the consumers. The company is adopting a Cluster model to enhance brand visibility, particularly in the eastern regions where its presence is currently limited. The Disney x DOREME tie-up will further help IRIS in retail expansion by entering in large-format stores (LFS) / multi brand retail outlets in tier 1 cities in the coming years. Additionally, with growing interest from retailers in franchise opportunities, the company is evaluating to launch franchise model in the coming years.
- **Product Category Enhancement:** The company's future growth is largely anticipated to come from diversifying its product range. In FY2024, IRIS observed immense traction in the infant wear category, which is expected to play a significant role in its advancement. By FY2025, infant wear vertical is anticipated to contribute approximately 15-20% to the overall revenue of the company. Moreover, IRIS is planning to expand its product portfolio by venturing into the kid's undergarment space and introduce a variety of new products such as winter sportswear, jackets and woven nightsuits for children.

- **Expanding Capacities:** The company is planning a substantial growth phase through a capital expenditure aimed at upgrading machinery and increasing the utilisation rate. In response to the increasing demand, IRIS is also evaluating for a green field expansion to further expand its production capabilities. These efforts are integral for the robust backward integrated manufacturing infrastructure that enables to maintain cost-efficiency and effective quality control.
- **Digital Initiatives:** The company is transforming digitally by expanding its products availability through online channels. The launch of its very own D2C e-commerce platform - [www.doreme.in](http://www.doreme.in), marks a significant milestone in the company's digital journey. To further increase the brand visibility, the company is making stringent efforts across various social media channels and has also established a strong presence on the e-commerce platform. Additionally, to streamline sales process, all the wholesalers are integrated onto a B2B platform to improve sales efficiency and enhance working capital.
- **New Designs every year:** Following the industry dynamics of a faster replacement cycle, IRIS Clothings every year launches 90% new designs with only 5-10% being repeated. Keeping updated with the latest trends, market demand and upgrade to branded players will help the company to increase the top line in the coming years.

## Outlook

The company is emerging as a strong player in the kids wear segment with potential to gain a large share within the highly fragmented kids apparel market, backed by steady demand for children's apparel and improving consumer sentiment in urban areas. IRIS is positioned for significant growth, leveraging industry support, strategic retail expansion through EBOs and addition of distributors. The company's proactive approach to scale up its operations and diversify the product offerings are expected to further solidify its position.

IRIS has laid down multiple pillars of growth, including the opening of 15 new Exclusive Brand Outlets (EBOs) in near future, an increasing distributor network and focus on raising the average selling price alongside planned capacity expansion by acquiring land, lays a solid foundation for sustained growth. These investments and strategic initiatives and those planned for the upcoming financial year are expected to start, translating into robust growth, increased operating efficiency and a stronger market presence.

## Strengths and Opportunities

### Strengths:

- **Brand Recognition:** IRIS has built strong brand recall among retailers, which is a testament of the company's impactful brand image related with high-quality dress fabric.
- **Merchandise Collection:** The company's strength is its strong merchandise collection, offering a diverse range of appealing products that caters to various customer preferences.
- **Design and Manufacturing:** The design conceptualisation is supported by seven state-of-the-art manufacturing facilities, enabling IRIS to maintain high standards of quality and innovation in its product offerings.
- **Licensing Agreement:** Lucrative licensing agreement with Disney, allowing the company to manufacture and sell kids apparel featuring Disney and marvel characters which enhances the product appeal and marketability.
- **Competitive Pricing:** To make the product offerings accessible to a broader customer base, the company offers quality products at reasonable prices. A wide price range from ₹ 200-2000.
- **Market Presence:** Strong distribution presence in the western region, ensuring regional dominance and maximum customer reach.

### Opportunities:

- The Indian government's recent approval of ₹ 10,000 Crores Production Linked Incentive (PLI) scheme for textile. This initiative by the government is anticipated to boost the garment sector, exports and incentivize domestic production from which IRIS can be benefited significantly.
- Despite the growth of e-commerce, physical stores continue to capture the lion's share of the market, accounting approximately 90% of the sales. This continuing preference for in-store shopping experiences indicates the significance of maintaining strong physical retail presence.
- Consequently, market players are strategically launching innovative products to meet the growing demand in the kids' segment, recognising the unique needs and preferences of this demographic.
- The digital textile printing is transforming the textile industry by innovating the way colourants are applied to fabrics, offering designers and manufacturers the ability to produce vibrant, high-quality designs, reduce waste, and meet the demands of a rapidly changing market.
- Favourable market demand and technological advancements, the social connection which IRIS builds with its customers is a unique experience that helps enhance the company's brand image and bring more business.

Going forward, these factors will surge the demand for kids and toddlers, helping the company on the path of accelerated growth.

## Risks and Concerns

The existing uncertainties related to customers holding their purchase, supply chain disruptions and raw material price volatile 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 Board.

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.

## Financial Performance

Particulars (in ₹ Million)	FY2024	FY2023	YoY (%)
Total Income	1,220.2	1,131.1	7.9%
Expenses	955.9	936.0	2.1%
EBITDA	264.3	195.1	35.5%
EBITDA Margin (%)	21.7%	17.2%	441 bps
Depreciation & Amortisation	60.9	53.0	14.9%
EBIT	203.4	142.0	43.2%
Finance Costs	38.4	30.0	28.2%
PBT	164.9	112.0	47.2%
PAT	122.1	82.6	47.9%
PAT Margin (%)	10.0%	7.3%	271 bps

## 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 1,451, as of March 31, 2024.

## 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, 2024.

## STATE OF COMPANY'S AFFAIRS

### Financial Performance

(₹ in Lakhs)

Particulars (in ₹ Mn)	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	12,201.81	11,310.82
Total Expenses	10,552.43	10,190.35
Profit or Loss before Extraordinary items	1,649.38	1,120.47
<b>Profit or Loss before tax</b>	<b>1,649.38</b>	<b>1,120.47</b>
Less: Tax Expenses	428.19	294.58
<b>Profit or Loss after Tax</b>	<b>1,221.19</b>	<b>825.89</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>1,221.19</b>	<b>825.89</b>

During the year under review, the Company has reported total income of ₹ 12,201.81 Lakhs for the current financial year as compared to ₹ 11,310.82 Lakhs in the previous financial year. The profit after tax for the year stands at ₹ 1,221.19 Lakhs as compared to ₹ 825.89 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, 2024 was ₹ 16,31,41,260/-. During the year under review, the Company, at the Extra-Ordinary General Meeting (EGM) held on July 27, 2023, has obtained approval of members for sub-division / split of shares from face value of ₹ 10/- to face value of ₹ 2/- each.

Further, the Authorised Share Capital of the Company was also increased from ₹ 16,50,00,000/- to ₹ 40,00,00,000/-.

### 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 minimize the power consumption.

During the year under review, the energy consumed by the company was 17,43,159 units amounting to ₹197.49/- 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:

(₹ In Lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23
Earnings in Foreign Currencies	367.91	295.37
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 & Resignation**

During the year under review, there was no change in the composition of Board of Directors of the Company.

### **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, Mrs. Geeta Ladha (DIN: 03585488), Whole-time 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 Mrs. Geeta 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.

### **Meetings of the Board & Committees:**

The details of Board and Committee Meetings held during the Financial Year ended on March 31, 2024 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.irisclothings.in](http://www.irisclothings.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:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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.irisclothings.in](http://www.irisclothings.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.irisclothings.in](http://www.irisclothings.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, 2024 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.irisclothings.in](http://www.irisclothings.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 2023-24.

## 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 8<sup>th</sup> Annual General Meeting till the conclusion of 13<sup>th</sup> Annual General Meeting to be held in the year 2024.

The tenure of existing Statutory Auditors is expiring at the ensuing Annual General Meeting (AGM). The Board of Directors recommended the appointment of M/s. AMK & Associates, (FRN: 327817E) Chartered Accountants, for a further period of 5 (five) years, subject to the approval of members at the ensuing AGM.

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, 2024 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 2023-24 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 2023-24 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**

**Santosh Ladha**  
Managing Director  
(DIN: 03585561)

**Geeta Ladha**  
Whole-time Director  
(DIN: 03585488)

Place: Howrah  
Date: September 2, 2024

**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.irisclthings.in](http://www.irisclthings.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
Mrs. Vranda Manish Rathi	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.irisclthings.in](http://www.irisclthings.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): ₹ 1,119.75 Lakhs**

**(b) Two percent of average net profit of the company as per section 135(5): ₹ 22.39 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)]: ₹ 22.39 Lakhs**

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 22.53 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)]:** ₹ 22.53 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
22.53	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: September 2, 2024

**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, 2024**

[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, 2024 (“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, 2024, 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.

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 is carried through while dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

**Rajesh Ghorawat**

Practising Company Secretary

M. No.: F7226

C.P. No.: 20897

UDIN: F007226F001107908

ICSI Peer Review No.: 1992/2022

Place: Kolkata

Date: September 2, 2024



## **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.

**Rajesh Ghorawat**

Practising Company Secretary

M. No.: F7226

C.P. No.: 20897

UDIN: F007226F001107908

ICSI Peer Review No.: 1992/2022

Place: Kolkata

Date: September 2, 2024

## 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 FY2023-24* (₹ in Lakhs)	Ratio of remuneration to median remuneration of employees (Including Whole-time Directors)
1. Mrs. Geeta Ladha	Whole-time Director	140	148.63
2. Mr. Santosh Ladha	Managing Director	140	148.63

\*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	-
Mr. Santosh Ladha	Managing Director	-
Mr. Niraj Agarwal	Chief Financial Officer	-
Ms. Sweta Agarwal	Company Secretary	-

- iii. The percentage of increase in the median remuneration of employees in the financial year: 8.55% (due to Annual Appraisal).
- iv. The number of permanent employees on the role of company as on March 31, 2024 is 1459 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: September 2, 2024

**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 3 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, 2024, 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, 2024 are given below:

Name of Director	Category	No. of Board Meetings Attended	Attendance at last AGM held on September, 18, 2023	Directorship in other public companies	No. of Committee position held in other companies <sup>#</sup>	
					Chairperson	Member
Mr. Santosh Ladha (DIN: 03585561)	Executive Director (Managing Director)	8	Yes	0	0	0
Mrs. Geeta Ladha (DIN: 03585488)	Executive Director (Whole-time Director)	8	Yes	0	0	0
Mr. Baldev Das Ladha (DIN: 03585566)	Non-Executive Director	8	Yes	0	0	0
Mr. Nikhil Saraf (DIN: 00611163)	Non-Executive Independent Director	8	Yes	0	0	0
Mr. Manoj Tulsyan (DIN: 08919887)	Non-Executive Independent Director	8	Yes	0	0	0
Mrs. Vranda Manish Rathi (DIN: 02759920)	Non-Executive Independent Director	7	Yes	0	0	0

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

### Meetings of the Board of Directors

During the year under review, 8 (Eight) Meetings of the Board of Directors were held on May 4, 2023, June 21, 2023, July 22, 2023, August 1, 2023, August 12, 2023, October 31, 2023, November 6, 2023 and February 05, 2024 respectively. The gap between any two meetings does not exceed 120 days.

### Directorships in Listed Entities as on March 31, 2024

None of the Directors are holding Directorship in other listed entities as on March 31, 2024.

### Shareholding of Directors

Details of equity shares of the Company held by the Directors as on March 31, 2024 are given below:

Name	Category	Number of Shares
Mr. Santosh Ladha	Executive Director	65,82,295
Mrs. Geeta Ladha	Executive Director	3,88,14,570
Mr. Baldev Das Ladha	Non-Executive Director	33,32,585

### 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:

- 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;
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company, Leadership & effective communication qualities;
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;
- Financial and Management skills;
- 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](http://www.irisclothings.in). All Board of Directors and Senior Management have confirmed compliance with code for the year ended March 31, 2024.

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](http://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 05, 2024 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
Mrs. Vranda Manish Rathi	Non-Executive Independent Director	Member

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

There were 5 meetings of the Audit Committee held during the Financial Year ended March 31, 2024 on May 4, 2023, July 22, 2023, August 12, 2023, November 6, 2023 and February 05, 2024 respectively.

S. No.	Name of the Director	Number of Audit Committee Meetings attended during the Financial Year ended March 31, 2024
1.	Mr. Nikhil Saraf	5
2.	Mr. Manoj Tulsyan	5
3.	Mrs. Vranda Manish Rathi	5

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 was present at the Annual General Meeting (AGM) held on September 18, 2023. 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 Crores 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
Mrs. Vranda Manish Rath	Non-Executive Independent Director	Member

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

One Meeting of the Nomination and Remuneration Committee was held during the Financial Year ended March 31, 2024 on February 05, 2024.

S. No.	Name of the Director	Number of Nomination & Remuneration Committee Meetings attended during the Financial Year ended March 31, 2024
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	Mrs. Vranda Manish Rath	1

##### 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 2023-24, 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 2023-24 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.irisclothings.in](http://www.irisclothings.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 2023-24.

#### 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, 2024 are as follows:

##### Non-Executive Directors (NEDs):

Name of the Directors	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Baldev Das Ladha	15,000	-	15,000
Mr. Nikhil Saraf	35,000	-	35,000
Mr. Manoj Tulsyan	35,000	-	35,000
Mrs. Vranda Manish Rathi	35,000	-	35,000

##### Executive Directors (EDs):

Name of the Directors	Salary (₹)	Perquisites (₹)	Others (₹)	Total (₹)
Mr. Santosh Ladha	1,40,00,000	-	-	1,40,00,000
Mrs. Geeta Ladha	1,40,00,000	-	-	1,40,00,000

## 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
Mrs. Vranda Manish Rathi	Non-Executive Independent Director	Member

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, 2024 on February 05, 2024.

S. No.	Name of the Director	Number of Stakeholders Relationship Committee Meetings attended during the Financial Year ended March 31, 2024
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	Mrs. Vranda Manish Rathi	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 18, 2023 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 the Director	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Mrs. Vranda Manish Rathi	Non-Executive Independent Director	Member

One Meeting of the Corporate Social Responsibility Committee was held during the Financial Year ended March 31, 2024 on February 05, 2024. 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, 2024
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	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
2022-23	September 18, 2023 at 4.00 p.m.	Through Video Conferencing ('VC')/Other Audio- Visual Means ('OAVM')	-
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')	-

### b) Extraordinary General Meeting:

Apart from the Annual General Meeting, an Extra-ordinary General Meeting of the Company was held during the Financial Year 2023-24, wherein the following special resolutions were passed:

Financial Year	Date and Time	Venue	No of Special Resolutions passed
2023-24	July 27, 2023 at 11.00 a.m.	103/24/1, Foreshore Road, Howrah -711102	-

### c) Postal Ballot:

No Special Resolution was passed during financial year 2023-24 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](http://www.nseindia.com) and the Company at [www.irisclothings.in](http://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, 2024 is as under:

Date of 13 <sup>th</sup> Annual General Meeting	Venue	Time
September 28, 2024	Annual General Meeting is being conducted through Video-Conferencing/Other Audio-Visual Means	11:00 a.m.

### ii. Financial Calendar: Our tentative calendar for declaration of results for the financial year 2024-25 are given below:

Financial Calendar	Period	Declaration of Unaudited Results
1 <sup>st</sup> Quarter	April 1 to June 30	On or before August 14, 2024
2 <sup>nd</sup> Quarter	July 1 to September 30	On or before November 14, 2024
3 <sup>rd</sup> Quarter	October 1 to December 31	On or before February 14, 2025
Audited Financial Results	January 1 to March 31	On or before May 30, 2025

- 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 - INE01GN01025, 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 2023-24 are as:

Period	Monthly Low (₹)	Monthly High (₹)
Apr'2023	313.00	369.05
May'2023	350.05	395.00
Jun'2023	356.15	438.00
Jul'2023	426.75	485.95
Aug'2023	67.05	479.00
Sep'2023	71.55	89.40
Oct'2023	80.00	103.65
Nov'2023	76.70	99.75
Dec'2023	70.00	82.80
Jan'2024	81.15	90.90
Feb'2024	73.85	88.70
Mar'2024	71.70	89.80

- 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 – 2846 0390/40020700  
Fax No.: 044 – 28460129  
E-mail: [investor@cameoindia.com](mailto: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:** 8,15,70,630 i.e., 100% of the paid-up Share Capital had been dematerialised, as at March 31, 2024.

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](mailto:accounts@irisclothings.in)

Website: [www.irisclothings.in](http://www.irisclothings.in)

**xiii. Distribution of Shareholding:**

The shareholding distribution of equity shares as on March 31, 2024 is given below:

No of shares (Range)	No of shareholders	No of Equity shares held	Percentage of holding
1 – 100	4,103	1,44,806	0.1775
101-500	1,956	5,24,803	0.6434
501-1,000	515	4,22,640	0.5181
1,001 – 2,000	294	4,42,519	0.5425
2,001 – 3,000	105	2,70,363	0.3314
3,001 – 4,000	38	1,37,773	0.1689
4,001 – 5,000	58	2,79,605	0.3428
5,001 – 10,000	73	5,25,132	0.6438
10,001 and above	162	7,88,22,989	96.6316
<b>Total</b>	<b>7304</b>	<b>8,15,70,630</b>	<b>100.0000</b>

**Categories of Shareholders as on March 31, 2024:**

Category	No of Shares held	% of shareholdings
Promoters' Holding	5,78,65,420	70.94
Non-Promoters' Holding	2,37,05,210	29.06
<b>Total</b>	<b>8,15,70,630</b>	<b>100.00</b>

**xiv. Credit Ratings:**

During the year under review, CRISIL has given the credit rating of "CRISIL BBB-/Stable" on the credit facilities of the Company.

**10. DISCLOSURES:**

- All the related party transactions entered into by the Company 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](http://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.
- c. 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.
- d. 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](http://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 2023-24.
- 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 2023-24.
- 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, 2024, 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.
- 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, 2024.

- **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**

**Santosh Ladha**  
Managing Director  
(DIN: 03585561)

**Geeta Ladha**  
Whole-time Director  
(DIN: 03585488)

Place: Howrah  
Date: September 2, 2024

## 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, 2024, 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 paras C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
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 & Associates**  
Chartered Accountants  
FRN: 0327817E

**Bhupendra Kumar Bhutia**  
Partner  
Mem. No. 059363

Date: September 2, 2024

UDIN No. 24059363BKAHMS7946



## 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, 2024.

**For Iris Clothings Limited**

**Santosh Ladha**

Managing Director

(DIN: 03585561)

Place: Howrah

Date: September 2, 2024

## 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: September 2, 2024

**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](http://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, 2024 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.

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

Place: Kolkata  
Date: September 2, 2024

UDIN: F007226F001107985  
ICSI Peer Review No.: 1992/2022

# 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 March 31, 2024, 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, 2024, 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 an 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 31 (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 have been 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. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended on March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

**Manish Kumar Agarwal**  
Partner

Place: Kolkata  
Date: May 13, 2024

Membership No. 064475  
UDIN : 24064475BKCUQQ8369

# 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 in 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 our 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, or security the provisions of sections 185 and 186 of the Act are 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 determining whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including 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 March 31, 2024 for a period of more than six months from the date they became payable.

c) Details of Dues of Income tax, Goods and Service Tax, Cess which have not been deposited as on March 31, 2024 on account of disputes are given below :

<b>Name of statute</b>	<b>Nature of Dues</b>	<b>Amount (₹ In Lakhs) (Net of Deposit)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	Income Tax	135.68	A.Y.2013-14	C.I.T.(Appeal)

However, the final order has come in our favour in FY2025, but the final intimation is yet to be received.

(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 on repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared a 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 a 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, 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 an 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 have been no whistleblower 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 the 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 13, 2024

Membership No. 064475  
UDIN : 24064475BKCUQQ8369

# 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, 2024, 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, 2024, 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 13, 2024

Membership No. 064475  
UDIN : 24064475BKCUQQ8369

# Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As on March 31, 2024	As on March 31, 2023
<b>I ASSETS :</b>			
<b>1 Non-current Assets</b>			
Property, Plant & Equipment	2	1,981.68	2,184.72
Right of Use Assets	2	793.73	503.81
Other Intangible Assets	2	2.17	2.45
Financial Assets			
Other Financial Assets	3	118.60	110.03
Deferred Tax Assets (Net)	4	122.10	85.29
		<b>3,018.29</b>	<b>2,886.30</b>
<b>2 Current Assets</b>			
Inventories	5	6,191.81	4,492.04
Financial Assets			
Trade receivables	6	3,629.08	3,125.22
Cash & cash equivalents	7	4.19	1.78
Other Bank balances	8	153.61	145.43
Loans	9	4.71	4.23
Current Tax Assets (Net)		33.85	51.26
Other Current Assets	10	288.28	224.62
		<b>10,305.53</b>	<b>8,044.58</b>
<b>TOTAL ASSETS</b>		<b>13,323.82</b>	<b>10,930.88</b>
<b>II EQUITY AND LIABILITIES:</b>			
<b>1 Equity</b>			
Equity Share capital	11	1,631.41	1,631.41
Other Equity	12	5,284.75	4,063.56
		<b>6,916.17</b>	<b>5,694.97</b>
<b>2 Non-current Liabilities :</b>			
Financial Liabilities			
Lease Liabilities	13	877.71	582.56
		<b>877.71</b>	<b>582.56</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	3,441.22	2,848.28
Lease Liabilities	15	100.61	79.06
Trade Payables	16		
(A) total outstanding dues of micro enterprises and small enterprises;		1,433.41	30.37
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		494.78	1,641.86
Other financial liabilities	17	8.63	4.28
Other current liabilities	18	51.30	49.49
Current Tax Liabilities (net)		-	-
		<b>5,529.95</b>	<b>4,653.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,323.82</b>	<b>10,930.88</b>
<b>Accounting Polices</b>	1		

In terms of our report on even date

## For AMK & Associates

Chartered Accountants  
FRN: 327817E

**Santosh Ladha, Director**  
Managing Director  
(Din: 03585561 )

**Geeta Ladha, Director**  
Whole Time Director  
(Din: 03585488)

**Manish Kumar Agarwal**  
M. No. 064475

**Sweta Agarwal**  
Company Secretary

**Niraj Agarwal**  
Chief Financial Officer

Place: Kolkata  
Date: May 13, 2024

# Statement of Profit and Loss

for the Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	For the period ended March 31, 2024	For the period ended March 31, 2023
<b>I Revenue From operations</b>	19	12,192.11	11,300.14
<b>II Other Income</b>	20	9.70	10.68
<b>III Total Income (I +II)</b>		<b>12,201.81</b>	<b>11,310.82</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	21	5,434.40	5,236.66
Purchases of Stock-in-Trade	22	1,887.08	1,966.37
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	(1,550.26)	(1,028.77)
Employee benefit expense	24	2,153.15	1,825.73
Finance costs	25	384.30	299.81
Depreciation and amortization expense	26	609.07	530.27
Other expenses	27	1,634.69	1,360.28
<b>Total expenses (IV)</b>		<b>10,552.43</b>	<b>10,190.35</b>
<b>V Profit(loss) before exceptional items and tax(III-IV)</b>		1,649.38	1,120.47
<b>VI Exceptional items</b>		-	-
<b>VII Profit/ (loss) before tax (V-VI)</b>		1,649.38	1,120.47
<b>VIII Tax Expenses</b>	28		
a) Current Tax		465.00	310.00
b) Income tax related to earlier years		-	1.56
c) MAT Credit Entitlement		-	-
c) Deferred Tax		(36.81)	(16.98)
		<b>428.19</b>	<b>294.58</b>
<b>VII Profit/ (Loss) for the period from continuing operations (V-VI)</b>		1,221.19	825.89
<b>X Profit (Loss) from discontinued operations</b>		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/(loss) from discontinued operations (after tax)</b>		-	-
<b>IX Profit/(loss) for the period (VII-VIII)</b>		1,221.19	825.89
<b>X Other Comprehensive Income</b>	29		
(a) Items that will not be reclassified to profit or loss		-	-
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>XI Total Comprehensive Income for the period (IX+X)</b>		<b>1,221.19</b>	<b>825.89</b>
<b>XII Earnings per equity share</b>	30		
1) Basic		1.50	1.01
2) Diluted		1.50	1.01
<b>Accounting Polices</b>	1		

In terms of our report on even date

## For AMK & Associates

Chartered Accountants  
FRN: 327817E

**Santosh Ladha, Director**  
Managing Director  
(Din: 03585561 )

**Geeta Ladha, Director**  
Whole Time Director  
(Din: 03585488)

**Manish Kumar Agarwal**  
M. No. 064475

**Sweta Agarwal**  
Company Secretary

**Niraj Agarwal**  
Chief Financial Officer

Place: Kolkata  
Date: May 13, 2024

# Statement of Cash Flow

for the Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Items	1,649.38	1,120.47
Adjustments for:		
- Depreciation	609.07	530.27
- Sundry Balances Written Off	-	0.04
- Finance Cost	384.30	299.81
- Interest Income	(9.69)	(9.03)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,633.06</b>	<b>1,941.56</b>
<b>Adjustments for:</b>		
- Trade Payables	262.12	511.45
- Trade and other Receivables	(576.58)	(784.78)
- Inventories	(1,699.77)	(1,117.74)
<b>Cash Generated from Operations :</b>	<b>618.83</b>	<b>550.48</b>
- Direct Taxes Paid	(447.59)	(381.46)
<b>Net Cash generated from Operating Activities</b>	<b>171.24</b>	<b>169.02</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments (Net)	(273.10)	(104.59)
Term Deposit other than cash equivalents	(8.18)	(7.37)
Interest Received	9.69	9.03
<b>Net Cash used in Investing Activities</b>	<b>(271.59)</b>	<b>(102.93)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	592.94	298.17
Payment of Lease Liabilities	(186.40)	(135.99)
Interest Paid	(303.78)	(230.53)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>102.76</b>	<b>(68.36)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>2.41</b>	<b>(2.27)</b>
Opening Cash and Cash Equivalents	1.78	4.05
Closing Cash and Cash Equivalents	4.19	1.78

In terms of our report on even date

**For AMK & Associates**

Chartered Accountants

FRN: 327817E

**Santosh Ladha, Director**

Managing Director

(Din: 03585561 )

**Geeta Ladha, Director**

Whole Time Director

(Din: 03585488)

**Manish Kumar Agarwal**

M. No. 064475

**Sweta Agarwal**

Company Secretary

**Niraj Agarwal**

Chief Financial Officer

Place: Kolkata

Date: May 13, 2024

# Statement of Changes in Equity

for the Year Ended March 31, 2024

## a Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Equity Shares of ₹ 2 each fully paid up	Balance at the beginning of the reporting period April 01, 2023	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, 2024
Equity Share	1,63,14,126	1,631.41	-	1,631.41	-	1,631.41

(₹ 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	1,63,14,126	1,631.41	-	1,631.41	-	1,631.41

## b Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
<b>Balance at the beginning of the reporting period (April 01, 2022)</b>	<b>12.92</b>	<b>3,224.74</b>	<b>3,237.66</b>
Changes in accounting policy/ prior period expenses	-	-	-
<b>Restated Balance at the beginning of the reporting year April 01, 2020</b>	<b>12.92</b>	<b>3,224.74</b>	<b>3,237.66</b>
Profit for the year	-	825.89	825.89
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
<b>Balance at the end of the reporting period (March 31, 2023)</b>	<b>12.92</b>	<b>4,050.63</b>	<b>4,063.55</b>
<b>Restated Balance at the beginning of the reporting year March 31, 2024</b>	<b>12.92</b>	<b>4,050.63</b>	<b>4,063.55</b>
Profit for the year	-	1,221.20	1,221.20
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
<b>Balance at the end of the reporting period (March 31, 2024)</b>	<b>12.92</b>	<b>5,271.83</b>	<b>5,284.75</b>

In terms of our report on even date

### For AMK & Associates

Chartered Accountants

FRN: 327817E

**Santosh Ladha, Director**

Managing Director

(Din: 03585561 )

**Geeta Ladha, Director**

Whole Time Director

(Din: 03585488)

**Manish Kumar Agarwal**

M. No. 064475

**Sweta Agarwal**

Company Secretary

**Niraj Agarwal**

Chief Financial Officer

Place: Kolkata

Date: May 13, 2024



# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### Note-1 -Overview

#### 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 and trading of Readymade Garments and allied products

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

The financial statements were approved and adopted by the board of directors of the Company in their meeting held on May 13, 2024.

#### 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 from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), the 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.

#### 3. Basis of Preparation of financial statements

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of supply of goods/services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such

services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

measurements and the cost represents estimate of fair value within that range.

### 4. 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.

### 5. Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates can change from period to period. Actual results could differ from those judgments. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements. The Company uses the following critical accounting Judgments, estimate and assumptions in preparation for its financial statements:

In the process of applying the Company's accounting policies, management has made the following key estimates, assumptions, and judgments, which have significant effect on the amounts recognised in the financial statement:

#### (a) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### (b) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### (c) Defined Benefit Plans

The cost of the employment benefits such as gratuity and leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35.

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### (d) Insurance Claims

Insurance and other claims raised by the Company are accounted for when received owing to uncertainties involved.

### (e) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

### (f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required 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.

## 6. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

### (A) An asset treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

### (B) A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

## 7. Reclassification of financial assets and liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no classification is made for financial assets which are equity instruments and financial liabilities. For financials assets which are debt instruments; a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to the external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period. Following the changes in business model, the company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### 8. Summary of Material Accounting Policies Information

#### a) 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;
- 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

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

business and is recognised when the right to receive the income is established as per the terms of the contract.

#### **b) 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.

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.

#### **c) 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.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### d) 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.

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 been 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.

### e) 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.

### f) 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,

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

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.

**g) 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.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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.

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



## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

#### h) 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 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.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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.

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

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

#### i) 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.

#### j) 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 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

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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 unlikeliness 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 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

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

#### k) 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 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

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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;

- 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.
- 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.

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.

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

#### l) 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.

#### m) Fair value financial instruments

The company measure financial instrument at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the company use various method and assumption that are based on market conditions and risks existing at each reporting date. The methods used to determine the fair value includes discounted cash flow analysis, available quoted market price and dealer quotes and valuation report etc. The method of assessing fair value results in general approximation of value and such value may never actually be realised.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### n) 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.

### o) Cash and bank balances:

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

### p) 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.

### q) 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.

### r) 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.

### s) Foreign currencies:

- i) The functional currency and presentation currency of the Company is Indian Rupee.



## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

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.

#### t) 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 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.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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.

### u) 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.

### v) 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.

### w) 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

## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

- 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.

**x) 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.

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

## Note No. 2 Property, Plant & Equipment

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2023	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2024	Up to April 01, 2023	For the Period	Up to March 31, 2024	As at March 31, 2024	As at March 31, 2023
CWIP	(₹) -	(₹) 14.84	(₹) -	(₹) 14.84	(₹) -	(₹) -	(₹) -	(₹) 14.84	(₹) -
Land	18.35	-	-	18.35	-	-	-	18.35	18.35
Building	1,023.76	-	-	1,023.76	402.03	65.26	467.29	556.46	621.73
Plant & Machinery	2,728.73	122.60	-	2,851.34	1,590.22	266.24	1,856.46	994.87	1,138.51
Electrical Installation	269.18	9.16	-	278.34	155.67	25.41	181.08	97.26	113.51
Office Equipments	74.30	7.31	-	81.61	60.57	7.42	67.99	13.62	13.73
Furniture Fittings	524.24	119.46	-	643.70	331.67	82.17	413.84	229.86	192.57
Vehicles	167.26	-	-	167.26	80.93	29.91	110.84	56.41	86.33
<b>Total</b>	<b>4,805.81</b>	<b>273.38</b>	<b>-</b>	<b>5,079.19</b>	<b>2,621.10</b>	<b>476.41</b>	<b>3,097.51</b>	<b>1,981.68</b>	<b>2,184.72</b>

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2022	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2023	Up to April 01, 2022	For the Period	Up to March 31, 2023	As at March 31, 2023	As at March 31, 2022
For 2022-23	(₹) 4,700.61	(₹) 133.92	(₹) 28.71	(₹) 4,805.81	(₹) 2,187.35	(₹) 436.18	(₹) 2,622.30	(₹) 2,184.72	(₹) 2,513.26

## Note No. 2 Right of Use Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2023	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2024	Up to April 01, 2023	For the Period	Up to March 31, 2024	As at March 31, 2024	As at March 31, 2023
Land & Building	(₹) 827.54	(₹) 421.00	(₹) -	(₹) 1,248.54	(₹) 323.73	(₹) 131.08	(₹) 454.81	(₹) 793.73	(₹) 503.81
<b>Total</b>	<b>827.54</b>	<b>421.00</b>	<b>-</b>	<b>1,248.54</b>	<b>323.73</b>	<b>131.08</b>	<b>454.81</b>	<b>793.73</b>	<b>503.81</b>

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2022	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2023	Up to April 01, 2022	For the Period	Up to March 31, 2023	As at March 31, 2023	As at March 31, 2022
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
For 2022-23	827.54	-	-	827.54	230.25	93.48	323.73	503.81	597.29

### Note No. 2 Other Intangible Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2023	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2024	Up to April 01, 2023	For the Period	Up to March 31, 2024	As at March 31, 2024	As at March 31, 2023
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer Software	15.93	1.30	-	17.23	13.48	1.58	15.05	2.17	2.45
<b>Total</b>	<b>15.93</b>	<b>1.30</b>	<b>-</b>	<b>17.23</b>	<b>13.48</b>	<b>1.58</b>	<b>15.05</b>	<b>2.17</b>	<b>2.45</b>

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Original Cost as at April 01, 2022	Addition during the year	Sales/ Adjustments during the year	Total Cost as at March 31, 2023	Up to April 01, 2022	For the Period	Up to March 31, 2023	As at March 31, 2023	As at March 31, 2022
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
For 2022-23	15.93	-	-	15.93	11.65	1.83	13.48	2.45	4.28

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

## 3 Other Financial Assets

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Security Deposits	118.60	110.03
	<b>118.60</b>	<b>110.03</b>

## 4 Deferred Tax Assets (net)

The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Deferred Tax Assets</b>		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	122.10	85.29
<b>Total Deferred Tax Assets</b>	<b>122.10</b>	<b>85.29</b>
<b>Deferred Tax Liabilities</b>		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
Total Deferred Tax Liabilities	-	-
	<b>122.10</b>	<b>85.29</b>

## 5 Inventories

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Raw Materials	558.41	413.41
Work in Progress	3,358.16	1,190.05
Finished Goods	2,190.35	2,808.20
Stores and Spares	84.89	80.38
	<b>6,191.81</b>	<b>4,492.04</b>

## 6 Trade Receivables

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Unsecured, considered good	3,629.08	3,125.22
	<b>3,629.08</b>	<b>3,125.22</b>
Trade Receivables ageing schedule		
Outstanding for following periods from due date of payment		

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Unsecured-Considered Good</b>		
Undisputed Trade receivables –considered good		
Less than 6 months	3,001.54	3,097.20
6 months - 1 year	623.79	3.55
1-2 years	2.30	18.53
2-3 years	1.44	5.58
More than 3 years	-	0.36
<b>Total</b>	<b>3,629.08</b>	<b>3,125.22</b>

### 7 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Balances with banks		
- In current accounts	1.50	0.64
Cash on hand	2.68	1.14
	<b>4.19</b>	<b>1.78</b>

### 8 Other Bank Balances

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Special Term Deposit / Balance with banks held as Margin Money	153.61	145.43
	<b>153.61</b>	<b>145.43</b>

### 9 Loans

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
To Employee	4.71	4.23
	<b>4.71</b>	<b>4.23</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

## 10 Other Current Assets

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Security Deposits to others	0.25	0.25
<b>Other advances</b>		
Advance to Parties	51.11	57.59
Other Advances	0.50	0.50
<b>Others</b>		
Prepaid Expenses	9.09	6.94
Balances with Government Dept	227.33	159.34
	<b>288.28</b>	<b>224.62</b>

## 11 Equity Share Capital

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Authorised</b>		
Equity Share of ₹ 2/- par value:-		
20,00,00,000 Equity Share (*)	4,000.00	1,650.00
	<b>4,000.00</b>	<b>1,650.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
Equity Share of ₹ 2/- par value		
8,15,70,630 Equity Share of ₹ 2/- par value fully paid up (**)	1,631.41	1,631.41
	-	-
	<b>1,631.41</b>	<b>1,631.41</b>

(\*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2 each

(\*\*) The Company has increased its number of Authorised Equity shares from 8,25,00,000 (1,65,00,000\*5) shares of ₹2 per share to 20,00,00,000 shares of ₹2 per share at the Extra Ordinary - General Meeting dated July 27, 2023

### Notes:

- The Company has only one class of shares referred to as equity shares having a par value of ₹2/- . each holder of equity shares is entitled to one vote per share.
- 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.



## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

4. Details of Share holders holding more than 5% of total shares:

Name of Shareholder	As on March 31, 2024		As on March 31, 2023
	No. of Shares	% to Total Shares	% to Total Shares
Geeta Ladha	3,88,14,570	47.58	47.58
Santosh Ladha	65,82,295	8.07	8.07

(\*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2 each

5. The reconciliation of the number of shares outstanding:

Name of Shareholder	As on March 31, 2024		As on March 31, 2023
	No. of Shares	Amount (₹)	Amount (₹)
Number of shares at the beginning(*)	8,15,70,630	16,31,41,260	16,31,41,260
Addition during the Year	-	-	-
Number of shares at the closing	8,15,70,630	16,31,41,260	16,31,41,260

(\*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2 each

6. Shares held by promoters at the end of the year March 31, 2024

Sl. No.	Promoter name	No. of Shares	% of total shares**
1.	Geeta Ladha	3,88,14,570	47.58
2.	Santosh Ladha	65,82,295	8.07
3.	Baldev Das Ladha	33,32,585	4.09
4.	Kamala Devi Ladha	21,89,530	2.68
5.	Baldev Das Ladha (HUF)	36,40,000	4.46
6.	Santosh Ladha (HUF)	32,61,440	4.00
6.	Shruti Ladha	45,000	0.06
	<b>Total</b>	<b>5,78,65,420.00</b>	<b>70.94</b>

## 12 Other Equity

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Securities Premium</b>		
Balance as per last Account	12.92	12.92
	<b>12.92</b>	<b>12.92</b>
<b>Retained Earnings</b>		
Surplus at the beginning of the year	4,050.64	3,224.74
Add : Profit for the year	1,221.19	825.90
	<b>5,271.83</b>	<b>4,050.64</b>
<b>Total</b>	<b>5,284.75</b>	<b>4,063.56</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

## 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").

## 13 Financial -Non-Current

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Lease Liabilities	877.71	582.56
	<b>877.71</b>	<b>582.56</b>

## 14 Borrowings

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Loans repayable on demand		
Secured		
From Banks		
Cash Credit	3,441.22	2,848.28
	<b>3,441.22</b>	<b>2,848.28</b>

### Note:

**Cash** I: 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

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Lease Liabilities	100.61	79.06
	<b>100.61</b>	<b>79.06</b>

## 16 Trade payables

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Dues to Micro and Small Enterprises	1,433.41	30.37
Others		
For Goods	193.38	1,428.60
For Capital Goods	16.62	17.72
For Others	284.78	195.54
	<b>494.78</b>	<b>1,641.86</b>
	<b>1,928.19</b>	<b>1,672.23</b>

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Trade Payables ageing schedule</b>		
<b>Outstanding for following periods from due date of payment</b>		
<b>MSME- other than disputed dues</b>		
Less than 1 yea	1,433.41	30.37
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>1,433.41</b>	<b>30.37</b>
<b>Other than MSME- other than disputed dues</b>		
Less than 1 year	478.82	1,624.75
1-2 years	-	1.15
2-3 years	15.96	15.96
More than 3 years	-	-
<b>Total</b>	<b>494.78</b>	<b>1,641.86</b>

### 17 Other financial liabilities

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Others		
Liabilities for Expenses	9.01	4.67
Gratuity Payable	(0.39)	(0.39)
	<b>8.63</b>	<b>4.28</b>

### 18 Other current liabilities

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Advances from Customers	0.96	7.96
<b>Others</b>		
TDS and other taxes payable	44.80	41.53
Security Deposits	5.54	-
	<b>51.30</b>	<b>49.49</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

## 19 Revenue From operations

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
(a) Sale of products		
- Traded goods	2,207.52	2,105.58
- Raw Material	42.43	2.36
- Manufactured good & Others	9,856.33	9,149.05
	<b>12,106.28</b>	<b>11,256.99</b>
(b) Other operating revenues	85.83	43.15
	<b>12,192.11</b>	<b>11,300.13</b>
Notes:-		
Trade Receivables	3629.08	3125.22
Contract Assets	-	-
Contract Liabilities	-	-

Trade Receivables are non-interest bearing and are generally on terms of 30-90 days.

Contract assets are initially recognised for revenue earned from supplying/providing products/services, as receipt of consideration is conditional on successful completion of milestone. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract liabilities include advances received to deliver products and invoices raised in excess of revenue to be recognised.

## 20 Other Income

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>(a) Interest Income</b>		
From Bank	9.05	8.39
From Others	0.65	0.64
<b>(b) Other non-operating income</b>		
Discount Received	0.00	0.12
Insurance Claim Received	-	1.53
	<b>9.70</b>	<b>10.68</b>

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### 21 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Opening Stock of Raw Materials	413.41	324.10
Add: Raw materials Purchased	5,579.37	5,325.97
	<b>5,992.78</b>	<b>5,650.07</b>
Less: Closing Stock of Raw Materials	558.41	413.41
	<b>5,434.37</b>	<b>5,236.66</b>

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

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Purchase of Stock-in-Trade (Readymade Garments & Accessories)	1,887.08	1,966.37
	<b>1,887.08</b>	<b>1,966.37</b>

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

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Opening Stock</b>		
Finished Goods	2,706.34	1,683.60
Stock in Trade	101.86	164.36
Work-in-Progress	1,190.05	1,121.52
	<b>3,998.25</b>	<b>2,969.48</b>
<b>Less : Closing Stock</b>		
Finished Goods	2,114.57	2,706.34
Stock in Trade	75.78	101.86
Work-in-Progress	3,358.16	1,190.05
	<b>5,548.51</b>	<b>3,998.25</b>
Increase / Decrease in Stock	(1,550.26)	(1,028.77)

### 24 Employee benefit expenses

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Salaries ,Wages and Bonus	1,952.68	1,657.35
Contribution to provident and other funds	125.23	107.46
Staff Welfare Expenses	75.24	60.92
	<b>2,153.15</b>	<b>1,825.73</b>

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### Notes:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

### 25 Finance Costs

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Interest</b>		
Banks	293.50	222.26
Others	80.52	69.27
Other Borrowing Costs	10.28	8.27
	<b>384.30</b>	<b>299.80</b>

### 26 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Depreciation	476.41	434.96
Amortisation	132.66	95.31
	<b>609.07</b>	<b>530.27</b>

### 27 Other Expenses

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
Consumption of stores and spares part	413.92	417.04
Power and Fuel	197.49	195.82
Rent	46.61	36.27
Repairs to buildings	-	7.95
Repairs to machinery	109.39	78.54
Repairs to others	28.57	25.49
Insurance	8.94	9.74
Rates and Taxes excluding taxes on Income	20.61	3.39
Stitching, Printing, Embroidery and Other Expenses	57.95	33.76
Carriage Outward	102.08	83.98
Commission Paid	99.87	85.57
Sales Promotion Expenses	149.27	78.71
Director's Sitting Fees	1.20	0.98
Payments to the Auditor		
As Auditor	2.50	1.50

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
For Tax Audit	0.25	0.25
For Fees for Other Services (incl for issuing various certificates)	0.25	1.25
For Reimbursement of out of pocket expenses	-	-
Donation	0.11	2.93
CSR Expenses	22.53	18.52
Discount Allowed	153.57	136.59
Professional Charges	90.76	52.13
Travelling and Conveyance	56.49	25.20
Security Guard Charges	10.28	8.10
Miscellaneous Expenses	64.94	61.70
Sundry Debit Balance Adjusted	(0.02)	0.04
Net (gain)/loss on foreign currency transaction	(2.87)	(5.18)
	<b>1,634.69</b>	<b>1,360.25</b>
Items that will not be reclassified to profit or loss	-	-
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	-	-
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).	-	-

### 28. Tax Expense

The components of income tax expense for the years ended March 31, 2024 and 2023 are:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Current Tax	465.00	310.00
Income Tax for earlier years	-	1.56
Deferred Tax	(36.81)	(16.98)
Total Tax Charge	<b>428.19</b>	<b>294.58</b>
Current Tax	465.00	310.00
Deferred Tax	(36.81)	(16.98)

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### 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's corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2024 and 2023 is, as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Accounting profit before tax	1,649.38	1,120.47
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>415.15</b>	<b>282.02</b>
<b>Tax effect of:</b>		
Exempted Income	-	-
Non-deductible items	10.23	2.47
Timing difference	39.82	41.92
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	-
Others	(0.20)	(16.41)
<b>Tax expenses recognised in the statement of profit and loss</b>	<b>465.00</b>	<b>310.00</b>
Effective tax rate	<b>28.19%</b>	<b>27.67%</b>

### 28.2 Deferred Tax

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Deferred tax asset/ liability (net)</b>		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	85.29	68.31
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	36.81	16.98
<b>At the end of year DTA / (DTL) (net)</b>	<b>122.10</b>	<b>85.29</b>

### 29 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of the deferred benefit plans	-	-
<b>Items that will be reclassified to profit or loss</b>		
	-	-



## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### 30 Earnings per share

(₹ In Lakhs)

Particulars	Calculation	For the period ended March 31, 2024	For the period ended March 31, 2023
a) Basic Earnings per share	Net Profit attributable to Equity Shareholders	1,221.19	825.89
	Weighted Average Number of Equity Shares outstanding	81570630	81570630
	Basic Earnings Per Share of ₹ 2/- each fully paid up	1.50	1.01
b) Diluted Earnings per share	Net Profit attributable to Equity Shareholders	1,221.19	825.89
	Weighted Average Number of Equity Shares outstanding	81570630	81570630
	Diluted Earnings Per Share of ₹ 2/- each fully paid up	1.50	1.01

### 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) –

(₹ In Lakhs)

Particulars	March 31, 2024	March 31, 2023
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.

However, the final order has come in our Favour in FY2025, but the final intimation is yet to be received.

##### 2. Guarantees

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Guarantees	74.64	74.64

##### 3. Commitment

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
a. Estimated Capital Commitments (Net of advances)	NIL	NIL
b. Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	1,193.91	1,354.61

32. As per Section 135 of the Companies Act, 2013, 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 been formed by the Company as per the Act.

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

The amounts expended are as follows:	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) amount required to be spent by the company during the year	22.39	18.39
(b) amount of expenditure incurred	22.53	18.52
(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	22.53	18.52
(g) details of related party transactions,	NA	NA
(h) provision made with respect to a liability incurred by entering into contractual obligations	NA	NA

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

(₹ in Lakhs)

S. No.	Particulars	March 31, 2024	March 31, 2023
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	1,433.41	30.37
	(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:

(₹ in Lakhs)

S. No.	Particulars	March 31, 2024	March 31, 2023
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	125.23	107.46
c.	Others	-	-

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### (b) Defined Benefits Plan:

Defined Benefit Plans (Gratuity) as per actuarial valuation on March 31, 2024

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>I Reconciliation of Defined Benefit Obligations (DBO) during the year ended</b>		
1 Present value of DBO at the beginning of period	147.58	119.35
2 Current service cost	38.32	34.17
3 Interest cost	10.92	8.47
4 Past Service Cost	-	-
5 Actuarial (Gains)/Losses	(5.11)	(14.41)
6 Benefits paid	-	-
7 Benefit Payments from Plan Assets	(0.31)	-
8 Present value of DBO at the end of period	<b>191.40</b>	<b>147.58</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>II Reconciliation of Fair Value of plan assets during the year ended</b>		
1 Plan assets at the beginning of period	204.46	140.10
2 Expected returns on plan assets	15.12	11.90
3 Actuarial Gains/(Losses)	0.56	(2.54)
4 Company contribution	-	55.00
5 Benefits paid	-	-
6 Benefit Payments from Plan Assets	(0.31)	-
7 Plan assets at the end of period	<b>219.83</b>	<b>204.46</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>III Reconciliation of fair value of assets and obligation as at</b>		
1 Present value of Defined Benefit Obligation	191.40	147.58
2 Fair value on plan assets	219.83	204.46
3 Status [(Surplus)/Deficit]	(28.43)	(56.88)
4 Effect of Asset Ceiling / Onerous Liability	-	-
5 Net (assets) /liability recognised in the Balance Sheet	<b>(28.43)</b>	<b>(56.88)</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>IV Expenses recognised during the year</b>		
1 Current service cost	38.32	34.17
2 Net Interest cost	(4.20)	(3.43)
3 Expected Return on Plan Assets	-	-
4 Past Service Cost	-	-
5 Total expenses recognised in the Statement of Profit & Loss	<b>34.12</b>	<b>30.74</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>V Other Comprehensive Income Re measurements of the net defined benefit liability/(assets)</b>		
Actuarial (gain)/loss for the year on DBO	(5.11)	(14.41)
Actuarial (gain)/loss for the year on Asset		
Return on Plan Assets (excluding Interest Income)	(0.56)	2.54
Total Re-measurement in OCI	<b>5.67</b>	<b>11.87</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>VI Major category of plan assets as a % of the total plan assets</b>		
Fund Managed By LIC	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	March 31, 2024	March 31, 2023
<b>VII Actuarial assumptions</b>		
1 Discount rate (%)	7.10%	7.40%
2 Expected Rate of Return on Assets	7.10%	7.40%
3 Rate of escalation in salary (per annum) (%)	6.00%	6.00%
4 Mortality table (IALM) Table Ultimate	2012-14	2012-14

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### Sensitivity analysis-

Under Base Scenario -Defined Benefit Obligations – ₹ 191.40 Lakhs

Particulars	Change in Assumptions	March 31, 2024	March 31, 2023
Discount Rate	1.00 % increase	173.55	133.67
	1.00 % decrease	213.75	164.98
Change in salary increase	1.00 % increase	211.92	163.98
	1.00 % decrease	174.88	134.38

### Maturity Profile of Defined Benefit Obligations

Year	Amount (₹ In Lakhs)
April 2024 – March 2025	17.97
April 2025 – March 2026	3.35
April 2026 – March 2027	4.82
April 2027 – March 2028	1.89
April 2028 Onwards	6.22

### 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, 2024, and March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease Liabilities	100.61	79.06
Non- Current Lease Liabilities	877.71	582.56
<b>Total</b>	<b>978.32</b>	<b>661.62</b>

36.2 The following is the movement in lease liabilities during the year ended March 31, 2024 & March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the Beginning</b>	<b>661.62</b>	<b>726.51</b>
Additions	421.00	-
Finance cost accrued during the period	79.92	68.67
Deletion	-	-
Payment of lease liabilities	184.22	133.56
<b>Balance at the End</b>	<b>978.32</b>	<b>661.62</b>

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

**36.3** The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 & March 31, 2023, on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	100.61	79.06
One to five years	622.33	442.88
More than five years	255.38	139.68
<b>Total</b>	<b>978.32</b>	<b>661.62</b>

**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, 2024 the expense recognized in the statement of profit and loss includes:

- (i) Rental Expenses recorded for Short-term lease ₹ 46,60,788 for the year ended March 31, 2024 (Previous Year: ₹ 36,27,000)
- (ii) Variable lease expense not forming part of lease liability of ₹ Nil (Previous Year: ₹ Nil)

## 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
Mrs. 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

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### II. Transaction with related parties

During the Financial year ended 2023-24

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹ In Lakhs)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7.81
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	5.40
3	Mr. Santosh Ladha	Managing Director	Remuneration	140.00
4	Mrs. Geeta Ladha	Whole Time Director	Remuneration	140.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.15
6	Mr. Manoj Tuslyan	KMP Of the Entity	Director Sitting Fees	0.35
7	Mr. Nikhil Saraf	KMP Of the Entity	Director Sitting Fees	0.35
8	Mrs. Vranda Manish Rathi	KMP Of the Entity	Director Sitting Fees	0.35
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	2.41
10	Mr. Niraj Agarwal	CFO	Remuneration	6.85
11	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.96

During the Financial year ended 2022-23

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	125.00
4	Mrs. Geeta Ladha	Managing Director	Director Remuneration	125.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.18
6	Mr. Manoj Tulsyan	KMP of Entity	Director Sitting Fees	0.33
7	Mr. Nikhil Saraf	KMP of Entity	Director Sitting Fees	0.33
8	Mrs. Vranda Manish Rathi	KMP of Entity	Director Sitting Fees	0.05
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	55.00
10	Mr. Niraj Agarwal	CFO	Remuneration	6.64
11	Mrs Sweta Agarwal	Company Secretary	Remuneration	3.96

### III Outstanding balance as on: March 31, 2024

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
1 Iris Fashions Pvt. Ltd.	2.26	2.26
2 Iris Apparels Pvt. Ltd.	1.57	1.57
3 Mr. Santosh Ladha	14.25	-
4 Mrs. Geeta Ladha	7.13	-
5 Mr. Baldev Das Ladha	-	-
6 Mr. Manoj Tulsyan	-	-
7 Mr. Nikhil Saraf	-	-

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
8 Mrs. Vranda Manish Rathi	-	-
9 Iris Clothings Limited Employees Gratuity Fund	0.50	0.50
10 Mrs. Sweta Agarwal	0.33	0.33
11 Mr. Niraj Agarwal	0.60	0.54

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

(₹ In Lakhs)

Particulars	March 31, 2024		March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets/ liabilities at fair value through profit or loss</b>	-	-	-	-
<b>Financial assets designated at fair value through other Comprehensive Income</b>	-	-	-	-
<b>Financial Assets designated at Amortised Cost</b>				
Cash and Cash Equivalent	4.19	-	1.78	-
Bank balances other than above	153.61	-	145.43	-
Investment	-	-	-	-
Trade and Other Receivables	3,629.08	-	3,125.22	-
Loan	118.60	-	110.03	-
<b>Financial Liabilities designated at fair value through profit or loss</b>				
<b>Financial Liabilities designated at amortised cost</b>				
Borrowings	3,441.22	-	2,848.28	-
Lease Liabilities	978.32	-	661.62	-
Trade and Other payables	1,928.19	-	1,672.23	-
Other Financial Liabilities	8.63	-	4.28	-

### 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.



## Notes

### Forming Part of the Financial Statements for the year ended March 31, 2024

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2024:

(₹ In Lakhs)

Particulars	As of March 31, 2024	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, 2023:

(₹ In Lakhs)

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	-	-	-	-

### 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

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

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.

(₹ In Lakhs)

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
<b>Trade receivables</b>					
<b>As at March 31, 2024</b>					
Secured	-	-	-	-	-
Unsecured	-	3,001.54	623.79	3.75	3,629.08
<b>Total</b>	<b>-</b>	<b>3,001.54</b>	<b>623.79</b>	<b>3.75</b>	<b>3,629.08</b>
<b>As at March 31, 2023</b>					
Secured	-	-	-	-	-
Unsecured	-	3,097.20	3.55	24.47	3,125.22
<b>Total</b>	<b>-</b>	<b>3,097.20</b>	<b>3.55</b>	<b>24.47</b>	<b>3,125.22</b>

- 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.

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### 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.

(₹ In Lakhs)

Financial Liabilities	Outstanding	0-1 year	2-5 year	6-10 year	Above 10 years
<b>As at March 31, 2024</b>					
Borrowings	3,441.22	3,441.22	-	-	-
Lease Liabilities	978.32	100.61	622.33	255.38	-
Trade Payables	1928.19	1912.23	15.96	-	-
Other financial liabilities	8.63	8.63	-	-	-
<b>Total</b>	<b>6,356.36</b>	<b>5,462.69</b>	<b>638.29</b>	<b>255.38</b>	<b>-</b>
<b>As at March 31, 2023</b>					
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	-	-	-
<b>Total</b>	<b>5,186.41</b>	<b>4,586.74</b>	<b>459.99</b>	<b>139.68</b>	<b>-</b>

### 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 2023-24 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, 2024.

### 42. Events after the reporting period

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

# Notes

## Forming Part of the Financial Statements for the year ended March 31, 2024

### 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 2023-24.
- d. The Company has 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 2024.
- g. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- 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

## Notes

Forming Part of the Financial Statements for the year ended March 31, 2024

### 44. Ratio Analysis

Ratios	Numerator	Denominator	As on March 31, 2024	As on March 31, 2023	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.86	1.73	7.80%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.65	0.63	3.97%	NA
Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Service	0.60	0.56	7.60%	NA
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.20	0.16	24.10%	NA
Inventory turnover ratio	Net Sales	Average Inventory	2.28	2.87	-20.56%	NA
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivables	3.61	4.11	-12.18%	NA
Trade payables turnover ratio	Net Credit Purchase/ Cost of Goods Sold	Average Trade Payables	3.21	4.49	-28.66%	Due to Increase in Trade Payables.
Net capital turnover ratio	Net Sales	Average Working Capital	2.99	4.01	-25.57%	Due to Increase in Working Capital
Net profit ratio	Net Profit	Net Sales	0.20	0.16	24.10%	Na
Return on Capital employed	EBIT	Average Capital Employed	0.33	0.27	20.18%	NA
Return on investment	Profit After Tax	Average total Assets less DTA (Net)	0.10	0.08	23.81%	NA

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 May 13, 2024.

In terms of our report on even date

#### For AMK & Associates

Chartered Accountants  
FRN: 327817E

**Santosh Ladha, Director**  
Managing Director  
(Din: 03585561 )

**Geeta Ladha, Director**  
Whole Time Director  
(Din: 03585488)

**Manish Kumar Agarwal**  
M. No. 064475

**Sweta Agarwal**  
Company Secretary

**Niraj Agarwal**  
Chief Financial Officer

Place: Kolkata  
Date: May 13, 2024

# Notice

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting (AGM) of the Members of M/s. Iris Clothings Limited ("the will be held on Saturday, September 28, 2024 at 11:00 a.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, 2024, 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 Mrs. Geeta Ladha (DIN: 03585488), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-election.

### Item No. 3. Re-appointment of Statutory Auditor

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, and such other rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. AMK & Associates, Chartered Accountants (Registration No.: 327817E), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 13<sup>th</sup> Annual General Meeting till the conclusion of the 18<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029 at such remuneration as may be mutually agreed by the Board of Directors of the Company and Statutory Auditors based on the recommendation of the Audit Committee from time to time."

For **Iris Clothings Limited**

Date: September 2, 2024  
Place: Howrah

**Sweta Agarwal**  
Company Secretary

**Notes:**

1. In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 09/2023 dated September 25, 2023 read with MCA General Circular No. 10/2022, 02/2022, 20/2020 dated December 28, 2022, May 5, 2022, May 5, 2020 respectively (collectively referred to as "MCA Circulars"), and Master Circular No SEBI/HO/CFD/PoD2/CIR/P/2023/120 and Circular No SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated July 11, 2023 and October 7, 2023 respectively (Collectively referred to as "SEBI Circulars") (MCA Circulars and SEBI Circulars together referred to as "Circulars"), the Company will be conducting its 13<sup>th</sup> AGM through VC/OAVM.

In compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the 13<sup>th</sup> 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 2023-24 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 2023-24 will also be available on the Company's website [www.irisclothings.in](http://www.irisclothings.in), website of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Central Depository Services Limited at [www.evotingindia.com](http://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 22, 2024 to September 28, 2024 (both days inclusive) for the purpose of 13<sup>th</sup> 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 Wednesday, September 25, 2024 (9:00 am) and ends on Friday, September 27, 2024 (5:00 pm). During this period, members of the Company holding shares as on the cut-off date of Saturday, September 21, 2024, 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 21, 2024. 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 21, 2024 may obtain the Login ID and Password by sending a request at [helpdesk.evoting@cdslindia.com](mailto: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](http://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.

**THE INTRUCTIONS OF 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 Wednesday, September 25, 2024 (9:00 am) and ends on Friday, September 27, 2024 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 21, 2024 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 9, 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.

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

- (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.

**Pursuant to abovesaid 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"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>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 &amp; voting during the meeting.</p>

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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.
- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii. Click on “Shareholders” module.
  - iii. 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.
  - iv. Next enter the Image Verification as displayed and Click on Login.
  - v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

vi. If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

- (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](http://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](mailto: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 favour 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/EGM 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.

### **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 Company/RTA email id.
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.

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 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, 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 21 09911.

## 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	Geeta Ladha
Date of birth	June 7, 1979
Nationality	Indian
Date of first appointment on the board	August 27, 2011
Qualification	Graduate (Commerce)
Experience in functional area	She has an experience of 20 years with an unmatched exuberance in providing creative and innovative ideas to update the products and has been with the Company since inception
Relationship with other Directors	Wife of Mr. Santosh Ladha (Managing Director) and daughter in law of Mr. Baldev Das Ladha (Non-Executive Director)
Shareholding in the Company	3,88,14,570 shares
List of directorship held in other Listed Companies	Nil
Committee membership in other Listed Companies	Nil

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“The Act”)

The Members at the 8<sup>th</sup> Annual General Meeting ('AGM') held on August 31, 2019 approved the appointment of M/s. AMK & Associates, Chartered Accountants (FRN: 327817E), as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. AMK & Associates, Chartered Accountants, will complete their present term on conclusion of this AGM.

The Board of Directors of the Company ('the Board') at the meeting held on September 2, 2024, on the recommendation of the Audit Committee ('the Committee'), and considering the experience & expertise of the existing auditors, and in the best interest of the Company, recommended for the approval of the Members, the re-appointment of M/s. AMK & Associates, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 18<sup>th</sup> AGM, in terms of Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

M/s. AMK & Associates is a Chartered Accountant Firm registered with The Institute of Chartered Accountants of India. The Firm has been associated as Statutory Auditors of many listed and other large companies engaged in manufacturing and service sectors, Banks, NBFCs, PSUs company and is closely working with regulatory bodies in various capacities.

M/s. AMK & Associates, Chartered Accountants have given their consent to act as the Auditors of the Company and have also confirmed compliance with the conditions prescribed under Sections 139 and 141 of the Act read with the Rules thereunder.

The proposed remuneration to be paid to Auditors for the financial year 2024-25 is ₹ 3.00 Lakhs plus applicable taxes.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. The Board recommends this Ordinary Resolution for your approval.

For **Iris Clothings Limited**

Date: September 2, 2024  
Place: Howrah

**Sweta Agarwal**  
Company Secretary



**IRIS CLOTHINGS LIMITED**

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