

Date: 3rd February, 2023

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

Sub: Outcome of the Board Meeting dated 3rd February, 2023
Ref: Disclosure under Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

With reference to the above, this is to inform you that the Board of Directors at their meeting held today i.e., 3rd February, 2023 had considered, approved and took on record the Unaudited Financial Results for the quarter and nine months ended 31st December, 2022.

In this regard, enclosed please find herewith the followings:

- a) Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2022 along with Limited Review Report.
- b) Press release regarding the above financial results.
- c) Investor Presentation.

The meeting commenced at 4:00 p.m. and concluded at 5:10 p.m.

Kindly take the same on your records.

Thanking You.

Yours faithfully,
For Iris Clothings Limited
SANTOSH Digitally signed by
LADHA SANTOSH LADHA
Date: 2023.02.03
17:16:50 +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



AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower, Room No: 303 3rd floor,
E 2-3, Block EP & GP Sector-V, Salt Lake,
Kolkata- 700091
Ph- 91 (33) 40630462, 40697147

Sunshine Tower, 7th Floor, Unit No.: 716,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400013
Ph- 91 (22) 24322838

Limited Review Report

To
The Board of Directors
IRIS Clothings Limited

1. We have reviewed the accompanying statement of unaudited financial results of IRIS Clothings Limited for the quarter and nine months ended 31st December 2022 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For AMK & Associates
Chartered Accountants
FRN: 327817E



Kolkata
3rd February 2023

Manish Kumar Agarwal

Manish Kumar Agarwal
Partner

M.No. 064475

UDIN: 23064475B6UD6U1535

**IRIS CLOTHINGS LIMITED**

Registered Office : 103/24/1, FORESHORE ROAD, HOWRAH - 711 102

CIN : L18109WB2011PLC166895

Statement of Unaudited Financial Results For The Quarter and Nine Months Ended 31st December, 2022

(Rs. in lakhs)

Sl No	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31-Dec-22 (Unaudited)	30-Sep-22 (Unaudited)	31-Dec-21 (Unaudited)	31.12.22 (Unaudited)	31.12.21 (Unaudited)	31-Mar-22 (Audited)
1	Revenue						
	(a) Revenue from Operations	2,035.48	3,176.30	2,504.06	7,540.91	7,877.72	11,152.13
	(b) Other income	2.39	3.15	2.93	7.46	21.96	24.62
	Total Income	2,037.87	3,179.45	2,506.99	7,548.37	7,899.68	11,176.75
2	Expenses						
	Cost of materials consumed	832.87	1,655.53	1,587.23	3,987.50	4,594.32	5,776.95
	Purchases of Stock-in-Trade	535.93	453.85	295.68	1,444.50	554.50	933.63
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(433.58)	(322.21)	(727.63)	(1,526.90)	(1,239.00)	(925.95)
	Employee benefit expense	508.26	448.67	482.56	1,370.98	1,233.05	1,674.98
	Finance costs	74.88	71.36	57.12	207.27	177.65	238.50
	Depreciation and amortization expense	136.98	132.31	145.07	399.88	424.11	559.95
	Other expenses	274.08	267.56	346.32	850.70	1,121.54	1,561.21
	Total expenses	1,929.41	2,707.06	2,186.35	6,733.93	6,866.17	9,819.27
3	Profit before Exceptional Items and Tax (1 - 2)	108.46	472.39	320.64	814.44	1,033.51	1,357.48
4	Profit Before Tax (3 - 4)	108.46	472.39	320.64	814.44	1,033.51	1,357.48
5	Tax Expense	29.05	123.54	82.80	211.24	266.67	342.78
6	Profit for the year (5-6)	79.41	348.85	237.84	603.20	766.84	1,014.70
7	Other Comprehensive Income (net of tax)	-	-	3.00	(7.00)	9.00	(27.67)
8	Total Comprehensive Income for the year (7+8)	79.41	348.85	240.84	596.20	775.84	987.03
9	Paid-up equity share capital (Face Value of the Share Rs.10/- each)	1,631.41	1,631.41	1,631.41	1,631.41	1,631.41	1,631.41
10	Earnings per share (of Rs. 10/- each) :						
	(a) Basic	0.49	2.14	1.46	3.70	4.70	6.22
	(b) Diluted	0.49	2.14	1.46	3.70	4.70	6.22

Notes:

1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meetings held on 3rd February, 2023
2	The above results have been reviewed by the Statutory Auditors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3	The financial results of the Company has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standard) Rules, 2015.
4	The Company operates only on a single segments which predominantly are manufacturing and trading of garments as envisaged in Ind AS 108- Segment Reporting notified under Companies (Indian Accounting Standards) Rules 2015.
5	Figures for the previous periods have been regrouped wherever necessary.

For and on behalf of the Board of Directors

IRIS CLOTHINGS LIMITED
Managing Director
(Santosh Ladha, Managing Director)
DIN - 03585561Place : Howrah
Date: 03.02.2023

Iris Clothings Q3 & 9M FY23 Financial & Operational Performance

Q3FY23 revenue at Rs. 204 Million; EBITDA stood at Rs. 32 Million

Howrah, India, February 03, 2023 - Iris Clothings Limited (NSE: IRISDOREME), a readymade garment company engaged in designing, manufacturing, branding, and selling garments for kids wear, today announced their financial results for the Third quarter and Nine months ended December 31, 2022.

Commenting on the Company's performance Mr. Santosh Ladha, Managing Director of the Company said: *"I am pleased to announce that this quarter marked the launch of our sportswear vertical. This is in-line with our strategy to build a large product portfolio to cater to every possible need that is related to kids. The infant wear vertical is seeing good demand and has been contributing over 10% to our total revenues. As guided, our undergarments vertical will be launched by end of FY23.*

We rebranded the DOREME logo and further [signed 1-year licensing agreements](#) to design apparels using Disney and Marvel movie characters. These apparels have been launched in January 2023.

The B2B platform for wholesalers, launched last quarter, is seeing an encouraging response and has onboarded all our 130+ distributors. Along with this, D2C e-commerce platform - www.doreme.in is also growing gradually. We have been consistently investing towards digital marketing to further grow our online presence and our brand.

We continued to expand our distribution network and added 2 new distributors in Maharashtra & Rajasthan.

We saw a mild dip in revenues during the quarter, on a YoY basis, due to muted demand in the industry. Our margins were impacted due to inventory standing at elevated raw material prices.

Over the past years, our efforts have been completely dedicated towards three levers - expanding our product portfolio, growing our distribution base, and transforming digitally. Going forward, we believe, these three levers coupled with the confidence of our distributors and our focus towards building the DOREME brand will set us on the path of accelerated growth."

Financial Highlights

- Total Income stood at ₹203.8 Mn, down 18.7% YoY due to muted demand
- EBITDA margin was down 513.7 bps YoY and stood at 15.7% in Q3FY23 on the back of price cuts taken during the quarter and high COGS.
- PAT margin stood at 3.9%, against 9.5% in Q3FY22, down 559.0 bps YoY.

(in Rs. Million, unless otherwise mentioned)

Particulars	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	9MFY23	9MFY22	YoY (%)
Total Income	203.8	250.7	(18.7) %	317.9	(35.9) %	754.8	790.0	(4.4) %
EBITDA	32.0	52.3	(38.7) %	67.6	(52.6) %	142.2	163.5	(13.1) %
EBITDA margin (%)	15.7%	20.9%	(513.7) bps	21.3%	(554.5) bps	18.8%	20.7%	(186.7) bps
PAT	7.9	23.8	(66.6) %	34.9	(77.2) %	60.3	76.7	(21.3) %
PAT margin (%)	3.9%	9.5%	(559.0) bps	11.0%	(707.5) bps	8.0%	9.7%	(171.6) bps

About Iris Clothings Limited

Iris Clothings Limited is a fast-growing readymade garment company that is primarily engaged in designing, manufacturing, branding and selling garments for kids wear under its brand name DOREME in India. The Company delivers a broad range of affordable and good quality apparels for infants, toddlers and children in their pre-teens, serving both their indoor and outdoor requirements. It has been in operations for over 17 years and continues to add new product lines by employing the best-in-class technology across its value chain. For more information view www.irisclothings.in and www.doreme.in.

If you have any questions or require further information, please feel free to contact:

IR Team at Iris Clothings Limited

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 Iris Clothings Limited
 P: +91 33 2979 0289
 E: santosh.ladha@irisclothings.in

Registered Office

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 Foreshore Road,
 Howrah - 711 102

Sonia Keswani/Vikash Verma

Ernst & Young LLP
 P: +91 8017393854
 E: sonia.keswani@in.ey.com
 E: vikash.verma1@in.ey.com

Disclaimer:

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual

results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Investor Presentation

Q3 & 9M FY 2023



Iris Clothings Limited



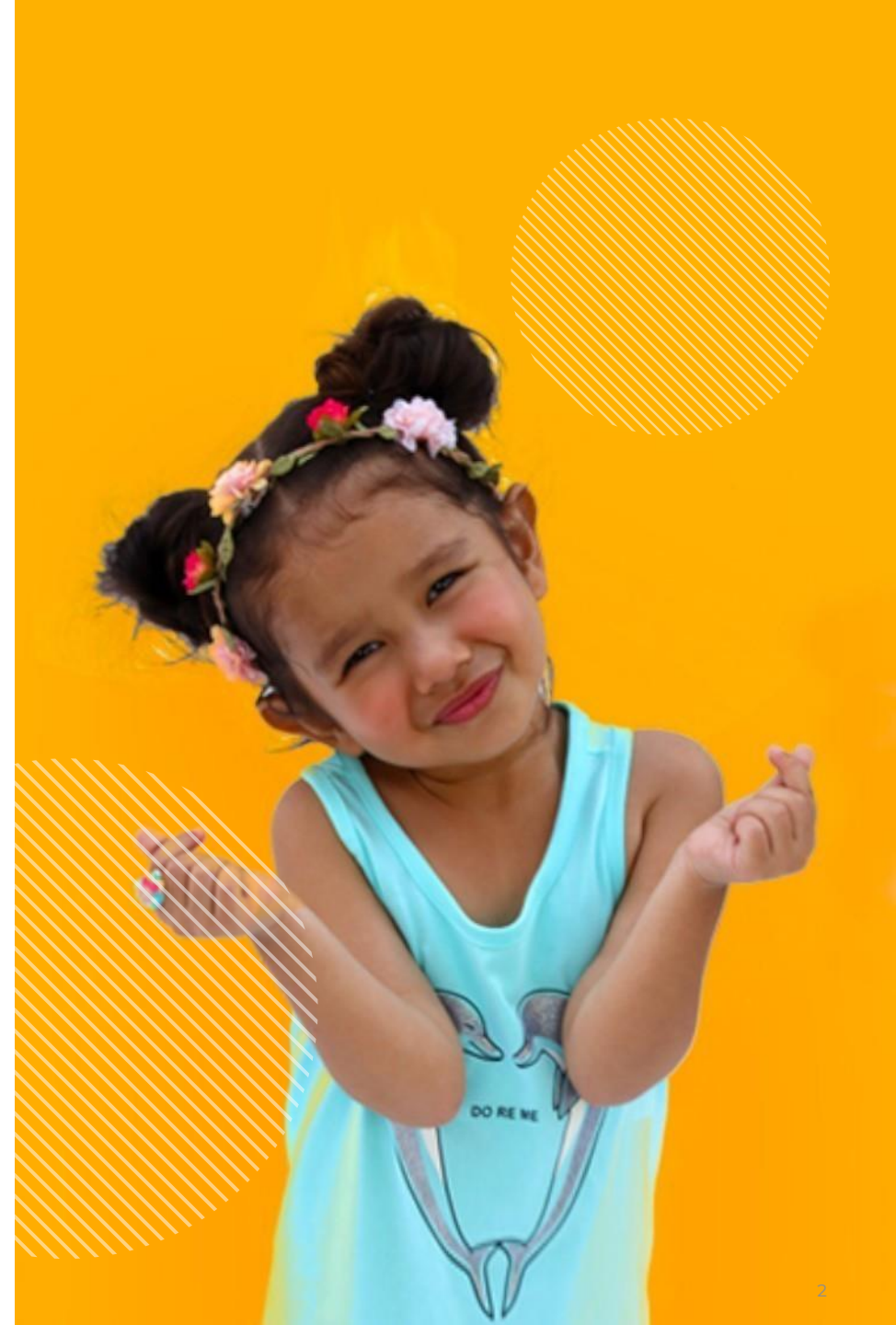
Investor Presentation

Q3 & 9M FY 2023

Financial Highlights & Developments



Iris Clothings Limited



Q3FY23 Update

Business Update

- Expanded our product stack and launched the sportswear vertical.
- Onboarded all our distributors on the B2B platform.
- The D2C e-commerce website (doreme.in) and the B2B platform for wholesalers is seeing an encouraging response from stakeholders.
- We added 2 new distributors in Q3FY23 in Maharashtra and Rajasthan. We remain focussed on expanding our reach in Tier II/III cities domestically and export to newer markets globally.
- Our infant wear vertical launched in December 2021 is seeing good traction, contributing >10% to our total revenues
- Plan to launch apparels designed with Disney and Marvel movie characters along with the undergarments vertical by end of FY23.

Financial Update

- Total Income stood at ₹203.8 Mn, down 18.7% YoY due to muted demand.
- EBITDA margin was down 513.7 bps YoY and stood at 15.7% in Q3FY23. primarily impacted due to inventory standing at elevated raw material prices.
- PAT margin stood at 3.9%, against 9.5% in Q3FY22, down 559.0 bps YoY.

P&L Statement

Particulars (in ₹ Mn)	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	9MFY23	9MFY22	YoY (%)
Total Income	203.8	250.7	(18.7)%	317.9	(35.9)%	754.8	790.0	(4.4)%
Total Expenses	171.8	198.4	(13.4)%	250.3	(31.4)%	612.7	626.4	(2.2)%
EBITDA	32.0	52.3	(38.7)%	67.6	(52.6)%	142.2	163.5	(13.1)%
EBITDA Margin (%)	15.7%	20.9%	(513.7) bps	21.3%	(554.5) bps	18.8%	20.7%	(186.7) bps
D&A	13.7	14.5	(5.6)%	13.2	3.5%	40.0	42.4	(5.7)%
EBIT	18.3	37.8	(51.5)%	54.4	(66.3)%	102.2	121.1	(15.6)%
Finance cost	7.5	5.7	31.1%	7.1	4.9%	20.7	17.8	16.7%
PBT	10.8	32.1	(66.2)%	47.2	(77.0)%	81.4	103.4	(21.2)%
PAT	7.9	23.8	(66.6)%	34.9	(77.2)%	60.3	76.7	(21.3)%
PAT Margin (%)	3.9%	9.5%	(559.0) bps	11.0%	(707.5) bps	8.0%	9.7%	(171.6) bps

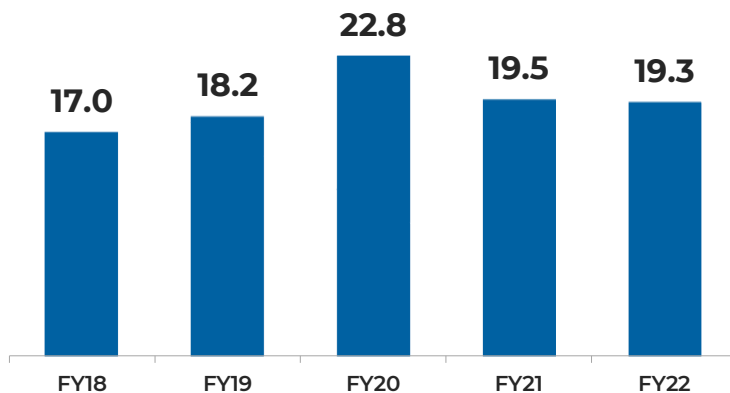
Balance Sheet

(in ₹ Mn)

Particulars	FY 2021	FY 2022	H1 FY2023
Total non-current assets	325	329	305
Inventories	253	337	469
Trade Receivables	149	237	245
Cash & cash equivalents (incl. bank balances)	15	14	14
Total Current Assets	434	609	766
Total Assets	759	938	1,071
Equity	388	487	539
Lease Liabilities	68	66	62
Total Non-current Liabilities	68	66	62
Short-term Borrowings	203	255	252
Trade Payables	84	108	205
Total Current Liabilities	303	385	470
Total Equity & Liabilities	759	938	1,071

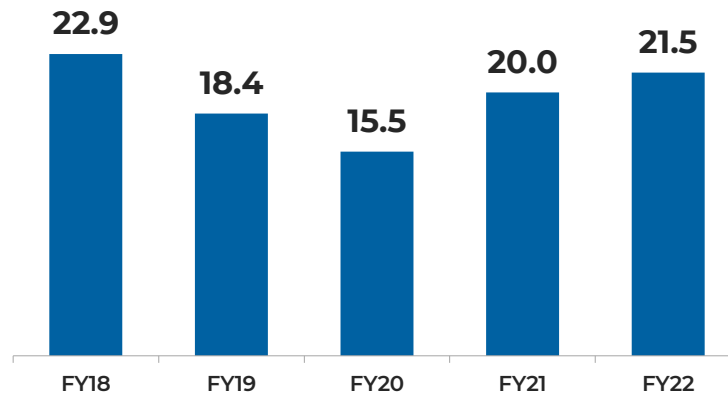
Ratio Analysis

EBITDA Margin (in %)

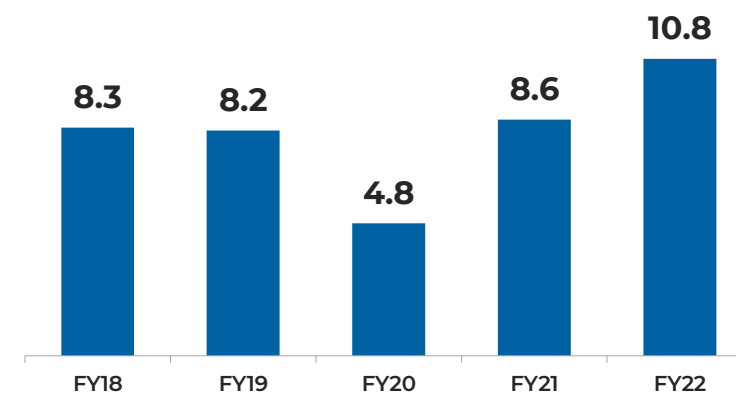


Decrease in the ratio has been due to significant increase in raw material costs.

Return on Capital Employed (in %)

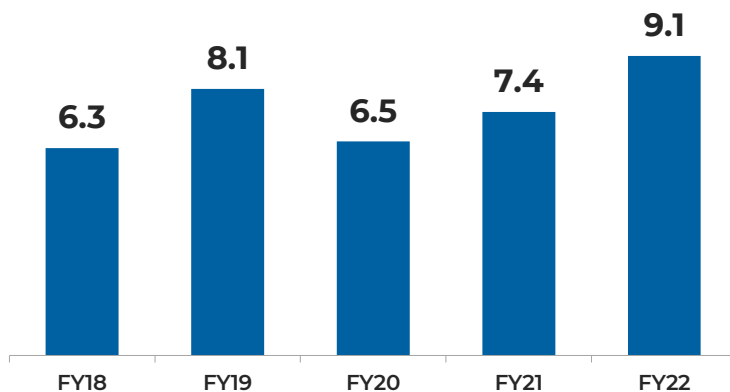


Return on Assets (in %)

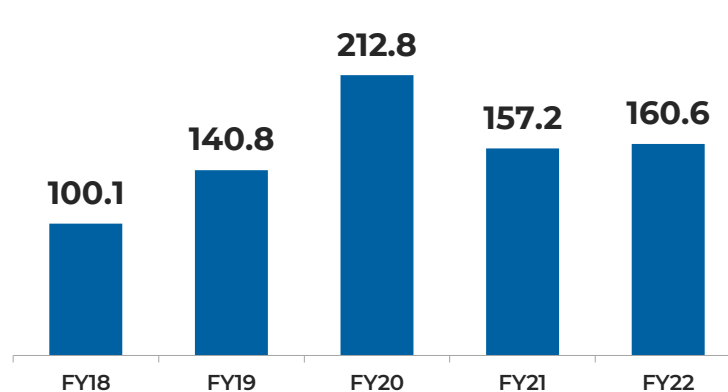


Recovery in FY21 was mainly driven by a 45% increase in revenues.

PAT Margin (in %)

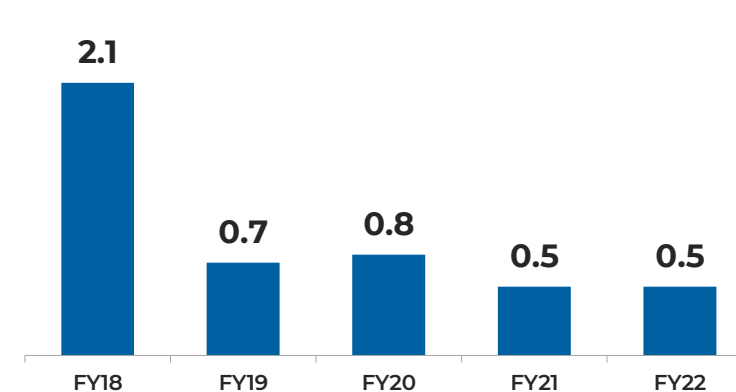


Working Capital Days (in days)



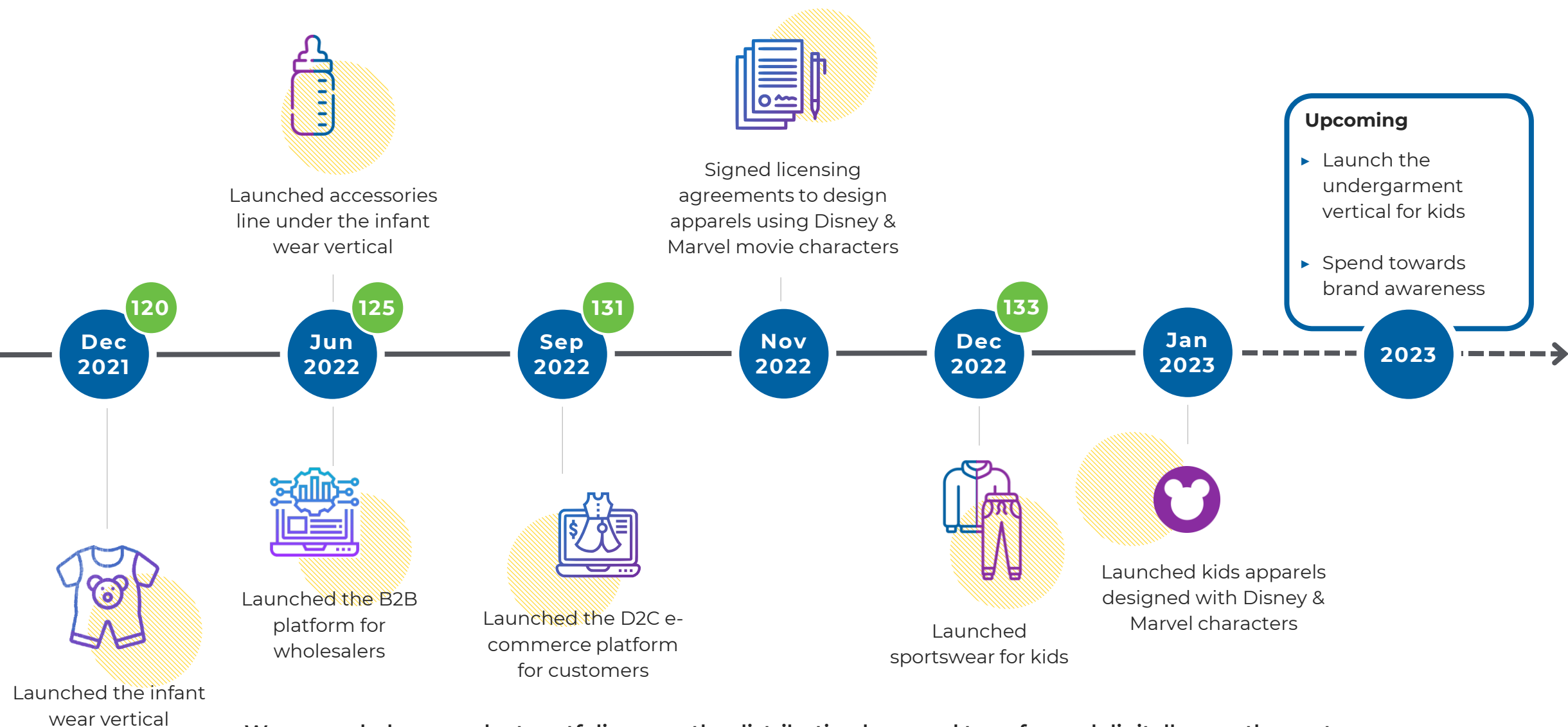
High working capital days in FY20 mainly due to high days inventory outstanding owing to unsold stock due to the pandemic.

Debt-to-Equity (in x)



Significant improvement in the ratio due to issue of fresh equity shares in FY19.

Expanding on all Fronts



We expanded our product portfolio, grew the distribution base and transformed digitally over the past months. Going forward, our focus towards building the DOREME brand will pave the path of growth.

No. of Distributors

Investor Presentation

Q3 & 9M FY 2023

About the Company



Iris Clothings Limited



Company Overview



We are a **fast-growing kids' apparel company** that is engaged in **designing, manufacturing, branding and selling garments**. Our sustained pursuit of design and innovation has made us a **preferred fashionable kids' brand**.

Presence in Ecommerce platforms



We have been growing our presence online by increasing e-commerce listings.

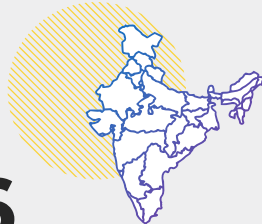


1

Brand

26

States
of presence



9

Units
Manufacturing (7)
Dispatch (2)



133

Distributors



24,000

Pieces
manufactured/day



1,266

Employees



Product Portfolio

Iris' brand DOREME offers a wide range of apparels for infants, toddlers, and junior boys and girls that suit both their indoor and outdoor requirements.



- Tops
- T-Shirt
- Trousers
- Shorts
- Dresses
- Loungewear
- Accessories
- Sweatshirts
- Hoodies
- Polyfil suits
- Padded suits
- Nightwear

Currently

- Established DOREME as a reputable and trusted brand.
- Has solidified its position in the kids segment mainly through its top-notch quality and design.
- Launched a dedicated infant wear vertical (0-5 years) in December 2021, the accessories line of the vertical was launched in June 2022.
- Launched the sportswear vertical in Q3FY23

Future Outlook

- Iris aims to sharpen its existing product mix under the brand DOREME to meet the rising demand for their products
- Expanding its product offerings to provide greater choice to customers.
- Foraying into the kids' undergarments space by end of FY23

History



Launched DOREME brand for Kids Wear

2004



Commenced business as a proprietorship firm 'M/s Iris Clothings'

2005

2012



Incorporation of IRIS CLOTHINGS PVT LTD as a private limited concern.

2016



Started sale of products through online e-commerce channels such as 'FirstCry'



Acquired land at Pachla, Howrah, West Bengal – a major step towards increasing manufacturing capabilities.



Crossed the ₹50 crores turnover milestone

2018



Listed as an SME under NSE



Migrated from SME portal of NSE to Main Board of NSE

2020



Deepened our penetration by entering new Tier II & III cities

Investor Presentation

Q3 & 9M FY 2023

Market Opportunity

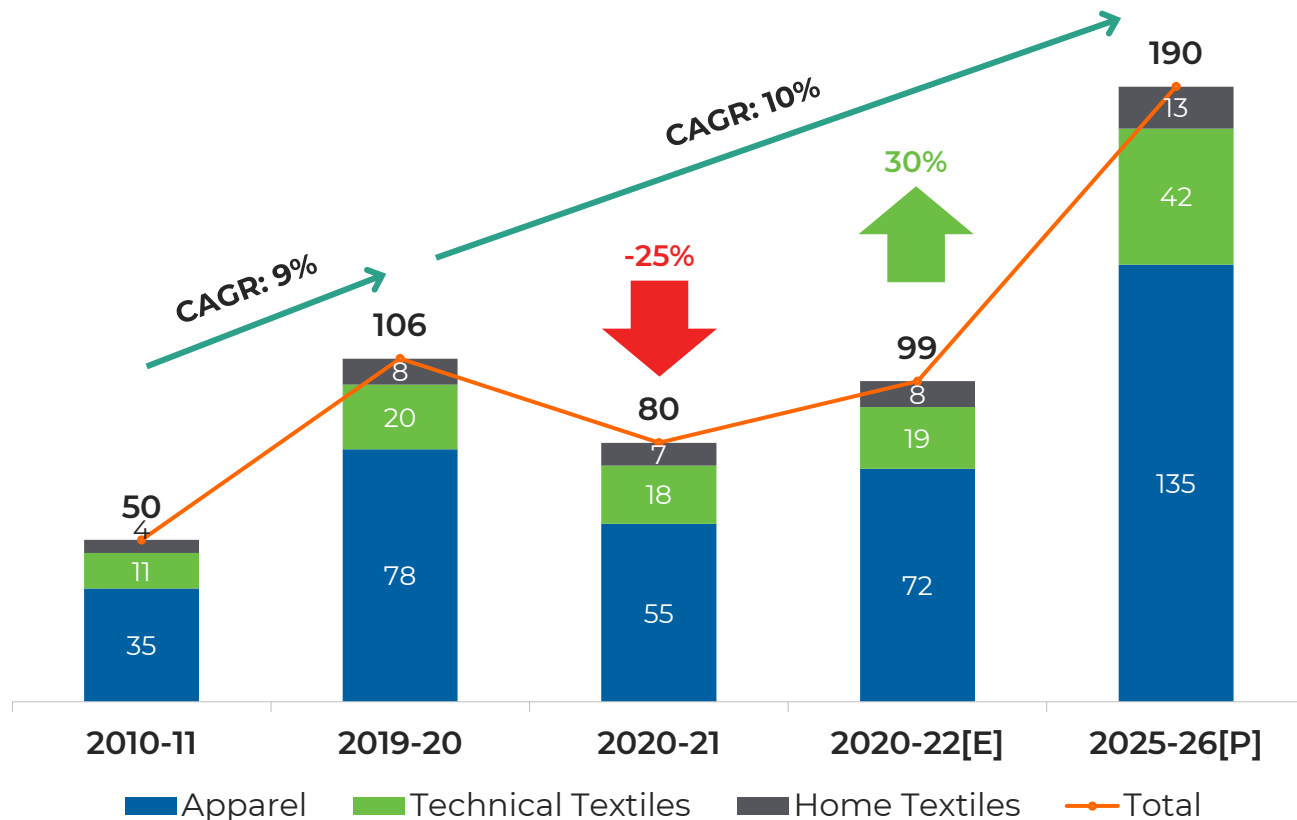


Iris Clothings Limited



Indian Textile & Apparel Industry

India's Domestic Textile and Apparel Market Size (US\$ in Bn)



Source: DGCI&S and Wazir Analysis



India is the **second-largest producer** of textiles and garments in the world



Contributes **2.3%** to the country's GDP



Employs **45 million** workers in the textile sector



Apparel constitutes **~73%** share of the Indian T&A market

The market is expected to recover by 30% to reach US\$ 99 bn by 2021-22 and grow at 10% CAGR till 2025-26

Kids Wear - the Fastest to Recover

Kids wear is expected to grow at a CAGR of 8.76% between 2021-2026



Party, Evening & Occasion Wear



Formal Wear



Denim



Ethnic wear



Kids wear



Casual wear



Inner wear



Loungewear



~**365 million** Indians are below the age of 15 years. Hence, a large customer base



Kids wear registered a **200%** growth despite a **4%** drop in overall online fashion order volumes in FY2021



Significantly High replacement cycle within children's clothing as kids outgrow their clothes faster

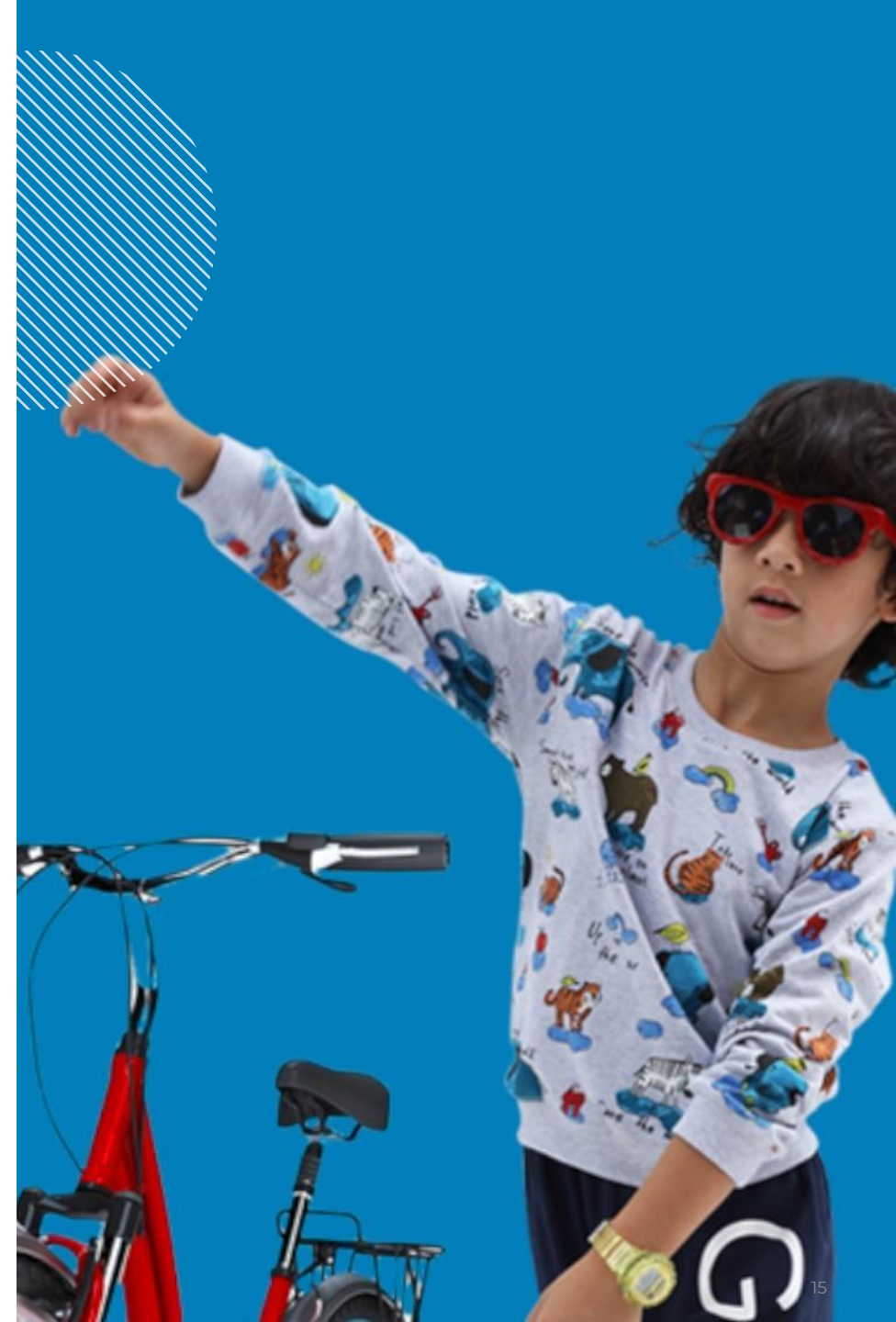


Increasing personal disposable income and **growing** working population are key growth drivers

Investor Presentation

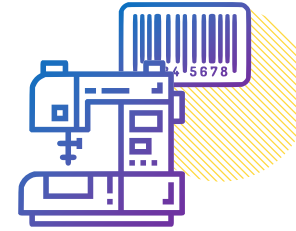
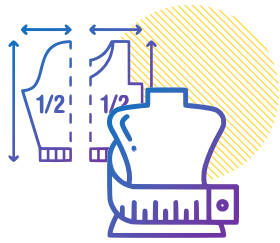
Q3 & 9M FY 2023

Our Value System



Integrated Operations

Iris has a complete in-house integrated infrastructure right from design conceptualisation to manufacturing to branding and selling of finished goods to wholesaler.



Conceptualization of
Design & Development

1

Raw Material
Procurement

2

Manufacturing &
Branding⁺

3

Sold to
Wholesalers

4

Therefore, a manufacturing infrastructure that is strongly backward integrated enables us to have better control over quality and be cost-efficient.

⁺Cutting, Printing & Embroidery, Stitching, Mending & Checking, Ironing and Box Packaging

Manufacturing Prowess

Manufacturing excellence has been one of our biggest strengths.

Moreover, our state-of-the-art facilities help us increase our capabilities multifold, achieve economies of scale and provide locational synergies.



**Foreshore Road,
Howrah**

- Has 4 units for stitching and finishing with fully automated stitching machines from Japan and from a renowned indigenous brand
- 1 unit for dispatch



**Pachla,
Howrah**

- Set up its first fully modernized stitching and finishing unit with online processes
- Locational advantage in terms of skilled labour and raw material availability



**Uluberia,
Howrah**

- Consolidates all the manufacturing activities in a single location
- Installed fully automated cutting machinery from Italy and printing machinery from US and Poland
- Fully modernized stitching and finishing unit with online processes



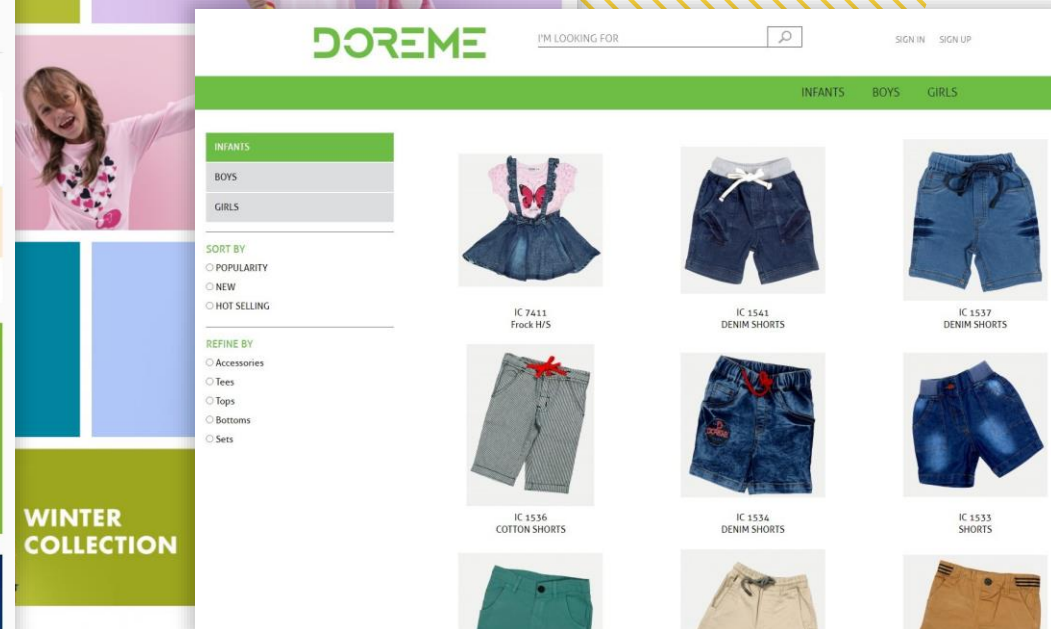
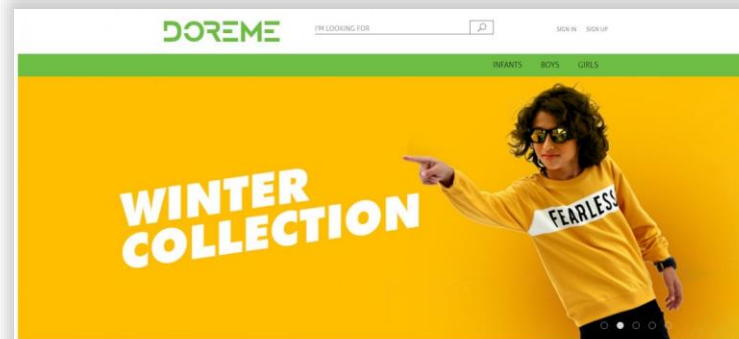
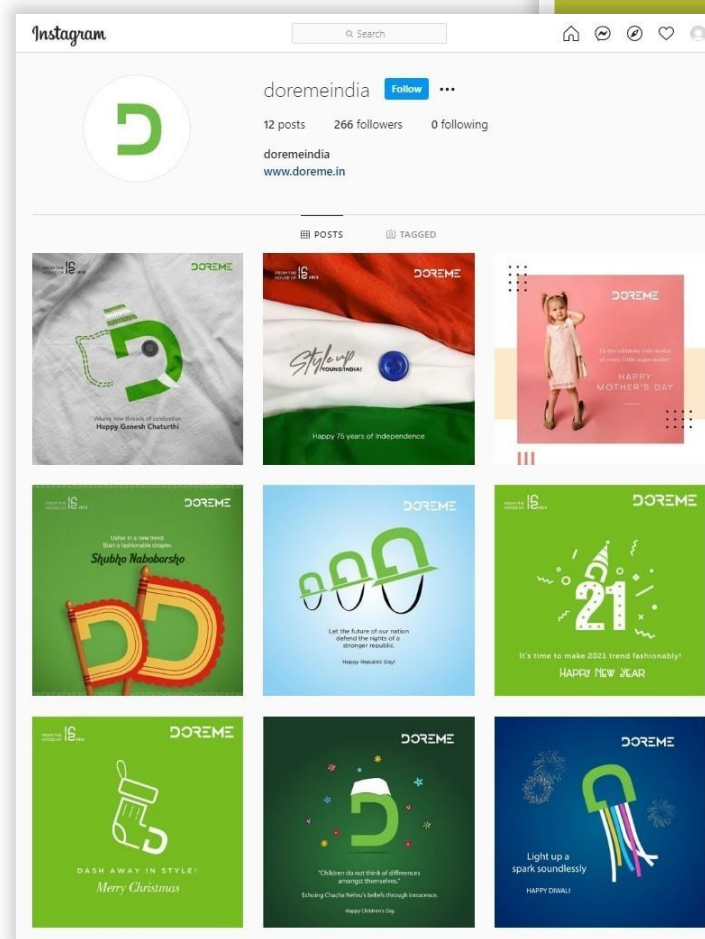
**Srijan Industrial Park,
Bombay Road**

- Set up its third fully modernized stitching & finishing unit with online processes
- 1 unit for dispatch

Total Installed Capacity: 27,000-30,000 pieces/day

Enhancing Brand Visibility

- Iris plans to enhance its digital marketing and branding initiatives to better mirror the customers' fast-changing needs.
- The Company plans to undertake activities to enhance its brand recall and customer connect on social media channels. This would eventually drive traffic to its exclusive online store.



Relationship with Suppliers



Strong and trust-based relationships is of paramount importance since we source fabrics and other accessories for garment manufacturing from leading domestic suppliers. This facilitates effective inventory management, continuous supply of quality raw materials at competitive costs and on-time delivery of our products.



"I have been associated with IRIS Clothings as a distributor for the past 12 years. During this long association, I have developed a strong trust in the company due to the quality of its products and its vision. I am also very impressed by its work ethics and the level of efficiency. I wish IRIS Clothings all the very best and look forward to enjoying this good bond that we share in the future too."

ROHIT KHURANA

Khurana Clothing's Pvt. Ltd.
Jaipur



"IRIS Clothings is reliable and a professional company. It is an amazing experience to work with them."

ANKUR CHADA

Chadha Trading Co.
Ambala



"IRIS Clothings is a great company with an experienced staff and knowledge in the apparel business. They have made the most amazing and unique apparels for infants, toddlers, boys and girls."

DINESH PAREKH

Nihareeka Marketing
Guwahati



"Our association with DOREME is since its inception. We have the privilege to introduce their quality products in Maharashtra and since then our journey of growth has been phenomenal for both of us. We congratulate them and wish them many more successful years of togetherness."

HEMANT & PANKAJ PAREKH

Pamposh Marketing
Mumbai

Sustainability

Environmental

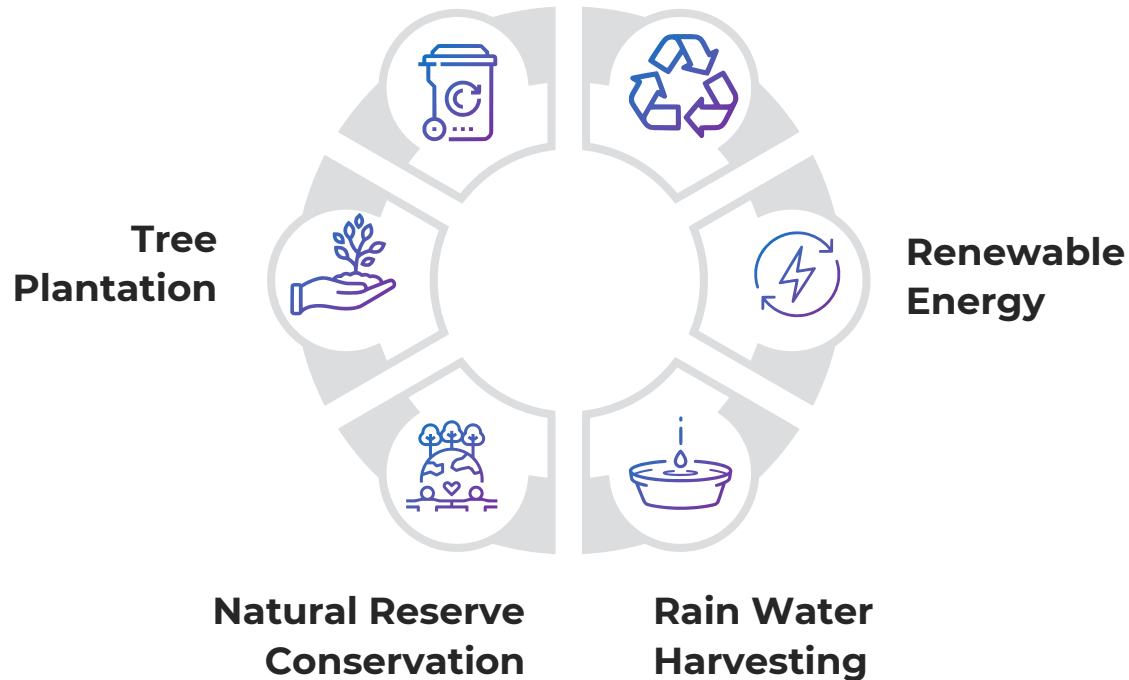
Iris follows a strict ecological policy that comprises of 6 features

Waste Reduction

Iris made an improvement in its fabric quality, which resulted in significant reduction of fabric wastage.

Recycling

Iris uses printing materials that is eco-friendly, recyclable and devoid of lead.



Social



No Child Labour



Provided clothes to 2000+ underprivileged children



Providing sanitary pads to women workers so their working potential is not compromised

Investor Presentation

Q3 & 9M FY 2023

Investment Rationale



Iris Clothings Limited



Our Differentiating Factors

Continuous **investments to expand** manufacturing capabilities coupled with high return on capital employed indicating **efficient use** of that capital

Catering to a **large customer segment** of ~365 million



Established long standing relationships with suppliers

With ~15 years of **experience**, promoters have **a strong expertise** in the industry

Fully integrated and automated operations allows Iris to maintain quality

IS
Iris Clothings Limited

Safe Harbour Statement

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Thank You

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