



AMK & ASSOCIATES
Chartered Accountants

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Independent Auditor's Report

**To,
The Board of Directors
Iris Clothings Limited**

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of six months and year to date financial results of Iris Clothings Limited for the six months ended 31st March, 2020 and the year to date results for year ended 31st March, 2020 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the explanations given to us these six months financial results as well as the year to date results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view of profit and other financial information for the six months ended 31st March, 2020 as well as the year to date results for the period from 1st April, 2019 to 31st March, 2020.

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, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 9 of the financial results, as regards the management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.





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Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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





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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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents 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.





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The Statement includes the results for the six months ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the six months of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Kolkata
29 June, 2020

For AMK & Associates
Chartered Accountants
FRN: 327817E

Bhupendra Kumar Bhutia
Partner
(M.No. 059363)

UDIN: 20059363 AAAA Um486L



IRIS CLOTHINGS LTD.

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Email: accounts@irisclothings.in
CIN : L18109WB2011PLC166895

website : www.irisclothings.in
GSTIN : 19AACCI6963K1Z0

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE SIX MONTHS' & YEAR ENDED 31ST MARCH, 2020

Particulars		Six Months' Ended			Rupees in Lakhs	
					Year ended	
		31.03.2020	30.09.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited (refer Note 6)	Audited	Audited (refer Note 6)
I	Revenue from operations	3,235.25	2,839.02	3,113.34	6,074.27	6,204.68
II	Other income	9.98	8.87	7.99	18.85	14.19
III	Total income (I + II)	3,245.23	2,847.89	3,121.33	6,093.12	6,218.87
IV	Expenses					
a)	Cost of materials consumed	1,454.05	1,510.67	1,756.97	2,964.72	3,497.95
b)	Purchase of Stock-in-trade	75.88	206.60	301.17	282.48	421.07
(c)	Changes in inventories of finished goods, stock in trade and work in progress	-87.52	-638.32	-685.34	-725.84	-980.91
(d)	Employee benefits expense	552.36	463.59	497.09	1,015.95	925.53
(e)	Finance costs	162.99	163.26	92.39	326.25	187.84
(f)	Depreciation and amortization expense	252.66	248.29	108.96	500.96	237.28
(g)	Other expenses	663.59	510.03	698.08	1,173.62	1,221.74
	Total expenses (IV)	3,074.02	2,464.12	2,769.32	5,538.15	5,510.50
V	Profit before exceptional items and tax (III - IV)	171.21	383.77	352.01	554.97	708.37
VI	Exceptional Items	-	-	-	-	-
VII	Profit before tax (V - VI)	171.21	383.77	352.01	554.97	708.37
VIII	Tax expense:	10.26	150.69	97.63	160.95	202.64
IX	Profit for the year (VII - VIII)	160.95	233.08	254.38	394.02	505.73
X	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	-30.85	-4.85	-1.98	-35.70	-3.88
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X)	130.10	228.23	252.40	358.33	501.85
XII	Earnings per share (EPS) (of Rs 10/- each) (not annualised)					
i)	Basic and diluted EPS before extraordinary items for the period	3.45	5.00	6.61	8.45	13.15
ii)	Basic and diluted EPS after extraordinary items for the period	3.45	5.00	6.61	8.45	13.15

(See accompanying notes to the financial results)

Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meetings held on 29th June, 2020.
- 2 The above results have been audited by the Statutory Auditors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- 3 The Company has no reportable segment as per IND AS-108 "Operating Segments" as notified under the Companies (Accounting Standards) Rules, 2015.

IRIS CLOTHINGS LIMITED


DIRECTOR



- 4 The Company has adopted Ind AS 116 "Leases" which come into effect from 01.04.2019. The Company has recognised the interest expenses on lease liability Rs. 66.59 Lakhs and Rs. 728.47 Lakhs respectively and depreciation and right-of-use assets amounting to Rs. 68.39 Lakhs and Rs. 683.88 Lakhs respectively.

- 5 Results for the year ended 31st March 2020 are in compliance with Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs, consequently, result for the six months and year ended 31st March, 2019 have been restated to Comply with Ind-AS to make them comparable.

- 6 The Company has adopted Ind-AS w.e.f. 1st April 2018 and the Comparative figures for the corresponding year and six months has been restated. They have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that financial results provide a true and fair view of the Company affairs.

- 7 Reconciliation of Net Profit and Total Equity as previously reported on account of transition from the previous Indian GAAP to Ind-AS for the six months ended and year ended 31st March, 2019.

	PARTICULARS	Six Months Ended	Year Ended
		31.03.2019 (Audited)	31.03.2019 (Audited)
A	Net Profit/(Loss) for the period under Previous Indian GAAP	252.40	501.85
B	Add/(Less)-Other Comprehensive Income-Remeasurement of Defined Benefit Plan	-1.98	-3.88
C	Net Profit/(Loss) for the period under Ind AS	254.38	505.73

	PARTICULARS	As at 31st March, 2019	As at 1st April, 2018
		(End of Last Period presented under previous GAAP)	(Date of Transition)
A	Total Equity (Shareholders' funds) under previous GAAP	2858.16	1013.05
B	Total Adjustment to Equity	-	-
C	Total Equity under IND AS	2858.16	1013.05

- 8 The Section 115BAA of the Income Tax Act, 1961 which come into effect April 1, 2019, give domestic companies to pay Income Tax at reduced rate subject to fulfillment of certain conditions as may be applicable. The Company has exercised the option to pay Income Taxes at reduced rate as provided in the section.

COVID-19

The World Health Organization ("WHO") announced a global health emergency because of coronavirus (COVID – 19) and classified its outbreak as a pandemic in March 2020. The Company is committed towards providing uninterrupted supply of goods and services to its customer and has actively implemented business continuity plans including the option of working from home facility. In

- 9 assessing the impact of the pandemic on the Company's operations and performance, the Company has considered internal and external information up to the date of the approval of the financial statements and based on current indicators of future economic conditions, the Management is of the view that it will not be severely impacted. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions

- 10 Previous years figures are re-grouped or re-arranged wherever necessary.

For and on behalf of the Board of Directors
IRIS Clothings Limited

IRIS CLOTHINGS LIMITED

Santosh Iadha
DIRECTOR

Santosh Iadha
Managing Director
DIN: 03585561
Kolkata
29th June, 2020



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STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Lakhs)

	Particulars	As on 31.03.2020	As on 31.03.2019	As on 01.04.2018
I	ASSETS :	Audited	Audited (refer Note 6)	Audited (refer Note 6)
1	Non-current Assets			
	Property, Plant & Equipment	2,721.58	1,384.73	1,485.40
	Right of Use Assets	683.88	-	-
	Capital work-in-progress	-	1,043.31	1.40
	Other Intangible Assets	5.07	2.30	2.47
	Financial Assets			
	Loans	72.31	67.26	47.48
	Deferred Tax Assets (Net)	20.44	19.80	6.40
		3,503.28	2,517.40	1,543.14
2	Current Assets			
	Inventories	3,075.70	2,326.03	1,103.32
	Financial Assets			
	Trade receivables	1,151.90	958.22	1,054.12
	Cash & cash equivalents	3.27	4.53	13.19
	Other Bank balances	223.78	209.68	172.94
	Loans	4.12	12.97	0.95
	Current Tax Assets (Net)	11.95	13.17	15.70
	Other Current Assets	184.35	120.38	75.23
		4,655.07	3,644.99	2,435.45
	TOTAL ASSETS	8,158.35	6,162.39	3,978.59
II	EQUITY AND LIABILITIES:			
1	Equity			
	Equity Share capital	466.12	466.12	281.00
	Other Equity	2,750.37	2,392.04	732.05
		3,216.49	2,858.16	1,013.05
2	Non-current Liabilities :			
	Financial Liabilities			
	Borrowings	440.06	397.11	627.42
	Lease Liabilities	704.23	-	-
	Provisions	-	-	17.77
		1,144.29	397.11	645.20
3	Current Liabilities			
	Financial Liabilities			
	Borrowings	2,024.41	1,614.67	1,471.02
	Trade Payables	-	-	-
	(A) total outstanding dues of micro enterprises and small enterprises;	69.51	41.76	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,375.58	1,014.49	641.99
	Lease Liabilities	24.23	-	-
	Other financial liabilities	248.75	185.16	179.85
	Other current liabilities	55.08	51.05	26.61
	Provisions	-	-	0.87
		3,797.57	2,907.12	2,320.34
	TOTAL EQUITY AND LIABILITIES	8,158.35	6,162.39	3,978.59

For and on behalf of the Board of Directors

IRIS Clothings Limited

IRIS CLOTHINGS LIMITED


DIRECTOR

Santosh Iadha
Managing Director
DIN: 03585561
Kolkata
29th June, 2020



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STATEMENT OF CASH FLOW

(Rupees in Lakhs)

<u>PARTICULARS</u>	Year ended 31.03.2020	Year ended 31.03.2019
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	554.97	708.37
<u>Adjustments for:</u>	-	-
-Depreciation	500.95	237.28
-Sundry Balances Written Off	(0.00)	0.03
-Finance Cost	326.24	187.84
-OCI Defined Benefit Scheme	(35.70)	(3.89)
-Interest Income	(15.63)	(13.14)
Operating Profit Before Working Capital Changes	1,330.83	1,116.49
<u>Adjustments for:</u>		
-Trade and Other Payables	400.37	442.05
-Trade and other Receivables	(267.93)	(17.83)
-Inventories	(749.68)	(1,222.71)
Cash Generated from Operations :	713.60	318.00
-Direct Taxes Paid	(160.37)	(213.52)
Net Cash generated from Operating Activities	553.23	104.49
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(Net)	(728.88)	(1,178.35)
Redemption/(Investment) in Fixed Assets	-	-
Interest Received	15.63	13.14
Net Cash used in Investing Activities	(713.25)	(1,165.21)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	-	1,343.26
Proceeds from Short Term Borrowings	409.74	143.65
Proceeds/(Repayment) of Long Term Borrowings	99.07	(247.00)
Lease Rent	(23.81)	-
Interest Paid	(326.24)	(187.84)
Net Cash generated/(used) in Financing Activities	158.76	1,052.06
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(1.26)	(8.66)
Opening Cash and Cash Equivalents	4.53	13.19
Closing Cash and Cash Equivalents	3.27	4.53

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