

**IRIS CLOTHINGS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2019**

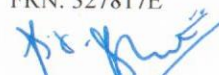
		(Amt in Rs.)	
Particulars	Note No.	As at	
		31-03-2019	31-03-2018
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	4,66,11,790	2,81,00,000
(b) Reserves and surplus	3	23,92,04,013	7,32,05,488
		28,58,15,803	10,13,05,488
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	3,97,11,100	6,27,42,376
(b) Long-term provisions	5	-	17,77,345
		3,97,11,100	6,45,19,721
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	16,14,66,535	14,71,01,775
(b) Trade payables	7		
(i) Total Outstanding dues of micro enterprises and small enterprises		41,76,223	-
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises		10,14,49,412	6,41,98,750
(c) Other current liabilities	8	2,36,20,314	2,06,46,214
(d) Short-term provisions	9	3,62,33,664	1,47,16,149
		32,69,46,148	24,66,62,888
<b>TOTAL (1+2+3)</b>		<b>65,24,73,051</b>	<b>41,24,88,097</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		13,84,72,967.86	14,85,39,588
(ii) Intangible assets		2,29,627.00	2,46,948
(iii) Capital work-in-progress		10,43,31,336	1,40,000
		<b>24,30,33,931</b>	14,89,26,536
(c) Deferred Tax Assets (net)	11	19,80,398	6,39,526
(d) Long-term loans and advances	12	67,25,760	47,48,086
		25,17,40,089	15,43,14,148
<b>2 Current assets</b>			
(a) Inventories	13	23,26,02,675	11,03,31,731
(b) Trade receivables	14	9,58,22,425	10,54,11,657
(c) Cash and cash equivalents	15	4,53,384	13,19,414
(d) Other Bank Balance	16	2,09,68,374	<b>1,72,94,484</b>
(e) Short-term loans and advances	17	5,08,86,103	2,38,16,663
		40,07,32,961	25,81,73,949
<b>TOTAL (1+2)</b>		<b>65,24,73,051</b>	<b>41,24,88,097</b>

**Significant Accounting Policies**


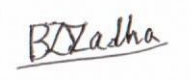
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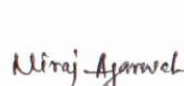
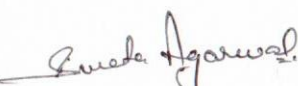
As per our report on even date

For AMK & Associates  
Chartered Accountants  
FRN: 327817E

  
Bhupendra Kumar Bhutia  
Partner  
M.No. :059363

Kolkata  
24th May, 2019

   
Santosh Ladha      Baldev Das Ladha  
Managing Director      Director

   
Niraj Agarwal      Sweta Agarwal  
CFO      Company Secretary



**IRIS CLOTHINGS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019**

Particulars		Note No.	For the year ended	For the year ended
			31-03-2019	31-03-2018
I	Revenue from operations	18	62,04,68,402	52,86,68,268
II	Other income	19	14,19,206	23,44,613
III	<b>Total revenue (I+II)</b>		<b>62,18,87,608</b>	<b>53,10,12,882</b>
IV	<b>EXPENSES</b>			
	Cost of material consumed	20	34,97,95,027	29,23,19,882
	Purchase of stock-in-trade	21	4,21,07,362	41,35,675
	Changes in inventories of finished goods and work in progress	22	(9,80,90,577)	(3,06,17,177)
	Employee benefit expenses	23	9,29,41,618	7,90,38,370
	Finance Costs	24	1,87,84,159	2,43,76,781
	Depreciation and amortisation expense	25	2,37,27,633	1,87,67,966
	Other expenses	26	12,21,74,218	9,60,84,931
	<b>Total expenses</b>		<b>55,14,39,440</b>	<b>48,41,06,428</b>
V	<b>Profit / (Loss) before tax ( III-IV)</b>		<b>7,04,48,169</b>	<b>4,69,06,454</b>
VI	<b>Tax expense:</b>			
	Current Tax		2,16,04,328	1,30,15,018
	Deferred Tax (Asset)/Liability		(13,40,872)	8,54,778
	Income Tax Adjustment for earlier Years		-	(60,953)
	<b>Total Tax Expenses</b>		<b>2,02,63,456</b>	<b>1,38,08,843</b>
VII	<b>Profit / (Loss) after tax (V-VI)</b>		<b>5,01,84,713</b>	<b>3,30,97,611</b>
VIII	<b>Earnings per share (of Rs. 10/- each):</b>	30		
	Basic		13.05	12.30
	Diluted		13.05	12.30
Significant Accounting Policies		1		

As per our report on even date

For AMK & Associates  
Chartered Accountants  
FRN: 327817E




Bhupendra Kumar Bhutia  
Partner  
M.No. :059363

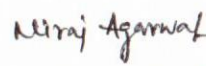
Kolkata  
24th May, 2019



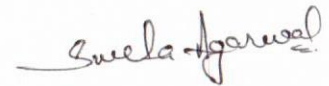

Santosh Ladha  
Managing Director



Baldev Das Ladha  
Director



Niraj Agarwal  
CFO



Sweta Agarwal  
Company Secretary

**IRIS Clothing Limited**  
**Cash Flow Statement for the year ended 31st March, 2019**

(In Rupees)


PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Items	7,04,48,169	4,69,06,453
<u>Adjustments for:</u>		
-Depreciation	2,37,27,633	1,87,67,966
-Sundry Balances Written Off	3,128	
-Finance Cost	1,87,84,159	2,47,56,714
-Loss on Sale of Motor Car	-	9,51,136
-Interest Income	(13,13,956)	(16,17,775)
<b>Operating Profit Before Working Capital Changes</b>	<b>11,16,49,132</b>	<b>8,97,64,494</b>
<u>Adjustments for:</u>		
-Trade and Other Payables	4,42,05,314	(10,63,548)
-Trade and other Receivables	(17,83,081)	(1,87,23,602)
-Inventories	(12,22,70,944)	(2,47,93,214)
<b>Cash Generated from Operations :</b>	<b>3,18,00,420</b>	<b>4,51,84,130</b>
-Direct Taxes Paid	(2,13,51,819)	(1,19,43,630)
<b>Net Cash generated from Operating Activities</b>	<b>1,04,48,602</b>	<b>3,32,40,500</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(Net)	(11,78,35,028)	(5,31,91,254)
Redemption/(Investment) in Fixed Assets	-	(47,34,587)
Interest Received	13,13,956	16,17,775
<b>Net Cash used in Investing Activities</b>	<b>(11,65,21,072)</b>	<b>(5,63,08,066)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	13,43,25,602	31,88,700
Proceeds from Short Term Borrowings	1,43,64,760	3,05,30,135
Proceeds/(Repayment) of Long Term Borrowings	(2,46,99,763)	1,34,57,622
Interest Paid	(1,87,84,159)	(2,43,08,574)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>10,52,06,440</b>	<b>2,28,67,883</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>(8,66,030)</b>	<b>(1,99,683)</b>
Opening Cash and Cash Equivalents	13,19,414	15,19,098
Closing Cash and Cash Equivalents	4,53,385	13,19,414

This is the Cash Flow statement referred to in our Report of even date.

For AMK & Associates  
Chartered Accountants  
FRN: 327817E

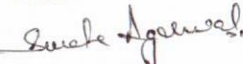
Bhupendra Kumar Bhatia  
Partner  
M.No. :059363

Kolkata  
24th May, 2019

  
Santosh Ladha  
Managing Director

  
Baldev Das Ladha  
Director

  
Niraj Agarwal  
CFO

  
Sweta Agarwal  
Company Secretary





## IRIS CLOTHINGS LIMITED

Note No. 1

### SIGNIFICANT ACCOUNTING POLICIES:

#### 1. CORPORATE INFORMATION:

IRIS CLOTHINGS LIMITED was incorporated on August 27, 2011 as a Private Limited company under the Companies Act, 1956, at Registrar of Companies, Kolkata. The Company was later on converted into a Public Company w.e.f. July 24, 2018. Thereafter Company get it listed on NSE Emerge Platform on 23<sup>rd</sup> October, 2019. The Company is engaged in manufacturing of Readymade Garments.

#### 2. Basis of Preparation of Financial Statements:

The Financial Statements of IRIS Clothings Limited (the Company) have been prepared and presented under the historical cost convention and on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises Accounting Standards notified by the Central Government of India under section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

#### 3. Use of Estimates

The preparation of the financial statements is in conformity with Generally Accepted Accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Actual results may differ from those estimates. Difference between the actual results and the estimates are recognised in the year in which the results become known/materialise.

#### 4. Revenue Recognition

Revenue from operations are recognized when there is certainty as to measurability and ultimate collectability.

- Sales of goods  
Revenue from the sale of goods are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- 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.
- Insurance and Other Claims  
Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

#### 5. Employees benefits

- Short term Employee Benefits:  
Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.
- Post-Employment Benefits:
  - (a) Defined Contribution Plans:  
Provident Fund  
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company



N.A.



recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service.

(b) Defined Benefit Plans:

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The liability for gratuity is provided on actuarial basis. The Present Value of the company's obligation is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Statement of Profit & Loss Account.

## 6. Property, Plant and Equipment

Land is carried at cost. All others items of Property, Plant and Equipment are stated at cost, less accumulated depreciation. Cost comprises non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets. The same is in compliance with AS-10 to the extent applicable.

### Depreciation and Amortisation

The management has evaluated the estimates of useful lives of its fixed assets as per the requirements of Schedule II of the Companies Act, 2013 and depreciation has been provided as per WDV basis in accordance therewith.

## 7. Impairment of Assets

The company reviews the carrying amount of cash generating units / assets at reporting date to determine whether there is any indication of impairment. If such indication exists the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

## 8. Intangible Assets

Intangible Assets are recognised at consideration paid for acquisition and other direct costs that can be directly attributed or allocated on a reasonable and consistent basis. Intangible assets are stated at cost less accumulated amount of amortization.

## 9. Inventories

Inventories are valued at lower of cost or net realizable value. The cost includes cost of purchase, duties and taxes (to the extent not recoverable) and other costs incurred in bringing the inventories to their present location and condition. The cost of the various items of inventories are computed as under:

- Raw materials and stores and spares are valued at cost plus direct expenses and method of valuation is first in first out (FIFO).
- Work-in-Progress are valued at raw material cost plus conversion costs depending upon the stage of completion.
- Finished Goods are valued at raw material cost plus conversion costs, packing cost, and other overheads incurred to bring the goods to their present location and condition and method of valuation is first in first out (FIFO).

N.S.A





## 10. Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are deducted from the cost of asset to which it relates. Government grants related to revenue are recognized in the statement of profit and loss as and when it is realized.

## 11. Foreign Currency Transaction

- **Functional and Presentation currency**

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

- **Transaction and balances**

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

## 12. Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

## 13. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 14. Earnings per Share

- Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- Diluted earnings per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

N.A



## 15. Income Taxes

Provision for tax is made for current and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates under the tax laws.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income, that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent years are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets other than in respect of carried forward losses or unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

## 16. Provisions, Contingent Liabilities and Contingent Assets

- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

## 17. Cash and Cash Equivalents

The Cash Flow Statement is prepared by indirect method set in Accounting Standard-3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances. The same is in compliance with AS-3 to the extent applicable.

N.A



**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

**2 Share Capital**

Particulars	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018	As at 31-03-2018
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
(a) <b>Authorised</b> Ordinary Equity Shares of in Rs. 10/- each	1,60,00,000	16,00,00,000	30,00,000	3,00,00,000
(b) <b>Issued, Subscribed &amp; Paid Up</b> Ordinary Equity Shares of in Rs. 10/- each	46,61,179	4,66,11,790	28,10,000	2,81,00,000
<b>Total</b>	<b>46,61,179</b>	<b>4,66,11,790</b>	<b>28,10,000</b>	<b>2,81,00,000</b>

Note:

a) **Reconciliation of number of ordinary shares outstanding**

Particulars	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018	As at 31-03-2018
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Shares Outstanding at the beginning of the period	28,10,000	2,81,00,000	26,91,900	2,69,19,000
Add : Shares issued during the year	18,51,179	1,85,11,790	1,18,100	11,81,000
Shares Outstanding at the end of the year	<b>46,61,179</b>	<b>4,66,11,790</b>	<b>28,10,000</b>	<b>2,81,00,000</b>

b) Terms / rights attached to equity shares :

- The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- The final dividend declared, if any, is subject to the approval of the members in the Annual General Meeting.
- 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 in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

c) Shareholders holding more than 5% of the Ordinary Shares in the Company

Particulars	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018	As at 31-03-2018
	No of Shares	%	No of Shares	%
Geeta Ladha	2207547	47.36	2128600	75.75
Santosh Ladha	345074	7.40	305600	10.88
Ajinkya Mercantile Pvt. Ltd.	254400	5.46	-	-

N.A





**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

**Note 3 : Reserves & Surplus**

Particulars	As at	
	31-03-2019	31-03-2018
<b>Securities Premium</b>		
Balance as at the beginning of the year	20,07,700	-
Addition during the year	11,58,13,812	20,07,700
	-	-
	<b>11,78,21,512</b>	20,07,700
<b>Surplus</b>		
Balance as at the beginning of the year	7,11,97,788	3,81,00,178
Profit for the year	5,01,84,713	3,30,97,610
	<b>12,13,82,501</b>	7,11,97,788
	<b>23,92,04,013</b>	7,32,05,488

**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").

**Note 4 : Long Term Borrowings**

Particulars	As at	
	31-03-2019	31-03-2018
<b>Secured Loans</b>		
<b>Rupee Term Loan</b>		
From Banks	3,62,00,000	5,76,96,748
From Other Parties	-	-
	<b>3,62,00,000</b>	5,76,96,748
<b>Vehicle Loan</b>		
From Banks	3,41,837	50,45,628
From Other Parties	31,69,263	-
	<b>35,11,100</b>	50,45,628
	<b>3,97,11,100</b>	6,27,42,376

**Note:**

**Rupee Term Loan**

Primary: Pari-Passu Charge 1st charge over Fixed Assets of the Company both present and Future.

Collateral: Pari-Passu Charge 2nd charge over the hypothecation of stocks and book debts both present and future.

**Rupee Term Loan have been guaranteed by the directors.**

**Repayments of Rupee Term Loan**

Rs. 3,00,00,000 Rupee Term Loan will be Repaid in 20 quarterly Instalments commencing from 30.06.2017.

Rs. 2,90,00,000 Rupee Term Loan will be Repaid in 20 quarterly Instalments commencing from 30.06.2018.

**Vehicle Loan**

Vehicle Loan has been secured against the hypothecation of Vehicles against which loan has been paid.

Due	Total Minimum Lease payments	Interest Not Due	Present value of minimum Lease
Within one year	18,95,352	3,60,534	15,34,818
Last year	18,95,352	4,85,118	14,10,234
Later than one year and not later than five years	38,83,590	3,72,480	35,11,110
Last year	57,78,942	7,33,014	50,45,928
Total: Current Year	57,78,942	7,33,014	50,45,928
Total: Last Year	76,74,294	12,18,132	64,56,162

N/A



**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

<b>Note 5 : Long - Term Provisions</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>Provision for Employees Benefits</b>		
Gratuity	-	17,77,345
	-	17,77,345
<b>Note 6 : Short Term Borrowings</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>Secured</b>		
Loan Repayable on demand From Bank-CC Account	<b>16,14,66,535</b>	12,82,01,775
<b>Unsecured</b>		
Loan Repayable on Demand Other Body Corporates From Directors	- - -	1,45,00,000 44,00,000
	<b>16,14,66,535</b>	14,71,01,775

**Note:**

**Cash Credit:**

Primary: Pari-Passu Charge 1st charge over the hypothecation of stocks and book debts both present and future  
Collateral: Pari-Passu Charge 2nd charge over Fixed Assets of the Company both present and Future.

Cash Credit facilities has been guaranteed by the directors.

<b>Note 7 : Trade Payables</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>To Micro Enterprises and Small Enterprises</b>	<b>41,76,223</b>	-
<b>Others</b>		
For - Goods	8,46,94,435	6,05,11,880
For - Capital goods	90,09,654	-
For- Others	77,45,323	36,86,870
	<b>10,14,49,412</b>	6,41,98,750
	<b>10,56,25,635</b>	6,41,98,750

**Notes:**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2019 are as under

	<b>Particulars</b>	<b>As at</b>	
		31-03-2019	31-03-2018
i)	The principal amount remaining unpaid to supplier as at the end of the year	<b>41,76,223</b>	-
ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
iii)	The amount of interest paid in terms of section 16 along with the amount of payment	-	-
iv)	The amount of interest due and payable for the period of delay in making payment	-	-
v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

N.A



**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

<b>Note 8 : Other Current Liabilities</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
Current Maturities of Long Term Debt	1,09,34,528	1,26,03,015
Interest Accrued But Not Due	4,00,504	4,48,139
<b>Other Payables</b>		
Advances from Customers	1,56,390	40,000
Security Deposits from Customers	30,87,281	5,00,000
Gratuity Payable	9,71,908	-
Liabilities for Expenses	62,08,839	49,34,172
Statutory Dues Payable	18,60,864	21,20,888
	<b>2,36,20,314</b>	<b>2,06,46,214</b>

<b>Note 9 : Short - Term Provisions</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
Provision for Employees Benefits		
Gratuity	-	86,813
	-	86,813
Provision for taxation (Net of Advance Tax)	3,62,33,664	1,46,29,336
	<b>3,62,33,664</b>	<b>1,47,16,149</b>

<b>Note 11 : Deferred Tax Assets</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>Deferred Tax Assets</b>		
Timing difference depreciation on PPE	(19,80,398)	(6,39,526)
	<b>(19,80,398)</b>	<b>(6,39,526)</b>

<b>Note 12 : Long-term loans and advances</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>Unsecured - Considered Good</b>		
Capital Advances	-	-
Security deposits	67,25,760	47,48,086
	<b>67,25,760</b>	<b>47,48,086</b>

<b>Note 13 : Inventories</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
Raw Materials	3,40,72,715	75,87,549
Work-in-Progress	9,83,79,905	4,64,81,649
Finished Goods	9,59,66,671	4,97,74,349
Stores & Spares Parts, etc	41,83,385	64,88,184
	<b>23,26,02,675</b>	<b>11,03,31,731</b>

<b>Note 14 : Trade receivables</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<b>Unsecured-Considered Good</b>		
More than six months	35,432	79,432
Others	9,57,86,993	10,53,32,225
	9,58,22,425	10,54,11,657
Less : Provision for doubtful Trade Receivables	-	-
	<b>9,58,22,425</b>	<b>10,54,11,657</b>

N.A





**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

<b>Note 15 : Cash and cash equivalents</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
Cash in hand	2,48,079	1,27,959
Balance with banks in Current Account	2,05,305	11,91,455
	<b>4,53,384</b>	<b>13,19,414</b>

<b>Note 16 : Other Bank Balances</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
Balances with Banks In Term Deposit Account	<b>2,09,68,374</b>	1,72,94,484
Note: Under Lien with Banks against the borrowing facilities	2,09,68,374	1,72,94,484

<b>Note 17 : Short-term loans and advances</b>		
<b>Particulars</b>	<b>As at</b>	
	31-03-2019	31-03-2018
<u>Unsecured, considered good</u>		
Security Deposit	11,32,360	-
Balances with government authorities	68,19,197	23,87,793
Advance Income Tax (Net of Income Tax Provision)	3,75,50,977	1,61,99,158
<u>Others</u>		
Prepaid Expenses	5,89,032	-
Advance given to parties	46,29,537	50,54,320
Other Receivables	-	80,892
Advance to Staff	1,65,000	94,500
	<b>5,08,86,103</b>	<b>2,38,16,663</b>

N/A



**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

<b>Note 18 : Revenue from operations</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
<b>Gross Sales</b>		
Sale of Goods (Garments)		
- Traded goods	2,04,32,907	41,35,675
- Raw Material	1,55,64,345	94,75,771
- Finished Goods	58,29,77,059	51,38,38,350
	61,89,74,311	52,74,49,796
Other Operating Revenue	14,94,092	12,18,473
	14,94,092	12,18,473
	<b>62,04,68,402</b>	52,86,68,269

<b>Note 19 : Other income</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Discount Received	63,616	3,80,796
Interest Received	13,13,956	11,38,340
Interest Subsidy (TUFS) Received	-	4,79,435
Insurance Claim Received	41,634	3,46,043
	<b>14,19,206</b>	23,44,613

<b>Note 20 : Cost of materials consumed</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Inventories at the beginning of the year	75,87,549	1,45,82,612
Add: Purchases	37,62,80,193	28,53,24,818
	38,38,67,742	29,99,07,430
Less: Inventories at the end of the year	3,40,72,715	75,87,549
<b>Cost of Materials Consumed</b>	<b>34,97,95,027</b>	29,23,19,882

<b>Note 21 : Purchase of Stock in Trade</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Readymade Garments	4,21,07,362	41,35,675
	<b>4,21,07,362</b>	41,35,675

<b>Note 22 : Changes in inventories of finished goods and work-in-progress</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
<b>Change in Finished Goods</b>		
Openig Stock of Finished Goods:	4,97,74,349	3,49,32,337
Less : Closing Stock of Finished Goods:	9,59,66,671	4,97,74,349
	(4,61,92,321)	(1,48,42,013)
<b>Details of Closing Stock of Finished Goods</b>		
Readymade Garments	9,59,66,671	4,97,74,349
<b>Changes in Work in Progress</b>		
Openig Stock of WIP:	4,64,81,649	3,07,06,485
Less : Closing Stock of WIP:	9,83,79,905	4,64,81,649
	(5,18,98,256)	(1,57,75,164)
	(9,80,90,577)	(3,06,17,177)



**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

<b>Note 23 : Employee Benefit Expenses</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Salaries ,Wages, Exgratia & Bonus	<b>8,65,65,332</b>	7,34,47,092
Contribution to Provident and Other Funds	<b>35,27,254</b>	31,49,728
Staff Welfare expenses	<b>28,49,032</b>	24,41,550
	<b>9,29,41,618</b>	7,90,38,370

<b>Note 24 : Finance Costs</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Interest Expense	<b>1,79,50,682</b>	2,33,98,543
Other Borrowing Cost	<b>8,33,477</b>	9,78,238
	<b>1,87,84,159</b>	2,43,76,781

<b>Note 25 : Depreciation and Amortisation Expenses</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Depreciation	<b>2,35,85,512</b>	1,87,67,966
Amortisation	<b>1,42,121</b>	-
	<b>2,37,27,633</b>	1,87,67,966

<b>Note 26 : Other Expenses</b>		
<b>Particulars</b>	<b>For the Period Ended On</b>	
	31-03-2019	31-03-2018
Consumption of Stores & Spare parts	<b>4,02,13,678</b>	1,87,72,336
Power & Fuel	<b>99,63,962</b>	73,86,965
Rent	<b>82,67,556</b>	85,57,425
Repair & Maintenance		
Building	<b>88,000</b>	2,96,400
Plant and Machinery	<b>38,55,477</b>	23,15,374
Others	<b>3,42,390</b>	15,12,961
Insurance	<b>6,37,786</b>	7,30,015
Rates, Taxes, excluding taxes on income	<b>9,53,294</b>	3,89,703
Stiching, Printing, Embroidery and Other Expenses	<b>1,52,62,902</b>	2,40,14,332
Carriage Outward	<b>62,85,173</b>	42,56,492
Royalty	<b>15,63,331</b>	6,39,672
Sales promotion Expenses	<b>64,51,043</b>	15,93,525
Commission Paid	<b>1,01,57,369</b>	1,24,93,729
Donation (inc CSR Expenses)	<b>11,000</b>	12,100
Miscellaneous Expenses	<b>1,90,69,974</b>	1,30,88,902
<b>Payment to Auditors</b>		
- For Statutory Audit	<b>1,50,000</b>	10,000
- For Tax Audit	<b>-</b>	15,000
Sundry Balances Written Off	<b>3,128</b>	-
Net gain/loss on foreign currecny transactions	<b>(11,01,847)</b>	-
	<b>12,21,74,218</b>	9,60,84,931

N/A





**IRIS CLOTHINGS LIMITED**  
Notes forming an integral part of the financial statements

**27 Contingent liabilities and Commitments**

Particulars	As At 31st March, 2019 (Rs.)	As At 31st March, 2018 (Rs.)
<b>A) Contingent Liabilities</b>		
Claims against the company not acknowledged as Debts (net of deposits)		
1) Income Tax *	1,35,68,260	1,35,68,260
*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 Rs. 1,59,62,660/-, against which on April 29, 2016, an Appeal has been filed before the Commissioner of Income Tax Appeal. The company has already paid Rs. 23,94,400/- against the demand order. The matter is still pending before the concerned authorities. (Net off Refunds and Self Assessment Tax)		

**b) Commitments**

Outstanding Estimated Capital Commitment (Net of Advances)

Other commitment:

i) Export Obligations against import of capital goods under EPCG Scheme 179631358      48498000

**28 Segment Reporting**

The company primarily operates in single reportable business segment of manufacturing & trading of readymade garments business and mainly operate in geographical boundaries of India only.

**29 Disclosure under Accounting Standard 18:**

Related Party Disclosures:

(i) List of related parties :

**(a) Key Management Personnel:**

- Mrs. Geeta Ladha	Executive Whole Time Director	(Appointed w.e.f. from 30.07.2018)
- Mr. Santosh Ladha	Managing Director	(Appointed w.e.f. from 27.07.2018)
- Mr. Niraj Agarwal	Chief Financial Officer	(Appointed w.e.f. from 27.07.2018)
- Mrs. Sweta Agarwal	Company Secretary	(Appointed w.e.f. from 20.08.2018)

SL	Name of the Company/ LLP/Individual	Relationship
1	Iris Fashions Pvt. Ltd.	Group Company
2	Iris Apparels Pvt. Ltd.	Group Company
3	Kamala Devi Ladha	Relative of KMP

N/A



**(ii) Related Party Transactions :**

For the Financial year ended 2018-19

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (Rs.)	Outstanding Balance as on 31.03.2019
1	Iris Fashions Pvt. Ltd.	Group Company	Machine Hire charges	7,80,000	-
2	Iris Apparels Pvt. Ltd.	Group Company	Machine Hire charges	5,40,000	-
3	Mrs. Geeta Ladha (upto 31.07.2018)	Director	Director's Remuneration	24,00,000	-
4	Mrs. Geeta Ladha(w.e.f. 01.08.2018)	Executive Whole Ti	Director's Remuneration	80,00,000	6,70,000
5	Mrs. Geeta Ladha	Director	Loan From Director	-	-
6	Mr. Baldev Das Ladha (upto 31.07.2018)	Director	Director's Remuneration	24,00,000	-
7	Mr. Baldev Das Ladha	Director	Loan From Director	2,00,000	-
8	Mr. Santosh Ladha (upto 31.07.2018)	Share Holder	Salary	28,00,000	-
9	Mr. Santosh Ladha	Managing Director	Director's Remuneration	80,00,000	7,00,000
10	Mr. Santosh Ladha	Share Holder	Loan From Shareholder	2,00,000	-
11	Mrs. Kamala Devi Ladha	Relative of KMP	Loan From Shareholder	50,000	-
12	Mrs. Kamala Devi Ladha (upto 31.07.2018)	Relative of KMP	Salary	4,00,000	-

For the Financial year ended 2017-18

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (Rs.)	Outstanding Balance as on 31.03.2018
1	Iris Fashions Pvt. Ltd.	Common Director	Machine Hire charges	7,80,000	-
2	Iris Apparels Pvt. Ltd.	Common Share holding	Machine Hire charges	5,40,000	-
3	Mrs. Geeta Ladha	Director	Director's Remuneration	72,00,000	4,50,000
4	Mrs. Geeta Ladha	Director	Loan From Director	-	30,50,000
5	Mr. Baldev Das Ladha	Director	Director's Remuneration	72,00,000	3,90,000
6	Mr. Baldev Das Ladha	Director	Loan From Director	-	13,50,000
7	Mr. Santosh Ladha	Share Holder	Salary	84,00,000	3,15,000
8	Mrs. Kamala Devi Ladha	Relative of KMP	Salary	9,30,000	80,000

Particulars		Calculation	As At 31st March, 2019 (Rs.)	As At 31st March, 2018 (Rs.)
<b>30 Earnings per share</b>				
a)	Basic Earning per share	PAT attributable to Equity Shareholders	5,01,84,713	3,30,97,611
		Weighted Average Number of Equity Shares outstanding	38,45,854	26,91,900
		Basic Earnings Per Share of Rs. 10/- each fully paid up	13.05	12.30
b)	Diluted Earning per share	PAT attributable to Equity Shareholders	5,01,84,713	3,30,97,611
		Weighted Average Number of Equity Shares outstanding	38,45,854	26,91,900
		Diluted Earnings Per Share of Rs. 10/- each fully paid up	13.05	12.30

31 The provision of 135 of the Companies Act, 2013 is not applicable to the Company for the current financial year ended on 31st March, 2019.

N.A



32 Disclosure as per AS-15" Employees Benefits"

The following table summarises net benefit expenses recognized in the statement of profit and loss and funded status and amounts recognised in the balance sheet for Gratuity payable on retirement.

	Gratuity	
	31.03.2019	31.03.2018
<b>Net employees benefit expenses (recognised in employee cost)</b>		
Current Service cost	13,83,806	8,71,243
Interest cost on benefit obligation	1,43,540	58,415
Expected return on plan assets	-2,332	-
Net actuarial loss/(gain) recognised in the year	3,90,817	1,80,756
Past Service Cost Liability	-	-
<b>Net benefit Expenses</b>	<u>19,15,831</u>	<u>11,10,414</u>
 <b>Balance Sheet</b>		
Defined benefit obligation	37,82,321	18,64,158
Fair value of plan assets	-28,10,413	-
<b>Net Liability recognised in balance sheet</b>	<u>9,71,908</u>	<u>18,64,158</u>

Change in present value of the defined benefit obligation are as follows :

**Statement of Profit and Loss:**

Defined benefit obligation as at April 1st, 2018	18,64,158	7,53,744
Interest Cost	1,43,540	58,415
Current service Cost	13,83,806	8,71,243
Benefit paid	-	-
Actuarial loss/(gain) on obligation	3,90,817	1,80,756
<b>Defined benefit obligation as at March 31st, 2019</b>	<u>37,82,321</u>	<u>18,64,158</u>

Change in present value of the fair value of plan assets are as follows :

Fair value of plan assets as at April 1, 2018	-	-
Expected return	2,332	-
Contribution by the employer	28,08,081	-
Benefit paid	-	-
Actuarial (loss)/gain	-	-
<b>Fair value of plan assets as at March 31st, 2019</b>	<u>28,10,413</u>	<u>-</u>

The major Categories of Plan assets as a percentage of fair value of total Fund Managed by the Insurer

100.00%

100.00%

The Principal assumption used in determining gratuity benefit obligation for the

Discount rate	7.70%	7.75%
Expected rate of return on assets	7.70%	0.00%
Increase in compensation cost	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take into account of inflation, seniority, promotion and relevant factor, such as demand supply in the employment market.

33 Value of imports calculated on C.I.F basis

I Raw materials	-	-
II Components and spare parts	-	-
III Capital goods	7,97,91,252.00	-

34 Expenditure in foreign currency

a Royalty	12,09,627.00	-
b Know-how	-	-
c Professional and Consultation fees	-	-
d Interest	-	-
a Other matters	-	-

N.A





35 **Earn Earnings in foreign exchange**

a	Export of goods calculated on F.O.B. basis	-	-
b	Royalty, know-how, professional and consultation fees	-	-
c	Interest and dividend	-	-
a	<u>Other income</u>	-	-
	Commission	-	-

36 In the opinion of the Board current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

37 Figures in bracket represent amount related to previous year.

38 Previous year figures are regrouped/rearranged wherever necessary.

As per our report on even date

For AMK & Associates  
Chartered Accountants  
FRN: 327817E

  
Bhupendra Kumar Bhutia  
Partner  
M.No. :059363

Kolkata  
24th May, 2019



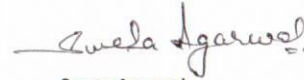
Santosh Ladha  
Managing Director



Baldev Das Ladha  
Director



Niraj Agarwal  
CFO



Sweta Agarwal  
Company Secretary



IRIS CLOTHINGS PRIVATE LIMITED  
Note forming an Integral Part of the Financial Statements  
**Note 10 : Fixed Assets**

Particulars	Gross Block			Depreciation			Net Block		
	Balance as at 01.04.2018 (Rs.)	Additions (Rs.)	Disposals (Rs.)	Balance as at 01.04.2018 (Rs.)	Depreciation/A mortisation expense for the period (Rs.)	Sale/Adjustment (Rs.)	Balance as at 31.03.2019 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2018 (Rs.)
<b>Tangible Assets</b>									
Land	18,34,700	-	-	18,34,700	-	-	-	18,34,700.00	18,34,700
Buildings	7,12,23,115	-	-	7,12,23,115	63,72,854.00	-	1,05,13,299	6,07,09,816.00	6,70,82,670
Plant & Machinery	10,93,79,848	73,45,838.72	-	11,67,25,687	1,14,08,902.00	-	6,04,64,710	5,62,60,976.72	6,03,24,040
Electric Installation	63,47,970	4,38,526.00	-	67,86,496	6,06,952.00	-	37,82,032	30,04,464.00	31,72,890
Furniture & Fixture	94,74,466	48,02,462.23	-	1,42,76,928	20,90,932.00	-	52,95,784	89,81,144.23	62,69,614
Office Equipments	34,38,995	9,32,064.91	-	43,71,060	21,08,951	-	30,07,538	13,63,521.91	13,30,044
Vehicles	1,10,33,836	-	-	1,10,33,836	22,07,285.00	-	47,15,491	63,18,345.00	85,25,630
	21,27,32,930	1,35,18,891.86	-	22,62,51,822	6,41,93,342	-	8,77,78,854	13,84,72,967.86	14,85,39,588
<b>In-Tangible Assets</b>									
Software	4,14,200	1,24,800.00	-	5,39,000	1,67,252	-	3,09,373	2,29,627.00	2,46,948
<b>Total</b>	21,31,47,130	1,36,43,691.86	-	22,67,90,822	6,43,60,594	-	8,80,88,227	13,87,02,594.86	14,87,86,536
<b>Previous Year</b>	15,53,87,691	6,53,64,297.00	76,04,858	21,31,47,130	4,82,70,655	1,87,67,966.00	26,78,027	6,43,60,594	14,87,86,536



N/A

