

# Business Agility Resilience & Scalability



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## Forward-looking statements

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

**1,127**  
Employees

**104+**  
Distributors

**26**  
States of presence

**9**  
Manufacturing Units  
spread across 5 locations

# FY 2020-21 was a year that tested not what we make, but what we are made of.

The year was marked by a myriad of challenges triggered by the COVID-19 pandemic. Over a months' production and months of hard work was lost to the lockdown. Distribution and supply chain were impacted due to travel restrictions. Consumer sentiments were weak. Retailers became cautious of stocking inventory.

This was just the kind of year when companies like us had an alibi for not doing well. Except that, at Iris Clothings, we chose to sustain and fight.

We moved with quick agility, not just to salvage the lost ground but rather to gain market share with accelerated marketing strategies across both domestic and export businesses. We ran plants at higher capacities to fulfil increased order commitments and strengthen our credibility as a reliable supplier. We fortified our reputation of an innovation-driven Company by launching multiple new products with new fabrics and printing techniques. We added new distributors and retail touchpoints to enhance product accessibility. We strengthened balance sheet and liquidity position with increased focus on working capital cycle management and efficiencies.

## THE RESULT:

 **44.83%**

Growth in revenue

 **24%**

Growth in EBITDA

 **65.80%**

Growth in Profit after Tax

**ZERO**

Order cancellation



Our Business Agility and Resilience is what truly differentiates us, strengthens our competitive advantage and drives our scalability in the long run. We now look into the future, which is filled with immense opportunities with greater confidence, stronger balance sheet and heightened optimism.

# Iris Clothings: Where Fashion meets Quality

Iris Clothings Limited is amongst the only few ready-made stylish and branded kids' wear manufacturer in India. Our products are sold under the DoReMe brand, which is steadily gaining increased acceptance in the retail stores given its high-quality, stylish range of collection and our ability to continuously launch new products.

## OUR 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.

## OUR MISSION

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

## OUR COMPETITIVE ADVANTAGES

### Manufacturing Excellence

- Integrated operations right from design conceptualisation to manufacturing
- 9 state-of-the-art facilities in Howrah, West Bengal
- Fully automated plant equipped with sophisticated imported machines for best quality

### Deep Supplier Relationships

- Deep relationships with suppliers leading to availability of quality raw materials at competitive costs
- This facilitates effective inventory management and ensures quality and on-time delivery of our products

### Distinctive Quality

- Apparels made of superior fabric quality
- Commitment to quality and reliability; adherence to high quality standards with quality checks

### Established Network

- 104 distributors supplying products to retailers across the country
- Online presence in FirstCry and Hopscotch among others

### Rich Management Expertise

- Management with over 16 years of experience and industry knowledge



# Democratising Style for Kids in India



Tops



T-Shirts



Trousers



Shorts



Dresses



Loungewear /  
Nightwear sets



Accessories



# Managing Director's Message

Iris Clothings achieved an extraordinary feat by delivering a strong performance in FY 2020-21, amidst unprecedented challenges. Our performance makes it abundantly clear that the agility and resilience with which we do business drives our scalability and success in the long term.



## Dear Shareholders,

The outbreak of COVID-19 pandemic has taken the world by surprise. The fear of unknown, lockdowns and travel restrictions took a toll on global economy. The impact on the Indian economy was even more pronounced due to stringent lockdown across most of the first quarter of FY 2020-21 with staggered exit through the year. Almost all sectors were negatively impacted, barring those that fell among essential categories.

While the social and economic impact of the event will continue to be felt for some time, it also gave us several lessons to learn from. It reminded the importance of sharing social and economic benefits for inclusive growth, the need to be future-ready and more importantly that of resilience and agility in overcoming any crisis. As a long-term focussed organisation, we will

continue to embed these aspects into our business model to deliver value sustainably to all stakeholders.

## Performance review - FY 2020-21

I am delighted to share with you that despite challenging conditions and losing production for almost the entirety of Q1 FY 2020-21, we delivered a solid performance. Our revenues grew by 44.83% to ₹ 88.24 Crores in FY 2020-21.

The growth was driven by increased demand for our basic clothing products as the pandemic triggered a market shift from fancy clothing which are discretionary items to this segment which are more of essentials. This also gives us confidence on the longevity of our business, given that our product line will continue to be in demand

irrespective of cycles. We remained responsive to the market needs launching several products in line with the basic trend including new segments in t-shirts, shorts, joggers and leggings by using a new range of fabrics and adding innovative printing techniques. We also added new categories of padded suits for infants, printed leggings for girls and sweatshirts for both girls and boys. Encouraging demand trend was witnessed across each of these segments.

Our sharp focus on reducing working capital cycle by ensuring timely collections and improving production efficiency and quick movement of finished goods inventory helped improve our profitability. Productivity improvement measures by optimising utilisation of space, man and machinery has further helped reduce

per unit production costs. As a result, EBITDA increased by 24% to ₹ 17.14 Crores and PAT by 65.80% to ₹ 6.53 Crores in FY 2020-21.

### Unparalleled agility and resilience

The year saw us demonstrate robust year-on-year recovery supported by our completely in-house production and ability to maintain high utilisation despite on-ground challenges relating to pandemic. To meet the growing demand, we augmented production by adding 12 new stitching lines giving us an incremental capacity of ~7,000 pieces daily. We also added ~200 people to support expanding operations, putting us among the few companies that generated employment in times when most were getting laid off. This enabled us to fulfil all orders, thus enhancing our credibility as a reliable supplier.

We rallied to explore prospects across domestic and export markets, and accordingly implemented accelerated marketing strategies. Measures like distributing notepads, pens, bags and other merchandise to our distributors and retail partners were undertaken to increase our brand presence. In the domestic market, we deepened penetration by entering new tier II and III cities across Uttar Pradesh, Maharashtra, Chhattisgarh, Gujarat, Rajasthan and Jharkhand. Our distribution network was also strengthened by adding ~20 distributors and ~400 retailers.

In the exports business, which is primarily in Africa, we marked our

presence in Nigeria by adding new customers. We are now present in Mozambique and Nigeria and plans are underway to increase our stronghold in these regions.

### Focussed approach to growth

At Iris Clothings, we have identified a four-pillared approach to drive our business growth.

One, we will continue with our strategy of innovation-driven sustained new product launches to deepen our presence. Increased emphasis is on the undergarments, sportswear and nightwear segment where we see strong growth prospects. Capex to set up dedicated new capacities and sales team to acquire customers in these segments will be committed as and when there are adequate opportunities.

Two, continually add new markets in both domestic and international locations. In India, we are exploring more tier II and III cities. Globally, we are targeting new regions in Africa and opening up West Asian markets.

Three, capture market share in existing markets with new products and strengthening network.

Four, grow online business. While offline stores continue to be our key focus area, the online business will provide a new dimension and help target new customers in untapped locations. We already have presence in major e-commerce platforms like FirstCry, Amazon and Flipkart which

**I am delighted to share with you that despite challenging conditions and losing production for almost the entirety of Q1 FY 2020-21, we delivered a solid performance. Our revenues grew by 44.83% to ₹ 88.24 Crores in FY 2020-21.**

we continue to nurture. Further, we are nearing the launch of our own dedicated e-store. Having interactive and user-friendly features, it will provide unique shopping experience and help enhance our brand equity as well as drive business growth. A dedicated team to manage both marketplace and our e-store sales is on anvil.

### Message to the shareholders

I thank all our stakeholders for their trust and confidence in us. The coming years are going to be exciting for the Company and we look forward to your continued support. Having established our position as a leading branded kids garment player, we are focussed on consolidating our efforts to build on this stronger foundation and create long-term value for all stakeholders.

Warm regards,

**Santosh Ladha**  
Managing Director

# Financial Highlights

## Total Revenue (₹ in Lakhs)



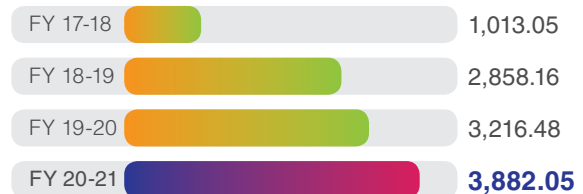
## EBITDA (₹ in Lakhs)



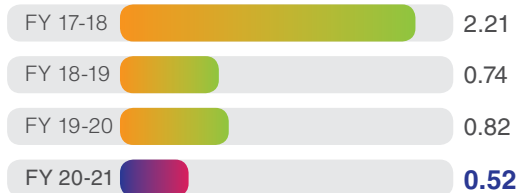
## Profit after Tax (₹ in Lakhs)



## Net Worth (₹ in Lakhs)



## Debt Equity Ratio (Times)



## Return on Capital Employed (%)





# Board of Directors



**Mr. Santosh Ladha**  
**Managing Director**

He holds a Bachelor's degree in Commerce and has 25 years of experience in the textile industry. He is the founder promoter of the Company and has conceptualised and externalised the brand DoReMe. He has in-depth understanding of the domestic readymade apparels 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**

She holds a Bachelor's degree in Commerce. She has 16 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 42 years in the textile industry. His vast experience has been an asset to the Company.



**Mr. Nikhil Saraf**  
**Independent Director**

He is a qualified Chartered Accountant, Chartered Financial Analyst and a Company Secretary. He has over 18 years of experience in finance, taxation and consulting. He has diverse business interests including running his own accountancy firm, recruitment firm and an 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 16 years including key financial and administrative roles over several boards of organisations.



**Ms. Savli Prabhakar Mangle**  
**Independent Director**

She is the Founder and Managing Director of Bridge Investor Relations. She is responsible for business strategy and new business initiatives and leads all key client relationships. She has headed the Investor Relations function for some of India's largest players in logistics and financial services. With over 20 years of experience as a corporate professional, her work has spanned across domains from as wide as microbiology and high fashion to evolving and fast growing sectors of energy, logistics and financial services. From heading the Finance function to being involved in Mergers and Acquisition work, Savli brings a vast array of experience with a dynamic and innovative approach to Investor Relations. Savli has an undergraduate degree in Science, a degree in Law, a postgraduate degree in Microbiology and an MBA from the University of Mumbai.

# 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

**Ms. Savli Prabhakar Mangle**

Independent Director

## CHIEF FINANCIAL OFFICER

**Mr. Niraj Agarwal**

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mrs. Sweta Agarwal**

## BANKER

**Axis Bank Limited**

Registered Office:

103/24/1, Foreshore Road

Shibpur, Howrah - 711 102

Ph: +91 33-2640 4674, 33-2637 3856

## STATUTORY AUDITOR

**AMK & Associates**

Chartered Accountants

Stesalit Tower, Room No. 303, 3<sup>rd</sup> Floor,

E 2-3, Block EP & GP Sector-V, Salt Lake

Kolkata - 700 091

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

Ph: 91 (44) 2846 0390/1989

## 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

# Statutory Reports

# Management Discussion and Analysis Report

## Indian Economic Scenario

India witnessed major economic disruptions in FY 2020-21, as the outbreak of COVID-19 perversely impacted human health and safety of the country's inhabitants. This prompted the Government to undertake one of the world's tightest lockdowns, bringing manufacturing and trade activities to a screeching halt. Prolonged lockdowns exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, and consumption demand. This forced the Indian GDP to contract by 8.0% as against a growth of 4.0% in FY 2019-20, marking a recession since 1980.

The Government announced a special comprehensive package of ₹ 20 trillion, equivalent to 10% of India's GDP under the 'Self-Reliant India' movement to revive the country's economic activity. As per the FY 2020-21 Budget, fiscal deficit is expected to be 3.8% of GDP in FY 2019-20 and 3.5% in FY 2020-21. This is higher than the 3.3% and 3% envisaged for FY 2019-20 and FY 2020-21, respectively, in the FY 2019-20 Budget.

The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing the key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

The fiscal and monetary stimulus provided by the Government and RBI would assist greatly in the recovery of the economy. Despite the challenges posed by the COVID-19 in FY 2020-21, creating a possibility of a second wave of surge in the cases, the outlook for FY 2021-22 seems promising largely due to relaxations in lockdowns, normalisation of economic activities, thrust on reviving manufacturing and infrastructure sector, and the country's increasing prominence in the global supply chain. Further, rolling out of vaccination drive across the globe to combat the pandemic is expected to boost economic recovery. However, India is witnessing an expected second wave of the COVID-19 pandemic due to an increase in the number of cases.

(Source: IMF WEO April 2021)

## Opportunities and Threats

Currently, the biggest threat is the second and third waves of the coronavirus disease. The actions taken by the governments to control the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. It is expected that overall textile business will be severely affected which would result in various job losses across the value chain. However, the Company has been able to sustain itself on basis of quality product offerings in the market. The growth is expected to be driven by factors such as increased purchasing power, driving growth in primary discretionary spend, better access and availability of products, brand consciousness, increasing urbanisation and rising digitisation. The Company is in process of evaluating various options for the same and plan to grow internationally keeping in view the new opportunities created.

## Company Overview

Iris Clothings Limited is a fast-growing readymade garments company with presence in 26 States and having 100+ distributors. It is engaged in designing, manufacturing, branding, and selling garments for kids' wear in India. It manufactures a broad range of apparels for infants, toddlers, and junior boys and girls that suit both indoor and outdoor requirements. A new and developing competitor in India's burgeoning fashion trade, Iris Clothings Limited pursues to depict the movement of consumers developing increasingly in sync to fashion and brands.

## Segments

The Company is dealing in only one segment i.e., manufacturing and trading of readymade garments and clothing accessories.

## Key Strategies

- Enhancing brand collection
- Widening product portfolio
- Strengthening brand presence
- Increasing customer connect

## Product Portfolio

- Tops
- T-shirts
- Trousers
- Shorts
- Dresses
- Loungewear/Nightwear Sets
- Accessories

## Strengths

- Cohesive Operations
- Manufacturing Expertise
- Extensive Network
- Vibrant Management
- Strong Relationships with Suppliers
- Quality Mindfulness

## Outlook

Our focus remains on a key agenda of localisation for some of high cost imports as a key de-risking mechanism against future currency depreciation impact on our business.

## Risk and Concerns

The management believes the new fiscal year will be full of challenges due to uncertainties related to the pandemic. Your Company expects demand to gradually come back to normalcy over the next few quarters. Immediate strategic imperatives will be to operate at heightened intensity on safety and hygiene, optimise cost and cash flows, accelerate digital and omni-channel outreach and stay watchful of attractive real estate opportunities. As the year progresses and things return to normal, your Company expects to bounce back, with its new worldwide product range.

## Internal Control Systems and their Adequacy

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.

## Discussion on financial performance with respect to operational performance

The discussion on financial performance with respect to operational performance is given in Board's Report.

## Human Resource Development and Industrial Relations

Your Company strongly believes that its employees are the key pillar of your Company's success in the market. Your Company continues to attract the best of talent, thanks to its diverse yet inclusive culture and ability to seek opportunities for their career growth. The Company provides a professional work environment and maintains healthy relations with its employees.

As on March 31, 2021, the employee strength of the Company stood at 1127.

## 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.

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: August 27, 2021

# Board's Report

Dear Members,

Your Directors take pleasure in presenting the Tenth Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

## Financial Results

The summarized financial results of the Company for the Financial Year ended March 31, 2021 are presented below:

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total Revenue	882,443,373	609,312,179
Total expenses	794,285,321	553,814,785
Profit or Loss before Extraordinary items Exceptional	88,158,051	55,497,394
<b>Profit or Loss before tax</b>	<b>88,158,051</b>	<b>55,497,394</b>
Less: Tax Expenses	22,828,348	16,095,210
<b>Profit or Loss after Tax</b>	<b>65,329,703</b>	<b>39,402,184</b>
Other Comprehensive Income	1,227,257	(3,569,896)
<b>Total Comprehensive Income</b>	<b>66,556,960</b>	<b>35,832,288</b>

## State of Company's Affairs

During the year under review, the performance of the company was satisfactory. The Company has reported total income of ₹ 882,443,373 for the current year as compared to ₹ 609,312,179 in the previous year. Total Comprehensive Income for the year under review amounted to ₹ 66,556,960 in the current year as compared to ₹ 35,832,288 in the previous year.

Pursuant to provisions of Regulation 277 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of Directors of the Company in its meeting held on August 26, 2020 decided to migrate from National Stock Exchange of India Limited (NSE) SME Exchange to NSE Main Board which was approved by the members of the Company by way of Special Resolution vide Postal Ballot concluded on September 30, 2020. Subsequently, the Company made the Listing Application to the NSE and the same was approved. Thereafter, the Company got listed its Equity Shares on Main Board of NSE w.e.f. February 22, 2021.

## Impact of Corona Virus Disease (COVID-19)

The COVID-19 continues to spread across the globe and India, which has contributed to a significant decline

and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended March 31, 2021. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further, the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

With the outbreak of COVID-19 virus, proactive work from home was initiated for all employees by the Company. Our Company has taken extra precautions at workplaces to ensure that all its employees are protected well against the virus. These measures include conducting regular sanitization drives across our offices & factories and regular communication with employees to ensure their physical and mental wellbeing. These are challenging times and the Company has taken several steps to stay connected with our workforce and customers and to support them during these uncertain times.

## Dividend

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

## Transfer of Unclaimed Dividend 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.

## Capital Structure

The members of the Company, at the Extra-Ordinary General Meeting held on October 12, 2020, had increased the Authorised Share Capital from ₹ 16,00,00,000/- (Rupees Sixteen Crores Only) to ₹ 16,50,00,000/- (Rupees Sixteen Crore and Fifty Lacs Only) divided into 1,65,00,000 (One Crore Sixty Five Lacs) Equity Shares of ₹ 10/- each.

During the period under review, the Company has also increased its paid-up share capital by issuing 1,16,52,947 Equity Shares of ₹ 10/- each as bonus shares after taking necessary approval from the Members and Stock Exchange. After the said allotment, the Paid-up Equity Share Capital is ₹ 16,31,41,260/- (Rupees Sixteen Crores Thirty One Lacs Forty One Thousand Two Hundred and Sixty Only) divided into 1,63,14,126 (One Crore Sixty Three Lacs Fourteen Thousand One Hundred and Twenty Six) Equity Shares of ₹ 10/- each.

Apart from the above change, no changes took place in the capital structure of the company.

## Material Changes and Commitment

There are no material changes or commitments that took place after the closure of Financial Year 2020-21 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

During the year under review, the Company has consumed electricity of 1213803 units amounted to ₹ 1,20,75,990.94. The details of Foreign Earnings Earning and Outgo are as follows:

Foreign Exchange Earnings	- ₹ 2,21,85,015.49
	or USD 3,01,861.49
Foreign Exchange Outgo	- NIL

## 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 organization structure with defined roles and responsibilities for risk management. The processes and practices of risk management of the Company encompass risk identification, classification and evaluation.

## Corporate Social Responsibility (CSR) Initiatives

The Company believes in making lasting impact towards creating a just, equitable, humane and sustainable society. CSR provides an opportunity to the Companies to effectively align its values and strategy for the benefits of the society, by contributing to the social, economic and environmental development of the society at large.

In accordance with the requirements of the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The Company has also formulated a CSR Policy which is available on Company's website at <https://www.irisclthings.in/>.

During the year under review, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of approximately ₹ 11,51,587 to Tata Medical Centre Trust (the implementing agency engaged in activities specified in Schedule VII of the Companies Act, 2013). The Report on CSR activities are given in **Annexure-A** to this Board's Report.

## Particulars of Loans, Guarantees or Investments

The Company has not given any loan or provided any guarantee or made any investment under provision 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.

### Directors and Key Managerial Personnel

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Manoj Tulsyan (DIN: 08919887) and Ms. Savli Prabhakar Mangle (DIN: 07414487) as an Additional Non-Executive Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, with effect from October 15, 2020 and November 21, 2020 respectively to hold office for a term of 5 (five) consecutive years subject to approval of members. In the opinion of the Board, both the Independent Directors are well experienced business leaders. Their vast experience will greatly benefit the Company. Further, they possess integrity and relevant proficiency which will bring tremendous value to the Board and to the Company.

Further, the Members at an Extra-Ordinary General Meeting held on December 16, 2020 had approved the appointment of Mr. Manoj Tulsyan (DIN: 08919887) and Ms. Savli Prabhakar Mangle (DIN: 07414487) as the Non-Executive Independent Director of the Company.

The Members at an Extra-Ordinary General Meeting held on December 16, 2020 had also approved the continuation of directorship of Mr. Baldev Das Ladha (DIN: 03585566) as Non-Executive Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Baldev Das Ladha (DIN: 03585566), Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The said proposal forms part of the Notice of the ensuing Annual General Meeting and the relevant resolution is recommended for the members' approval therein.

### Board Meetings

The details of Board and Committee meetings held during the Financial Year ended on March 31, 2021 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.

### 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 <http://www.irisclothings.in/>.

### Committees of the Board

The details pertaining to the Committees of Board of Directors of the Company viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee have been stated in the Corporate Governance Report forming part of this Annual Report.

### 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 performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.



The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated. There are no observations which are carried by any of the director on evaluation of Board.

### 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 <http://www.irisclthings.in/>.

### Nomination and Remuneration Policy

Pursuant to 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 <http://www.irisclthings.in/>. Further the salient features of the policy are given in the Report of Corporate Governance forming part of this Annual Report.

### Annual Return

Pursuant to the provisions of Section 92 and 134 of the Companies Act, 2013, a copy of the Annual Return of the Company is placed on the website of the Company at

<http://www.irisclthings.in/>. The extract of Annual Return in Form MGT-9 is also annexed to this Report as **Annexure-B**.

### 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.

### Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint Venture or Associate Company as on March 31, 2021.

### Deposits

Your Company has not accepted/invited deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### Internal Financial Controls

The Company has its internal financial control systems commensurate with the size and complexity of its operations, to ensure proper recording of financials and monitoring of operational effectiveness and compliance

of various regulatory and statutory requirements. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records including timely preparation of reliable financial information.

## Auditors

### Statutory Auditor

At the Annual General Meeting of the Company held on August 31, 2019, M/s. AMK & Associates, Chartered Accountants, had been appointed as statutory auditors of the Company for a term of 5 years from the conclusion of 8<sup>th</sup> Annual General Meeting till conclusion of 13<sup>th</sup> Annual General Meeting.

The Audit Report forms a part of the Annual Report and the report does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors' Report read together with the Notes on Accounts are self-explanatory and therefore do not call for any further explanation and comments. No frauds were reported by the Auditor se under sub-section 12 of Section 143 of the Companies Act, 2013.

### Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company had appointed M/s. Vimal & Seksaria, Chartered Accountants as the Internal Auditor of the Company for the Financial Year 2020-21.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Rajesh Ghorawat, Company Secretary in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year 2020-21 in the prescribed Form MR-3 is appended as **Annexure-C** to this Board's Report.

### Reply to the qualification in Secretarial Audit Report

The vacancy caused in the office of Independent Director due to resignation of Mr. Rajesh Kumar Rathi was filled by the Company after the time line mentioned in the Companies Act, 2013 due to non-availability of suitable candidate who is industry specific and can contribute to the development of Corporate Strategy and review the performance of the Management. However, before the end of Financial Year, the Company has regularized its Board Structure as the per provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Cost Records and Cost Audit

The Company has maintained the Cost Records as required under Section 148 of the Companies Act, 2013. Further, the provisions of Cost Audit is not applicable to the Company.

## Corporate Governance

The Company believes in adopting the best corporate governance practices. As per Regulation 34 read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate received from the Statutory Auditors confirming compliance is attached.

## Details of Significant and Material Orders Passed by the Regulators, Courts and Tribunals

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

## Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always been committed to provide a safe and conducive work environment to its employees. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, the Company has constituted an Internal Complaints Committee for redressing the complaints against sexual harassment. There was no complaint received during the year.

## Remuneration Ratio to Directors / KMP / Employees

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of the Company is attached as **Annexure-D** to this Report.

## Other Disclosures

- The disclosures and reporting with respect to issue of equity shares with differential rights as to dividend, voting or otherwise is not applicable as the Company has not issued any such shares during the reporting period.
- The disclosures and reporting on issue of shares (including sweat equity shares and Issue of Shares under Employees Stock Option Scheme) to employees

of the Company under any scheme are not applicable as the Company has not issued any such shares during the reporting period.

- 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.
- There was no change in the nature of business of company.
- During the year under review, CRISIL has given the credit rating of “BB+” on the credit facilities of the Company.
- No application was filed for Corporate Insolvency Resolution Process, by a financial or operational creditor or by the company itself under the Insolvency

and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT).

### Management Discussion and Analysis Report

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in separate section forming part of the Annual Report.

### Acknowledgements

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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: August 27, 2021

**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 Company has set high ethical standards for all its dealings and believes in inspiring trust and confidence. We strongly believe that, we exist not only for doing good business, but equally for the betterment of the Society. 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 <http://www.irisclothings.in/>.

**2. Composition of CSR Committee:**

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	2	2
Mr. Manoj Tulsyan	Member - Non-Executive Independent Director	2	2
Ms. Savli Prabhakar Mangle	Member - Non-Executive Independent Director	2	2

**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 <http://www.irisclothings.in/>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable**
**6. Average net profit of the Company as per section 135(5): ₹ 56,428,409**
**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1,128,568**

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,128,568

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	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
₹ 1,151,587	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

**(b) Details of CSR amount spent against ongoing projects for the financial year:** Nil**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District			Name.	CSR registration number
1.	Healthcare	Health care Activities	Yes	West Bengal	Kolkata	1,151,587	No	Tata Medical Centre Trust	CSR00002920

**(d) Amount spent in administrative overheads:** Nil**(e) Amount spent on Impact Assessment, if applicable:** Not Applicable**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 11,51,587**(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,128,568
(ii)	Total amount spent for the Financial Year	1,151,587
(iii)	Excess amount spent for the financial year [(ii)-(i)]	23,019
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years:** Not Applicable**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

- (a) **Date of creation or acquisition of the capital asset(s):** Not Applicable.
- (b) **Amount of CSR spent for creation or acquisition of capital asset:** Not Applicable.
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable.
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The Company has completed spending its CSR obligation in full for the Financial Year 2020-21.

For and on behalf of the Board  
**Iris Clothings Limited**

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

**Nikhil Saraf**  
Chairman  
CSR Committee  
(DIN: 00611163)

Place: Howrah  
Date: August 27, 2021

## Annexure-B

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

### I. Registration & Other Details:

1	CIN	L18109WB2011PLC166895
2	Registration Date	27-Aug-11
3	Name of the Company	Iris Clothings Limited
4	Category/Sub-category of the Company	Company Limited by Shares/Non- Govt. Company
5	Address of the Registered office & contact details	103/24/1, Foreshore Road, Shibpur, Howrah-711102
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar and Transfer Agent, if any.	M/s. Cameo Corporate Services Ltd "Subramanian Building", No.1 Club House Road, Chennai-600 002 Phone: 044 - 2846 0390 E-mail Id: cameo@cameoindia.com

### II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of readymade garments	18101	100%

### III. Particulars of Holding, Subsidiary and Associate Companies:

The Company has no holding, subsidiary and associate company.

### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>									
1.	Indian									
a.	Individuals/Hindu Undivided Family	3141579	0	3141579	67.3988	11002134	0	11002134	67.4393	0.0405
b.	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0	0	0
d.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
e.	Any Other									
	<b>Sub - Total (A)(1)</b>	<b>3141579</b>	<b>0</b>	<b>3141579</b>	<b>67.3988</b>	<b>11002134</b>	<b>0</b>	<b>11002134</b>	<b>67.4393</b>	<b>0.0405</b>

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Foreign</b>									
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Any Other									
	<b>Sub - Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>3141579</b>	<b>0</b>	<b>3141579</b>	<b>67.3988</b>	<b>11002134</b>	<b>0</b>	<b>11002134</b>	<b>67.4393</b>	<b>0.0405</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
i.	FPI (Individual) Category Ii-									
a.	Mutual Funds/Uti	0	0	0	0	0	0	0	0	0
b.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
c.	Central Government/ State Government(S)	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Any Other									
	<b>Sub - Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Non-Institutions</b>									
a.	Bodies Corporate	467200	0	467200	10.0232	1172381	0	1172381	7.1862	-2.8369
b.	Individuals -									
i.	Individual Shareholders Holding Nominal Share Capital upto ₹ 1 Lakh	98100	0	98100	2.1046	320423	0	320423	1.9640	-0.1405
ii.	Individual Shareholders Holding Nominal Share Capital in Excess if ₹ 1 Lakh	896700	0	896700	19.2376	3676675	0	3676675	22.5367	3.2991
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other									
	Clearing Members	0	0	0	0	4827	0	4827	0.0295	0.0295
	Hindu Undivided Families	57600	0	57600	1.2357	137479	0	137479	0.8426	-0.3930
	Non Resident Indians	0	0	0	0	207	0	207	0.0012	0.0012
		<b>57600</b>	<b>0</b>	<b>57600</b>	<b>1.2357</b>	<b>142513</b>	<b>0</b>	<b>142513</b>	<b>0.8735</b>	<b>-0.3621</b>
	<b>Sub - Total (B)(2)</b>	<b>1519600</b>	<b>0</b>	<b>1519600</b>	<b>32.6011</b>	<b>5311992</b>	<b>0</b>	<b>5311992</b>	<b>32.5606</b>	<b>-0.0405</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1519600</b>	<b>0</b>	<b>1519600</b>	<b>32.6011</b>	<b>5311992</b>	<b>0</b>	<b>5311992</b>	<b>32.5606</b>	<b>-0.0405</b>
	<b>Total (A)+(B)</b>	<b>4661179</b>	<b>0</b>	<b>4661179</b>	<b>100.0000</b>	<b>16314126</b>	<b>0</b>	<b>16314126</b>	<b>100.0000</b>	<b>0</b>



Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Shares Held by Custodians and Against which Depository Receipts have been Issued</b>										
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	<b>Total Custodian (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>4661179</b>	<b>0</b>	<b>4661179</b>	<b>100.0000</b>	<b>16314126</b>	<b>0</b>	<b>16314126</b>	<b>100.0000</b>	<b>0</b>

## ii) Shareholding of promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	Folio/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	Geeta Ladha	2207547	47.3602	0	0	0	0	-13.5315	1204940000121067	ACEPR2371P	0	0
	Having Same Pan											
1	Geeta Ladha	0	0	0	7726414	47.3602	0	47.3602	1208160028839560	ACEPR2371P	0	0
2	Santosh Ladha	345074	7.4031	0	0	0	0	-2.1151	1204940000241363	AAZPL4005H	0	0
	Having Same Pan											
2	Santosh Ladha	0	0	0	1207759	7.4031	0	7.4031	1208160029631259	AAZPL4005H	0	0
3	Baldev Das Ladha	208000	4.4623	0	0	0	0	-1.2749	1204940000122421	AAHNB8792B	0	0
	Having Same Pan											
3	Baldev Das Ladha (Huf)	0	0	0	728000	4.4623	0	4.4623	1207160000141503	AAHNB8792B	0	0
4	Santosh Ladha	186368	3.9983	0	0	0	0	-1.1423	1204940000122396	AARHS7801Q	0	0
	Having Same Pan											
4	Santosh Ladha Huf	0	0	0	652288	3.9983	0	3.9983	1208160065440799	AARHS7801Q	0	0
5	Kamala Devi Ladha	125116	2.6842	0	0	0	0	-0.7669	1204940000121086	AAXPL1568M	0	0
	Having Same Pan											
5	Kamala Devi Ladha	0	0	0	437906	2.6842	0	2.6842	1208160031914087	AAXPL1568M	0	0
6	Baldev Das Ladha	69474	1.4904	0	0	0	0	-0.4258	1204940000031374	AEQPL6204F	0	0
	Having Same Pan											
6	Baldev Das Ladha	0	0	0	249767	1.5309	0	1.5309	1208160020939120	AEQPL6204F	0	0

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
1	Geeta Ladha							
	At the beginning of the year 01-Apr-2020	2207547	47.3602	2207547	47.3602	1204940000121067	ACEPR2371P	
	Sale 26-Jun-2020	-2207547	13.5315	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
1	Geeta Ladha							

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160028839560	ACEPR2371P	
	Purchase 26-Jun-2020	2207547	13.5315	2207547	13.5315			
	Purchase 18-Oct-2020	5518867	33.8287	7726414	47.3602			Bonus
	At the end of the Year 31-Mar-2021	7726414	47.3602	7726414	47.3602			
2	Santosh LadhA							
	At the beginning of the year 01-Apr-2020	345074	7.4031	345074	7.4031	1204940000241363	AAZPL4005H	
	Sale 26-Jun-2020	-345074	2.1151	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
2	Santosh Ladha							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160029631259	AAZPL4005H	
	Purchase 26-Jun-2020	345074	2.1151	345074	2.1151			
	Purchase 18-Oct-2020	862685	5.2879	1207759	7.4031			BONUS
	At the end of the Year 31-Mar-2021	1207759	7.4031	1207759	7.4031			
3	Baldev Das Ladha .							
	At the beginning of the year 01-Apr-2020	208000	4.4623	208000	4.4623	1204940000122421	AAHHB8792B	
	Purchase 18-Oct-2020	520000	3.1874	728000	4.4623			BONUS
	Sale 05-Mar-2021	-728000	4.4623	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
3	Baldev Das Ladha (HUF)							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1207160000141503	AAHHB8792B	
	Purchase 05-Mar-2021	728000	4.4623	728000	4.4623			
	At the end of the Year 31-Mar-2021	728000	4.4623	728000	4.4623			
4	SANTOSH LADHA .							
	At the beginning of the year 01-Apr-2020	186368	3.9983	186368	3.9983	1204940000122396	AARHS7801Q	
	Purchase 18-Oct-2020	465920	2.8559	652288	3.9983			BONUS
	Sale 27-Nov-2020	-652288	3.9983	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
4	Santosh Ladha Huf							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160065440799	AARHS7801Q	
	Purchase 27-Nov-2020	652288	3.9983	652288	3.9983			
	At the end of the Year 31-Mar-2021	652288	3.9983	652288	3.9983			
5	Kamala Devi Ladha							
	At the beginning of the year 01-Apr-2020	125116	2.6842	125116	2.6842	1204940000121086	AAXPL1568M	
	Sale 26-Jun-2020	-125116	0.7669	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
5	Kamala Devi Ladha							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160031914087	AAXPL1568M	
	Purchase 26-Jun-2020	125116	0.7669	125116	0.7669			
	Purchase 18-Oct-2020	312790	1.9172	437906	2.6842			Bonus
	At the end of the Year 31-Mar-2021	437906	2.6842	437906	2.6842			
6	Baldev Das Ladha							
	At the beginning of the year 01-Apr-2020	69474	1.4904	69474	1.4904	1204940000031374	AEQPL6204F	
	Sale 26-Jun-2020	-69474	0.4258	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
6	Baldev Das Ladha							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160020939120	AEQPL6204F	
	Purchase 26-Jun-2020	69474	0.4258	69474	0.4258			
	Purchase 18-Oct-2020	173685	1.0646	243159	1.4904			Bonus
	Purchase 31-Mar-2021	6608	0.0405	249767	1.5309			
At the end of the Year 31-Mar-2021	249767	1.5309	249767	1.5309				

## (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
1	<b>K R Developers LLP</b>							
	At the beginning of the year 01-Apr-2020	201600	4.3250	201600	4.3250	1201090008134714	AAHFC9252F	
	Purchase 18-Oct-2020	504000	3.0893	705600	4.3250			Bonus
	Purchase 29-Jan-2021	11200	0.0686	716800	4.3937			
	Sale 26-Feb-2021	-3756	0.0230	713044	4.3707			
	Sale 05-Mar-2021	-13444	0.0824	699600	4.2883			
	At the end of the Year 31-Mar-2021	699600	4.2883	699600	4.2883			
2	<b>Madhu Rathi</b>							
	At the beginning of the year 01-Apr-2020	161600	3.4669	161600	3.4669	1204940000414375	ARCPR9013M	
	Sale 28-Aug-2020	-161600	0.9905	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
2	<b>Madhu Rathi</b>							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160039593584	ARCPR9013M	
	Purchase 28-Aug-2020	161600	0.9905	161600	0.9905			
	Purchase 18-Oct-2020	404000	2.4763	565600	3.4669			Bonus
	Sale 27-Nov-2020	-16800	0.1029	548800	3.3639			
	Sale 11-Dec-2020	-28000	0.1716	520800	3.1923			
	Sale 18-Dec-2020	-16800	0.1029	504000	3.0893			
	Sale 08-Jan-2021	-11200	0.0686	492800	3.0206			
	Sale 05-Feb-2021	-5600	0.0343	487200	2.9863			
	At the end of the Year 31-Mar-2021	487200	2.9863	487200	2.9863			

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
3	<b>Sushila Devi Mundhra</b>							
	At the beginning of the year 01-Apr-2020	157300	3.3746	157300	3.3746	1204940000392897	AEUPM4099R	
	Sale 07-Aug-2020	-157300	0.9641	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							
3	<b>Sushila Devi Mundhra</b>							
	At the beginning of the year 01-Apr-2020	0	0	0	0	1208160032198390	AEUPM4099R	
	Purchase 07-Aug-2020	157300	0.9641	157300	0.9641			
	Sale 28-Aug-2020	-6400	0.0392	150900	0.9249			
	Purchase 18-Oct-2020	377250	2.3124	528150	3.2373			Bonus
	Sale 26-Feb-2021	-10000	0.0612	518150	3.1760			
	At the end of the Year 31-Mar-2021	518150	3.1760	518150	3.1760			
4	<b>Ajinkya Mercantile Private Ltd</b>							
	At the beginning of the year 01-Apr-2020	134400	2.8833	134400	2.8833	1201090005091793	AAHCA5502B	
	Purchase 18-Oct-2020	336000	2.0595	470400	2.8833			
	Sale 04-Dec-2020	-263200	1.6133	207200	1.2700			
	Purchase 29-Jan-2021	28000	0.1716	235200	1.4416			
	Purchase 12-Feb-2021	11200	0.0686	246400	1.5103			
	At the end of the Year 31-Mar-2021	246400	1.5103	246400	1.5103			
	Having Same Pan							
4	<b>Ajinkya Mercantile Pvt Ltd</b>							
	At the beginning of the year 01-Apr-2020	16000	0.3432	16000	0.3432	1201060002556928	AAHCA5502B	
	Purchase 18-Oct-2020	40000	0.2451	56000	0.3432			Bonus
	At the end of the Year 31-Mar-2021	56000	0.3432	56000	0.3432			
5	<b>Gadakh Udayan Shankarrao JT1 : Rahul Ashok Pawar</b>							
	At the beginning of the year 01-Apr-2020	113600	2.4371	113600	2.4371	1201090010042206	ABJFA1604Q	
	Purchase 28-Aug-2020	40000	0.2451	153600	0.9415			
	Purchase 11-Sep-2020	4800	0.0294	158400	0.9709			
	Purchase 18-Oct-2020	396000	2.4273	554400	3.3982			Bonus
	Purchase 11-Dec-2020	33600	0.2059	588000	3.6042			
	Purchase 18-Dec-2020	5600	0.0343	593600	3.6385			
	Purchase 25-Dec-2020	5600	0.0343	599200	3.6728			
	Purchase 22-Jan-2021	5600	0.0343	604800	3.7072			
	Purchase 29-Jan-2021	11200	0.0686	616000	3.7758			
	At the end of the Year 31-Mar-2021	616000	3.7758	616000	3.7758			
6	<b>Punita Singhania</b>							
	At the beginning of the year 01-Apr-2020	91600	1.9651	91600	1.9651	IN30350010000368	AKUPS1006N	
	Sale 24-Jul-2020	-91600	0.5614	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	Having Same Pan							

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
6	<b>Punita Singhania</b>							
	At the beginning of the year 01-Apr-2020	0	0	0	0	IN30210510850219	AKUPS1006N	
	Purchase 24-Jul-2020	91600	0.5614	91600	0.5614			
	Purchase 31-Jul-2020	1600	0.0098	93200	0.5712			
	Purchase 18-Oct-2020	233000	1.4282	326200	1.9994			Bonus
	Sale 26-Feb-2021	-10000	0.0612	316200	1.9381			
	At the end of the Year 31-Mar-2021	316200	1.9381	316200	1.9381			
7	<b>Sharmila Gaurang Vasani</b>							
	At the beginning of the year 01-Apr-2020	53000	1.1370	53000	1.1370	1208160010323251	ACSPJ1576E	
	Purchase 10-Apr-2020	1600	0.0098	54600	0.3346			
	Purchase 01-May-2020	3200	0.0196	57800	0.3542			
	Purchase 30-Sep-2020	4800	0.0294	62600	0.3837			
	Purchase 18-Oct-2020	156500	0.9592	219100	1.3430			Bonus
	Purchase 04-Dec-2020	5600	0.0343	224700	1.3773			
	Purchase 11-Dec-2020	56000	0.3432	280700	1.7205			
	Purchase 18-Dec-2020	5600	0.0343	286300	1.7549			
	At the end of the Year 31-Mar-2021	286300	1.7549	286300	1.7549			
8	<b>Vishal Patwari</b>							
	At the beginning of the year 01-Apr-2020	49400	1.0598	49400	1.0598	IN30115124350596	AIYPP2200M	
	Purchase 18-Oct-2020	123500	0.7570	172900	1.0598			Bonus
	At the end of the Year 31-Mar-2021	172900	1.0598	172900	1.0598			
9	<b>Gaurang Shashikant Vasani</b>							
	At the beginning of the year 01-Apr-2020	46600	0.9997	46600	0.9997	1208160009329401	ACAPV6943R	
	Purchase 21-Aug-2020	1600	0.0098	48200	0.2954			
	Purchase 15-Oct-2020	1600	0.0098	49800	0.3052			
	Purchase 18-Oct-2020	124500	0.7631	174300	1.0683			Bonus
	Purchase 04-Dec-2020	5600	0.0343	179900	1.1027			
	Purchase 11-Dec-2020	56000	0.3432	235900	1.4459			
	At the end of the Year 31-Mar-2021	235900	1.4459	235900	1.4459			
10	<b>Choice Equity Broking Private Limited</b>							
	At the beginning of the year 01-Apr-2020	46400	0.9954	46400	0.9954	1206690000000139	AADCC8390B	
	Sale 03-Apr-2020	-1600	0.0098	44800	0.2746			
	Sale 24-Apr-2020	-3200	0.0196	41600	0.2549			
	Sale 21-Aug-2020	-1600	0.0098	40000	0.2451			
	Sale 28-Aug-2020	-40000	0.2451	0	0			
	At the end of the Year 31-Mar-2021	0	0	0	0			
	NEW TOP 10 AS ON (31-Mar-2021)							

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN	Reason
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
11	<b>Vikash Patwari</b>							
	At the beginning of the year 01-Apr-2020	41400	0.8881	41400	0.8881	IN30154937719119	AIYPP2199R	
	Purchase 18-Oct-2020	103500	0.6344	144900	0.8881			Bonus
	Sale 26-Feb-2021	-5000	0.0306	139900	0.8575			
	At the end of the Year 31-Mar-2021	139900	0.8575	139900	0.8575			

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% change in shareholding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Geeta Ladha	2207547	47.3602	7726414	47.3602	0
2	Santosh Ladha	345074	7.4031	1207759	7.4031	0
3	Baldev Das Ladha	69474	1.4904	249767	1.5309	0

**V. Indebtedness:**

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	246446641.00	-	-	246446641.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>246446641.00</b>	<b>-</b>	<b>-</b>	<b>246446641.00</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	43058548.00	-	-	43058548.00
<b>Net Change</b>	<b>43058548.00</b>	<b>-</b>	<b>-</b>	<b>43058548.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	203388093.00	-	-	203388093.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>203388093.00</b>	<b>-</b>	<b>-</b>	<b>203388093.00</b>

## VI. Remuneration of Directors and Key Managerial Personnel:

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Santosh Ladha Managing Director	Mrs. GeetaLadha Whole-time Director	-	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,00,000	1,20,00,000	-	2,40,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- Others, specify...				
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>-</b>	<b>2,40,00,000</b>
	<b>Ceiling as per the Act</b>	10% of the Net Profit calculated in accordance with Section 198 of the Companies Act, 2013			

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Nikhil Saraf	Mr. Manoj Tulsyan	Ms. Savli Prabhakar Mangle	
1	• Fee for attending board /committee meetings	40,000	20,000	20,000	80,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
2	<b>Total (1)</b>	<b>40,000</b>	<b>20,000</b>	<b>20,000</b>	<b>80,000</b>
	<b>Other Non-Executive Directors</b>	<b>Mr. Baldev Das Ladha</b>			
	• Fee for attending board /committee meetings	40,000	-	-	-
	• Commission	-	-	-	-
	• Others, please specify				
4	<b>Total (2)</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>40,000</b>
5	<b>Total (B)=(1+2)</b>				<b>120,000</b>
	<b>Ceiling as per the Act</b>	1% of the Net Profit calculated in accordance with Section 198 of the Companies Act, 2013			

### C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Director:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Sweta Agarwal Company Secretary	Niraj Agarwal Chief Financial Officer	-	
1	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,60,000	3,24,000	-	6,84,000
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	• Commission	-	-	-	-
	• Others, please specify				
5	<b>Others, please specify</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>3,60,000</b>	<b>3,24,000</b>	<b>-</b>	<b>6,84,000</b>

**VII. Penalties / Punishment / Compounding of Offences: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board  
**Iris Clothings Limited**

Place: Howrah  
 Date: August 27, 2021

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

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



## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

{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 – 711102

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”). 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 authorized 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 31<sup>st</sup> March, 2021 (“Audit Period”) 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 **M/s. Iris Clothings Limited** (“the Company”) for the financial year ended on March 31, 2021 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;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the period under review);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (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) 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 complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. *The vacancy caused in the office of Independent Director due to resignation of Mr. Rajesh Kumar Rathi was filled by the Company after the time line mentioned in the Companies Act, 2013.*
2. *The National Stock Exchange of India (NSE) had issued following notices demanding further clarification/reply/ response from the Company:*

S. No.	Compliance Requirement	Deviations	Observations/ Remarks
1.	In-principle approval for issue of bonus shares	The Exchange vide letters dated 5th October, 2020 and 13th October, 2020 required further documents / details from the Company.	The Company, as and when asked, provided and submitted all the requisite documents / details to the Exchange for obtaining in-principle approval for bonus issue of shares.
2.	Regulation 33 of the SEBI (LODR) Regulations, 2015	The Exchange vide an email asked the Company to submit Full Result (XBRL Submission) for period ended September 31, 2020	The Company duly replied to Exchange that it is unable to upload the Full Results on NSE Portal due to technical error being popped up while submission. The error is still not resolved by NSE.
3.	In-Principle approval for migration of the Company from SME to Main Board	The Exchange vide letter dated January 8, 2021 required further documents / details from the Company.	The Company, as and when asked, provided and submitted all the requisite documents / details to the Exchange for obtaining in-principle approval for migration to Main Board.
4.	Final approval for migration of the Company from SME to Main Board	The Exchange vide letter dated February 4, 2021 required further documents / details from the Company.	The Company, as and when asked, provided and submitted all the requisite documents / details to the Exchange for obtaining final approval for migration to Main Board.
5.	Movement in Price	The Exchange vide letter dated February 25, 2021 asked for explanation regarding significant price movement of the Company.	The Company had duly given the clarification / explanation to the Exchange.

S. No.	Compliance Requirement	Deviations	Observations/ Remarks
6.	Regulation 27 – Corporate Governance Report	The Exchange vide an email dated May 6, 2021 asked for relevant clarifications / details regarding Committee Meetings held during the quarter ended March 31, 2021.	The Company had duly given the clarification / explanation to the Exchange.
7.	Regulation 31 – Shareholding Pattern	The Exchange vide letter dated May 26, 2021 asked for relevant clarifications / details regarding change in shareholdings of the promoters for the quarter ended March 31, 2021.	The Company had duly given the clarification / explanation to the Exchange.

In respect of other laws specifically applicable to the Company, I have relied in 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 except in case of appointment of independent director caused by vacancy due to resignation of Mr. Rajesh Kumar Rathi.

Adequate notice is 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** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**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), we are 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, the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- The Company has passed Special Resolution via Postal Ballot seeking approval of the members for Migration of the Company from SME Platform to Main Board of National Stock Exchange of India Limited (NSE). The Company has completed the whole process of Migration and it is listed on Main Board w.e.f., February 22, 2021.
- The Company has passed Ordinary Resolution at the Extra-Ordinary General Meeting held on October 12, 2020 for increase in Authorised Capital of the Company. The EGM was conducted at shorter notice with the consent of members as required in the Companies Act, 2013.
- During the year under review, the Company has issued and allotted 1,16,52,947 number of equity shares of ₹ 10/- each as bonus shares with the in-principal approval of National Stock Exchange of India Limited (NSE). The Company has also listed the aforesaid shares on NSE.
- The Company has passed Special Resolution at the Extra-Ordinary General Meeting held on December 16, 2020 for continuation of directorship of Mr. Baldev Das Ladha, Non-Executive Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Rajesh Ghorawat**

Practising Company Secretary

M. No.: F7226

C.P. No.: 20897

UDIN: F007226C000491556

Place: Kolkata

Date: June 21, 2021

**Annexure-A**

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

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.
7. Due to the outbreak of COVID 19 and lock down, I have conducted the audit and relied upon the information, documents, forms, returns, papers and other records maintained by Company and provided to me electronically.

Place: Kolkata  
Date: June 21, 2021

**Rajesh Ghorawat**  
Practising Company Secretary  
M. No.: F7226  
C.P. No.: 20897  
UDIN: F007226C000491556

## Annexure-D

## 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 FY 2020-2021*	Ratio of remuneration to median remuneration of employees (Including Whole-time Directors)
1. Mrs. Geeta Ladha	Whole-time Director	1,20,00,000	148.70
2. Mr. Santosh Ladha	Managing Director	1,20,00,000	148.70

\*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 of 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	-
Mrs. Sweta Agarwal	Company Secretary	-

- iii. The percentage of increase in the median remuneration of employees in the financial year: 1.02%.
- iv. The number of permanent employees on the role of company as on March 31, 2021 is 1129, 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:

Average percentage increase in salaries of employees other than managerial personnel during 2020-2021	Nil
The percentage increase in the Managerial Remuneration	Nil

- vi. Affirmation that the remuneration is as per the remuneration policy of the company: The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board  
**Iris Clothings Limited**

Place: Howrah  
Date: August 27, 2021

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

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

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) a report on Corporate Governance is given below:

### 1. Company's Philosophy on Code of Governance:

Iris Clothings Limited believes in the Code of Governance so as to be a responsible corporate citizen and to serve the best interest of all the stakeholders viz, the employees, shareholders, customers vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders by ensuring that the Company's activities are managed by professionally competent and independent Board of Directors. Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also Guidance Note on Board Evaluation as prescribed by SEBI.

### 2. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary responsibility in ensuring that the rights of all stakeholders are protected. Our Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

The Company has an optimum composition of Executive and Non-Executive Directors in conformity

with Section 149 of the Companies Act, 2013. The Board consists of Six Directors out of which 2 are Executive Directors and remaining 4 are Non-Executive Directors including three Independent Directors.

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

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. Certificates have also 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 Obligation 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 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, 2021 are given below.

Name of Director	Category	No. of Board Meetings Attended	Whether last AGM attended	Directorship in other public companies	No. of Committee position held in other companies
Mr. Santosh Ladha (DIN: 03585561)	Executive Director (Managing Director)	11	Yes	-	0
Mrs. Geeta Ladha (DIN: 03585488)	Executive Director (Whole-time Director)	11	Yes	-	0
Mr. Baldev Das Ladha (DIN: 03585566)	Non-Executive Director	11	Yes	-	0
Mr. Nikhil Saraf (DIN: 00611163)	Non-Executive Independent Director	11	Yes	-	0
Mr. Manoj Tulsyan* (DIN: 08919887)	Non-Executive Independent Director	4	Not Applicable	-	0
Ms. Savli Prabhakar Mangle** (DIN: 07414487)	Non-Executive Independent Director	0	Not Applicable	-	0

\* Mr. Manoj Tulsyan was appointed as an additional director in the category of Independent Non-Executive Director w.e.f. October 15, 2020

\*\* Ms. Savli Prabhakar Mangle was appointed as an additional director in the Category of independent non-executive Director w.e.f. November 21, 2020

### Meeting of Board of Directors

During the year under review, 11 (Eleven) Meetings of the Board of Directors were held on June 5, 2020, June 23, 2020, June 29, 2020, July 13, 2020, August 10, 2020, August 26, 2020, October 7, 2020, October 17, 2020, November 6, 2020, November 21, 2020 and March 15, 2021 respectively. The gap between any two meetings does not exceed 120 days.

None of the Directors are holding directorship in any other listed entities.

### Shareholding of Directors

Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of Shares
Mr. Santosh Ladha	Executive Director	12,07,759
Mrs. Geeta Ladha	Executive Director	77,26,414
Mr. Baldev Das Ladha	Non-Executive Director	2,49,767

### Disclosures of Relationships between directors

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

### Skills / Expertise / Competencies of the Board of Directors

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

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

- i) Knowledge on Company's businesses (Textile products manufacturing and extraction of Raw material and marketing), policies and culture (including the Mission, Vision and Values) major risks/threats and potential opportunities and knowledge of the industry in which the Company operates;

- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company, Leadership & effective communication qualities;
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;
- iv) Financial and Management skills;
- v) Technical / Professional skills and specialized 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 annual tentative calendar of Board Meetings 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 information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Board also reviews the declarations made by the Managing Director, the Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports. 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 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 <http://www.irisclothings.in/>. All Board of Directors and Senior Management have confirmed compliance with code for the year ended March 31, 2021.

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 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**

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at <http://www.irisclothings.in/>. Mr. Manoj Tulsyan & Ms. Savli Prabhakar Mangle were appointed as the Independent Directors during the financial year 2020-21. The Company also has a structured Familiarization framework for the Independent Directors. It takes due steps for familiarizing the Independent Directors with the Company's procedures and practices, by providing them the necessary documents, reports and internal policies. The familiarization programme for Independent Directors is given on the website at <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 March 15, 2021 without the attendance of Non-Independent directors.

The following matters were considered in the meeting:

- a) Reviewed the performance of the Company, taking into account the views of the Executive Directors and Non-executive directors in terms of aforesaid circular of NSE;
- b) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- c) Assessed 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.



### 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 of Audit Committee

Name	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle	Non-Executive Independent Director	Member

The Audit Committee was re-constituted w.e.f. November 21, 2020. Mrs. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

There were 3 meetings of the Audit Committee held during the year ended March 31, 2021 on June 29, 2020, August 26, 2020 and November 6, 2020 respectively, as the Company was previously listed on SME platform of National Stock Exchange of India Limited (NSE).

S. No.	Name of the Director	Number of Audit Committee Meetings attended during the year ended March 31, 2021
1.	Mr. Nikhil Saraf	3
2.	Mr. Manoj Tulsyan	1
3.	Ms. Savli Prabhakar Mangle	-

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

The Chairman of Audit Committee meeting was present at the Annual General Meeting held on September 29, 2020. The minutes of Audit Committee meetings are placed in the Board for noting.

The terms of reference of the Audit Committee are in line with Regulation 18(3) read with Schedule II, Part-C of the 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:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by Management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - 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 utilized 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;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

- To review the following:
  - a) management discussion and analysis of financial condition and results of operations;
  - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) internal audit reports relating to internal control weaknesses;
  - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - f) 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 utilized 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 Listing Regulations.

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;
- Identify 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 and shall carry out evaluation of each director's performance;
- 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.

**Composition of Nomination & Remuneration Committee**

Name	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle	Non-Executive Independent Director	Member

The Nomination and Remuneration Committee of the Company has been re-constituted with effect from November 21, 2020. Mrs. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

Two Meetings of the Nomination and Remuneration Committee were held on August 26, 2020 and November 21, 2020 respectively.

S. No.	Name of the Director	Number of Nomination & Remuneration Committee Meetings attended during the year ended March 31, 2021
1.	Mr. Nikhil Saraf	2
2.	Mr. Manoj Tulsyan	1
3.	Ms. Savli Prabhakar Mangle	-

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

**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 lay 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 <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 aggregate commission payable to all the Non-Executive Directors and Independent Directors is recommended by the Nomination and Remuneration Committee based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the 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 2020-21.

**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, 2021 are as follows:**

Name of the Directors	Sitting Fees (₹)	Salary and Perquisites (₹)	Total (₹)
Mr. Santosh Ladha	-	1,20,00,000.00	1,20,00,000.00
Mrs. Geeta Ladha	-	1,20,00,000.00	1,20,00,000.00
Mr. Baldev Das Ladha	40,000.00	-	40,000.00
Mr. Nikhil Saraf	40,000.00	-	40,000.00
Mr. Manoj Tulsyan	20,000.00	-	20,000.00
Ms. Savli Prabhakar Mangle	20,000.00	-	20,000.00

**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 Listing Regulations.

**Composition of Stakeholders Relationship Committee**

Name	Category	Designation
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member
Ms. Savli Prabhakar Mangle	Non-Executive Independent Director	Member

The Stakeholders Relationship Committee of the Company has been constituted with effect from November 21, 2020. One Meeting of the Stakeholders Relationship Committee was held on March 15, 2021. Mrs. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

Normally all Complaints/ Queries are disposed off expeditiously. The Company had no complaints pending at the close of the financial Year. The Committee considers and resolves the grievances of the Shareholders of the Company including complaints related to shares, non-receipts of balance sheet, non-receipts of declared dividend, if any, Transfer/ transmission of Shares/ Debentures, Issue of duplicate Share Certificate, etc.

S. No.	Name of the Director	Number of Stakeholder's Relationship Committee Meetings attended during the year ended March 31, 2021
1.	Mr. Nikhil Saraf	1
2.	Mr. Manoj Tulsyan	1
3.	Ms. Savli Prabhakar Mangle	-

**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 of Corporate Social Responsibility Committee**

Name of Director	Category	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Nikhil Saraf	Non-Executive Independent Director	Chairman	2	2
Mr. Manoj Tulsyan	Non-Executive Independent Director	Member	2	2
Ms. Savli Prabhakar Mangle	Non-Executive Independent Director	Member	2	2

Two Meetings of the Corporate Social Responsibility Committee were held on February 15, 2021 and March 30, 2021 respectively. Mrs. Sweta Agarwal, Company Secretary is the Compliance Officer of the Company and acts as secretary to Committee.

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 to the Act and recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

## 7. General Bodymeetings:

### 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
2019-2020	September 29, 2020 at 3.00 p.m.	103/24/1, Foreshore Road, Binani Metal Compound, Howrah -711102	-
2018-2019	August 31, 2019 at 11.00 a.m.	103/24/1, Foreshore Road, Binani Metal Compound, Howrah -711102	-
2017-2018	September 25, 2018 at 11.00 a.m.	103/24/1, Foreshore Road, Binani Metal Compound, Howrah -711102	8

### b) Extraordinary General Meeting: During the year under review, the Company had conducted 2 (two) Extra-Ordinary General Meetings (EGMs) on October 12, 2020 and December 16, 2020 respectively. The resolutions passed in aforesaid EGMs are as follows:

S. No.	Subject Matter of the Resolutions	Type of Resolutions	Date of EGM
1.	Increase in Authorised Share Capital of the Company	Ordinary Resolution	October 12, 2020
2.	Ratification of the Issue of Bonus Shares in the ratio of 5:2 i.e., in the proportion of 5 (Five) equity shares for every 2 (Two) existing equity shares held by the Members	Ordinary Resolution	October 12, 2020
3.	Continuation of directorship of Mr. Baldev Das Ladha, Non-Executive Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Special Resolution	December 16, 2020
4.	Regularization of Mr. Manoj Tulsyan (DIN: 08919887), Additional Director as Non-Executive Independent Director of the Company	Ordinary Resolution	December 16, 2020
5.	Regularization of Ms. Savli Prabhakar Mangle (DIN: 07414487), Additional Director as Non-Executive Independent Director of the Company	Ordinary Resolution	December 16, 2020

c) **Whether any special resolution passed in the previous three AGMs:** Yes

d) **Whether any special resolution passed last year through postal ballot:** Yes, during the year under review, 2 (two) resolutions were passed through postal ballot, the details of which are as follows-

- Issue of Bonus Shares (Ordinary Resolution);
- Migration of the Company from SME Exchange to Main Board of National Stock Exchange of India Ltd (Special Resolution)

**Details of voting pattern:** Both the above-mentioned resolutions were passed unanimously by the shareholders through postal ballot. The Company has engaged the services of National Securities Depository Limited (NSDL) for providing e-voting facility. The postal ballot was conducted only through remote e-voting in compliance with the relaxations provided by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) in view of COVID-19 pandemic.

Person who conducted the postal ballot exercise: Mr. Rajesh Ghorawat, Practicing Company Secretary conducted the postal ballot exercise.

e) **Whether any special resolution is proposed to be conducted through postal ballot:** No

f) **Procedure for postal ballot:** Company complies with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process under the Companies Act, 2013 and Rules made there under, if any.

### E-Voting

In terms of Section 108 of the Companies Act, 2013, Rules framed there under and Regulation 44 of the Listing Regulations, the Company is providing e-voting facility to its Members in respect of all Members' resolutions proposed to be passed at this Annual General Meeting. Previously, the Company was listed on SME Platform of NSE, hence, was exempted to provide e-voting facility.

## 8. Means of Communication:

i) **Quarterly Results:** The quarterly results are intimated to the stakeholders through Stock Exchange immediately after they are approved by the Board.

ii) **Newspapers in which results are normally published:** As the Company was listed on SME Platform of National Stock Exchange of India Ltd, it was exempted from publishing the results in the newspaper. After migration to Main Board of NSE, the Financial Results are generally published in Business Standard (English) and Ekdin (Bengali).

iii) **Website:** The Company has its own web-site and all vital information relating to the Company and its performance, including quarterly results and Shareholding Pattern, their Policies are posted on the website. The Company's website address is <http://www.irisclothings.in/>.

iv) **Designated e-mail Address for Investor Services/Grievances:** In terms of SEBI (LODR) Regulations, 2015 the designated e-mail address for investor complaints is "info@irisclothings.in".

## 9. General Shareholder Information:

i. The particulars of the Annual General Meeting for the year ended March 31, 2021 is as under:

Date of 10 <sup>th</sup> Annual General Meeting	Venue	Time
September 27, 2021	Meeting is being conducted through Video-Conferencing/ other Audio-Visual Means pursuant to MCA Circular dated May 5, 2020 read with circular dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM.	4:00 PM

ii. **Financial Calendar:** Our tentative calendar for declaration of results for the financial year 2021-22 are as given below:

Financial Calendar	Period	Declaration of Unaudited Results
1 <sup>st</sup> Quarter	April 1 to June 30	On or before August 14, 2021
2 <sup>nd</sup> Quarter	July 1 to September 30	On or before November 14, 2021
3 <sup>rd</sup> Quarter	October 1 to December 31	On or before February 14, 2022
Audited Financial Results	January 1 to March 31	On or before May 30, 2022

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

Name of the Stock Exchanges	Address	Stock Code / Symbol
National Stock Exchange of India Limited (NSE)	National Stock Exchange of India Ltd.	ISIN - INE01GN01017, Symbol – IRISDOREME

viii. **Market Price Data:**

Monthly High and Low price of shares traded at National Stock Exchange of India Ltd during the Financial Year 2020-2021 are as:

Period	Monthly Low (₹)	Monthly High (₹)
Apr'20	35.71	40.00
May'20*	-	-
Jun'20*	-	-
Jul'20*	-	-
Aug'20	30.36	37.46
Sep'20	34.00	37.14
Oct'20	28.50	40.00
Nov'20	34.00	44.00
Dec'20	31.00	50.00
Jan'21	43.00	61.85
Feb'21	62.35	123.25
Mar'21	82.85	142.30

\*The data is not available in the NSE website from May'20 To July'20.

- 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 0390/1989  
Fax No. : 044 – 28460129  
E-mail : investor@cameoindia.com

- x. **Share Transfer System:** The Company has in place a proper and adequate share transfer system. The Company formed a Committee known as "Stakeholder's 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. **Dematerialization of Shareholding and Liquidity:** 1,63,14,126 i.e., 100% of the paid-up Share Capital had been dematerialized, as at March 31, 2021.

**xii. Address for Correspondence:**
**Iris Clothings Limited**
**Registered Office Address:** 103/24/1, Foreshore Road, Howrah – 711102

**Email:** accounts@irisclothings.in

**Website:** www.irisclothings.in

**xiii. Distribution of Shareholding:**

The shareholding distribution of equity shares as on March 31, 2021 is given below:

No of shares (Range)	No of shareholders	No of Equity shares held	Percentage of holding
Upto 5000	956	71,545	0.4385
5001 – 10000	35	26,911	0.1649
10001 – 20000	19	26,432	0.1620
20001 - 30000	5	11,017	0.0675
30001 – 40000	12	42,793	0.2623
40001 – 50000	3	12,538	0.0768
50001 – 100000	32	1,90,700	1.1689
100001 and Above	46	1,59,32,190	97.6588
<b>Total</b>	<b>1108</b>	<b>1,63,14,126</b>	<b>100.0000</b>

**Categories of Shareholders as on March 31, 2021:**

Category	No of Shares held	% of shareholdings
Promoters' Holding	1,10,02,134	67.44
Non-Promoters' Holding	53,11,992	32.56
<b>Total</b>	<b>1,63,14,126</b>	<b>100</b>

xiv. **Credit Ratings:** During the year under review, CRISIL has given the credit rating of “BB+” on the credit facilities of the Company.

**10. Disclosures:**

- a. The Company did not have any materially significant related party transaction. The Company has the Related Party Transaction Policy which has been hosted on the website of the Company at <http://www.irisclothings.in/>. There is no transaction of a material nature with any related party, which was in conflict with the interest of the Company. In any case, disclosures regarding the transactions with related parties are given in the notes to the accounts of Financial Statements.
- b. The Company has complied with the requirements of regulatory authorities on capital market and no penalties / strictures have been imposed against it in the last three years.
- c. The Company has adopted Vigil Mechanism/ Whistle Blower policy and affirms that no personal has been denied access to 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 Listing Regulations.
- e. The Company has adopted Policy for determining 'material' subsidiaries which has been placed in the website of the Company <http://www.irisclothings.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 2020-2021.
- 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 2020-2021.
- 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. The requirements to comply with the Corporate Governance Regulations became applicable to the Company w.e.f. February 22, 2021. However, there has been no instance of non-compliance of any requirement of Corporate Governance Report and the Company has fully complied with the applicable requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation 2 of Regulation 46 of the Listing Regulations as on March 31, 2021.
- l. **Disclosure on discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:**
- a) **Shareholders' Rights**  
The Company's financial results are posted on its website <http://www.irisclothings.in/>.

Hence, Financial Results are not sent to the Shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

**b) Modified opinion in Audit Report**

Statutory Auditor have provided an unmodified opinion in their Audit Reports on the financials the Company for the year ended March 31, 2021.

**c) 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 of 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 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: August 27, 2021

## Certificate of Compliance with the Corporate Governance requirements under SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF 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, 2021, 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, 2021.
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: 327817E

**Manish Kumar Agarwal**  
Partner  
Membership No. 064475  
UDIN: 21064475AAAAPP2871

Place: Kolkata  
Date: August 27, 2021

## 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, 2021 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	22/04/2019
2.	Mrs. Geeta Ladha	03585488	27/08/2011
3.	Mr. Santosh Ladha	03585561	27/07/2018
4.	Mr. Baldev Das Ladha	03585566	27/08/2011
5.	Ms. Savli Prabhakar Mangle	07414487	21/11/2020
6.	Mr. Manoj Tulsyan	08919887	15/10/2020

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

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

Place: Kolkata  
Date: June 07, 2021

**Rajesh Ghorawat**  
Practising Company Secretary  
M. No.: F7226  
C.P. No.: 20897  
UDIN: F007226C000426953

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

I, Santosh Ladha, Managing Director of Iris Clothings Limited, hereby affirm and declare, to the best of my knowledge and belief and on behalf of the Board of Directors of the Company and Senior Management Personnel, that:

- The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company;
- The Code of Conduct has been posted on the website of the Company;
- The Code of Conduct has been complied with.

**For Iris Clothings Limited**

**Santosh Ladha**

Managing Director

DIN: 03585561

Date: August 27, 2021

Place: Howrah

## 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**

**Santosh Ladha**

Managing Director

(DIN: 03585561)

**Niraj Agarwal**

Chief Financial Officer

PAN: AORPA9626F

Place: Howrah

Date: August 27, 2021

# 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, 2021, 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, 2021, 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 the matters described below to be the key audit matters to be communicated in our report.

Srl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Estimation Uncertainty relating to the global pandemic COVID-19</b></p> <p>In assessing the recoverability of financial assets and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have reviewed management assessment on recovery and compliance relating to financial and non-financial assets. We also discussed with the Key Management and reviewed the supporting documents along-with the adequacy of Internal Controls over the carrying amount of the assets.</p> <p><b>Our Observations</b></p> <p>Based on our review and audit procedures, we found that the management assessment on recovery of the carrying amount of the financial and non-financial assets is reasonable.</p>

## Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the

accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing

so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 (i) (1) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Manish Kumar Agarwal**  
Partner  
Membership No. 064475  
UDIN: 21064475AAAAKP7738

Place: Kolkata  
Date: April 30, 2021

# Annexure “A” to the Independent Auditor’s 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) In respect of its fixed assets (property, plant and equipment):
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets 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 fixed assets at reasonable intervals.
- According to the information and explanations given to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of freehold land, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- 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 other tribunal against the company for any violation of deposit rules as referred above.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income tax, Goods and Service Tax, Customs Duty, 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, Income-tax, , Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.



- c) Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹) (Net of Deposit)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,35,66,260/-	A.Y. 2013-14	C.I.T. (Appeal)

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) No fraud by the company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid or provided managerial remuneration during the current financial year, in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3 (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) The company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year under review 2013. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, there are no personal expenses which have been charged to the revenue account and the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Manish Kumar Agarwal**  
Partner

Membership No. 064475  
UDIN: 21064475AAAAKP7738

Place: Kolkata  
Date: April 30, 2021

# Annexure “B” to the Independent Auditor’s 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, 2021 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, 2021, 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

Membership No. 064475  
UDIN: 21064475AAAAKP7738

Place: Kolkata  
Date: April 30, 2021

# Balance Sheet

as at March 31, 2021

(Amount in ₹)

Particulars	Note No.	As on	
		March 31, 2021	March 31, 2020
<b>I ASSETS :</b>			
<b>1 Non-current Assets</b>			
Property, Plant & Equipment	2	250,983,703	272,157,928
Right of Use Assets	2	61,549,620	68,388,467
Capital work-in-progress		-	-
Other Intangible Assets	2	761,446	506,791
Financial Assets			
Loans	3	7,188,479	7,230,890
Deferred Tax Assets (Net)	4	4,646,482	2,044,011
		<b>325,129,730</b>	<b>350,328,087</b>
<b>2 Current Assets</b>			
Inventories	5	253,111,315	307,570,253
Financial Assets			
Trade receivables	6	148,659,517	115,190,219
Cash & cash equivalents	7	592,640	327,420
Other Bank balances	8	14,573,881	22,377,659
Loans	9	367,800	411,948
Current Tax Assets (Net)		873,409	1,195,388
Other Current Assets	10	15,546,030	18,434,017
		<b>433,724,592</b>	<b>465,506,904</b>
<b>TOTAL ASSETS</b>		<b>758,854,321</b>	<b>815,834,991</b>
<b>II EQUITY AND LIABILITIES:</b>			
<b>1 Equity</b>			
Equity Share capital	11	163,141,260	46,611,790
Other Equity	12	225,063,791	275,036,300
		<b>388,205,051</b>	<b>321,648,090</b>
<b>2 Non-current Liabilities :</b>			
Financial Liabilities			
Borrowings	13	-	44,005,898
Lease Liabilities	14	67,898,562	70,423,102
Provisions	15	-	-
		<b>67,898,562</b>	<b>114,429,000</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	203,388,093	202,440,743
Trade Payables	17	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		-	6,951,202
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		84,248,562	137,559,468
Lease Liabilities	18	2,524,543	2,423,475
Other financial liabilities	19	4,429,579	24,874,576
Other current liabilities	20	8,159,932	5,508,437
Provisions	21	-	-
		<b>302,750,709</b>	<b>379,757,901</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>758,854,321</b>	<b>815,834,991</b>
<b>Accounting Polices</b>	1		

As per our report on even date

**For AMK & Associates**

 Chartered Accountants  
 FRN: 327817E

**Manish Kumar Agarwal**

M. No. 064475

Place: Kolkata

Date: April 30, 2021

**Santosh Ladha**

 Managing Director  
 (Din: 03585561)

**Niraj Agarwal**

CFO

**Geeta Ladha**

 Whole Time Director  
 (Din: 03585488)

**Sweta Agarwal**

Company Secretary

# Statement of Profit & Loss

as at March 31, 2021

(Amount in ₹)

SI No	Particulars	Note No.	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>I</b>	<b>Revenue From operations</b>	22	878,929,605	607,427,003
<b>II</b>	<b>Other Income</b>	23	3,513,767	1,885,176
<b>III</b>	<b>Total Income (I +II)</b>		<b>882,443,373</b>	<b>609,312,179</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of materials consumed	24	421,699,481	296,471,572
	Purchases of Stock-in-Trade	25	3,486,038	28,248,497
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	62,577,489	(72,583,509)
	Employee benefit expense	27	102,534,645	101,594,835
	Finance costs	28	30,144,404	32,625,110
	Depreciation and amortization expense	29	53,103,838	50,095,879
	Other expenses	30	120,739,427	117,362,401
	<b>Total expenses (IV)</b>		<b>794,285,321</b>	<b>553,814,785</b>
<b>V</b>	<b>Profit(loss) before exceptional items and tax(III-IV)</b>		<b>88,158,051</b>	<b>55,497,394</b>
<b>VI</b>	<b>Exceptional items</b>		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>88,158,051</b>	<b>55,497,394</b>
<b>VIII</b>	<b>Tax Expenses</b>	31		
	a) Current Tax		25,453,332	16,158,823
	b) Income tax related to earlier years		(22,513)	-
	c) Deferred Tax		(2,602,471)	(63,613)
			<b>22,828,348</b>	<b>16,095,210</b>
<b>IX</b>	<b>Profit/(loss) for the period (VII-VIII)</b>		<b>65,329,703</b>	<b>39,402,184</b>
<b>X</b>	<b>Other Comprehensive Income</b>	32		
	(a) Items that will not be reclassified to profit or loss		1,227,257	(3,569,896)
	(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
			<b>1,227,257</b>	<b>(3,569,896)</b>
<b>XI</b>	<b>Total Comprehensive Income for the period (IX+X)</b>		<b>66,556,960</b>	<b>35,832,288</b>
<b>XII</b>	<b>Earnings per equity share</b>	33		
	1) Basic		4.00	2.42
	2) Diluted		4.00	2.42
	<b>Accounting Polices</b>	1		

As per our report on even date

**For AMK & Associates**Chartered Accountants  
FRN: 327817E**Manish Kumar Agarwal**  
M. No. 064475

Place: Kolkata

Date: April 30, 2021

**Santosh Ladha**  
Managing Director  
(Din: 03585561)**Niraj Agarwal**  
CFO**Geeta Ladha**  
Whole Time Director  
(Din: 03585488)**Sweta Agarwal**  
Company Secretary

# Statement of Cash Flow

for the Year Ended March 31, 2021

(Amount in ₹)

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Items	88,158,051	55,497,394
Adjustments for:		
- Depreciation	53,103,838	50,095,879
- Sundry Balances Written Off	(311)	(21)
- Finance Cost	30,144,404	32,625,110
- Lease Rent	(2,423,472)	(2,381,001)
- OCI Defined Benefit Scheme	1,227,257	(3,569,896)
- Interest Income	(1,166,710)	(1,481,644)
<b>Operating Profit Before Working Capital Changes</b>	<b>169,043,057</b>	<b>130,785,820</b>
<b>Adjustments for:</b>		
- Trade Payables	(78,055,610)	40,035,456
- Trade and other Receivables	(30,494,441)	(26,793,025)
- Inventories	54,458,938	(74,967,579)
<b>Cash Generated from Operations :</b>	<b>114,951,944</b>	<b>69,060,672</b>
- Direct Taxes Paid	(25,108,840)	(16,036,898)
<b>Net Cash generated from Operating Activities</b>	<b>89,843,104</b>	<b>53,023,774</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments (Net)	(25,345,421)	(72,887,819)
Term Deposit other than cash equivalents	7,803,778	-
Interest Received	1,166,710	1,481,644
<b>Net Cash used in Investing Activities</b>	<b>(16,374,933)</b>	<b>(71,406,175)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	947,350	40,974,208
Proceeds/(Repayment) of Long Term Borrowings	(44,005,898)	9,907,339
Interest Paid	(30,144,404)	(32,625,110)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>(73,202,952)</b>	<b>18,256,437</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>265,220</b>	<b>(125,964)</b>
Opening Cash and Cash Equivalents	327,420	453,384
Closing Cash and Cash Equivalents	592,640	327,420

As per our report on even date

**For AMK & Associates**

Chartered Accountants  
FRN: 327817E

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

Place: Kolkata  
Date: April 30, 2021

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

**Niraj Agarwal**  
CFO

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

**Sweta Agarwal**  
Company Secretary

# Statement of Changes in Equity

for the Year Ended on March 31, 2021

(Amount in ₹)

## a Equity Share Capital

Particulars	Balance at the beginning of the reporting period April 01, 2019	Changes in equity share capital during the year	Balance at the end of the reporting period March 31, 2020
Equity Share	46,611,790.00	-	46,611,790.00

Particulars	Balance at the beginning of the reporting period April 01, 2020	Changes in equity share capital during the year	Balance at the end of the reporting period March 31, 2021
Equity Share	46,611,790.00	116,529,470.00	163,141,260.00

## b Other Equity

(Amount in ₹)

Particulars	Reserve and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
<b>Balance at the end of the reporting period (31.03.2019)</b>	<b>117,821,512</b>	<b>121,382,501</b>	<b>239,204,013</b>
Profit for the year	-	39,402,184	39,402,184
OCI Components of Remeasurements of the net defined benefit Plans	-	(3,569,896)	(3,569,896)
<b>Balance at the end of the reporting period (31.03.2020)</b>	<b>117,821,512</b>	<b>157,214,789</b>	<b>275,036,301</b>
Profit for the year	-	65,329,703	65,329,703
OCI Components of Remeasurements of the net defined benefit Plans	-	1,227,257	1,227,257
Issue of Bonus Share	(116,529,470)		(116,529,470)
<b>Balance at the end of the reporting period (31.03.2021)</b>	<b>1,292,042</b>	<b>223,771,749</b>	<b>225,063,791</b>

As per our report on even date

### For AMK & Associates

Chartered Accountants  
FRN: 327817E

Manish Kumar Agarwal

M. No. 064475

Place: Kolkata

Date: April 30, 2021

Santosh Ladha  
Managing Director  
(Din: 03585561)Niraj Agarwal  
CFOGeeta Ladha  
Whole Time Director  
(Din: 03585488)Sweta Agarwal  
Company Secretary

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 1. Corporate Information

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

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

## 2. Statement of Compliance

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

### 2.1. Basis of Preparation

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

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

### 2.2. Presentation of Financial Statements

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

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

### 2.3. Revenue Recognition

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

#### i) Sales of goods

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

- i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the Company retains neither continuing managerial involvement to the degree



# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

usually associated with ownership nor effective control over the goods sold;

- iii) the amount of revenue can be measured reliably;
- iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- v) 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 regard to the amount to be realized and the ultimate collection thereof

## iv) Interest and Dividend Income

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

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

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised

cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

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

## v) Other Operational Revenue

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

## 2.4. Properties, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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

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

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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

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

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

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

## 2.5. Intangible Assets

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

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

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any

changes in the estimate being accounted for on a prospective basis.

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

## 2.6. Impairment of Tangible and Intangible Assets other than Goodwill

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

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

Recoverable amount is determined:

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

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

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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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

## 2.7. Inventories

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

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

## 2.8. Employee Benefits

### i) Short Term Employee Benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### ii) Post-employment benefits:

a) Defined contribution plans: The Company's superannuation scheme, state governed

provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

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

Defined benefit costs are categorised 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

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yields at the end of the reporting period on government bonds.

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

### iii) Long term employee benefits:

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

### iv) Termination benefits:

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

## 2.9. Leases

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

### Company as a lessee

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

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

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

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borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

## Company as a Lessor

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

## 2.10. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company

becomes a party to the contractual provisions of the instrument.

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

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

### 1) Financial Assets

#### a) *Financial assets at amortised cost*

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

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**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 in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

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

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial

assets held within that business model) and, in particular, the way in which those risks are managed; and

- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

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:

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

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

## 2) Financial liabilities

- a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

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

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

## 2.11. Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient

cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

## 2.12. Impairment

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

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

## Credit-impaired financial assets

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

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instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

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

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

### Significant increase in credit risk

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

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

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

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

### Purchased or originated credit-impaired (POCI) financial assets

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



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

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

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

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

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

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

## 2.13. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

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

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

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from the original contractual terms the Company considers the following:

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

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

- a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.
- b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
  - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
  - the remaining lifetime PD at the reporting date based on the modified terms.

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

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

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

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable

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and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

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

## 2.14. Presentation of allowance for ECL in the Balance Sheet

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

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

## 2.15. Government Grant:

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

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

Accordingly, government grants:

- related to or used for assets, are deducted from the carrying amount of the asset.
- 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.
- by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

## 2.16. Cash and bank balances:

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

## 2.17. Borrowing costs:

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

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

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borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.18. Share-based payment arrangements:

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

## 2.19. Accounting and reporting of information for Operating Segments:

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

## 2.20. Foreign currencies:

- i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of

monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

- iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
  - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
  - B. income and expenses for each income statement are translated at average exchange rates; and
  - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

## 2.21. Taxation:

### Current Tax:

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

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

### Deferred Tax:

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

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets

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is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

## 2.22. Provisions, contingent liabilities and contingent assets:

### Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

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

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

## 2.23. Commitment:

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

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

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

## 2.24. Statement of cash flows:

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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

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

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

## 2.25. Earnings per share

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

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

## 2.26. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the

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

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

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

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 2 Property, Plant & Equipment

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as at 01.04.20	Addition during the year	Sales/ Adjustments during the year	Total Cost as at 31.03.2021	Up to 01.04.20	For the Period	Adjustment	Up to 31.03.2021	As at 31.03.2020	As at 31.03.2021
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Land	1,834,700	-	-	1,834,700	-	-	-	-	-	1,834,700
Building	102,375,755	-	-	102,375,755	18,520,578	7,944,479	-	26,465,057	75,910,698	83,855,177
Plant & Machinery	214,541,061	22,164,067	-	236,705,128	83,034,073	24,779,811	-	107,813,884	128,891,244	131,506,988
Electrical Installation	25,336,721	918,312	-	26,255,033	6,746,180	3,370,366	-	10,116,546	16,138,487	18,590,541
Office Equipments	5,441,677	508,528	-	5,950,205	3,906,719	804,595	-	4,711,314	1,238,891	1,534,958
Furniture Fittings	42,187,790	1,111,141	-	43,298,931	12,229,555	7,821,723	-	20,051,278	23,247,653	29,958,235
Vehicles	11,237,273	115,424	-	11,352,697	6,359,945	1,270,722	-	7,630,667	3,722,030	4,877,328
<b>Previous Year</b>	<b>402,954,977</b>	<b>24,817,472</b>	-	<b>427,772,449</b>	<b>130,797,050</b>	<b>45,991,696</b>	-	<b>176,788,746</b>	<b>250,983,703</b>	<b>272,157,927</b>
	<b>226,251,822</b>	<b>176,703,155</b>	-	<b>402,954,977</b>	<b>87,778,854</b>	<b>43,018,196</b>	-	<b>130,797,050</b>	<b>272,157,928</b>	-

## Right of Use Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as at 01.04.20	Addition during the year	Sales/ Adjustments during the year	Total Cost as at 31.03.2021	Up to 01.04.20	For the Period	Adjustment	Up to 31.03.2021	As at 31.03.2020	As at 31.03.2021
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Land & Building	75,227,314	-	-	75,227,314	6,838,847	6,838,847	-	13,677,694	61,549,620	68,388,467
<b>Previous Year</b>	<b>75,227,314</b>	<b>-</b>	<b>-</b>	<b>75,227,314</b>	<b>6,838,847</b>	<b>6,838,847</b>	<b>-</b>	<b>13,677,694</b>	<b>61,549,620</b>	<b>68,388,467</b>
	<b>-</b>	<b>75,227,314</b>	<b>-</b>	<b>75,227,314</b>	<b>-</b>	<b>6,838,847</b>	<b>-</b>	<b>6,838,847</b>	<b>68,388,467</b>	<b>-</b>

## Other Intangible Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as at 01.04.20	Addition during the year	Sales/ Adjustments during the year	Total Cost as at 31.03.2021	Up to 01.04.20	For the Period	Adjustment	Up to 31.03.2021	As at 31.03.2020	As at 31.03.2021
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer Software	1,055,000	527,950	-	1,582,950	548,209	273,295	-	821,504	761,446	506,791
<b>Previous Year</b>	<b>1,055,000</b>	<b>527,950</b>	<b>-</b>	<b>1,582,950</b>	<b>548,209</b>	<b>273,295</b>	<b>-</b>	<b>821,504</b>	<b>761,446</b>	<b>506,791</b>
	<b>539,000</b>	<b>516,000</b>	<b>-</b>	<b>1,055,000</b>	<b>309,373</b>	<b>238,836</b>	<b>-</b>	<b>548,209</b>	<b>506,791</b>	<b>-</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 3 Loans

Particulars	As on March 31, 2021	As on March 31, 2020
Security Deposits	7,188,479	7,230,890
	<b>7,188,479</b>	<b>7,230,890</b>

## 4 Deferred Tax Assets (net)

Particulars	As on March 31, 2021	As on March 31, 2020
The major components of the Deferred Tax Assets / (Liabilities) based on the tax effects of timing differences are as follows:		
<b>Deferred Tax Assets</b>		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	4,646,482	2,044,011
<b>Total Deferred Tax Assets</b>	<b>4,646,482</b>	<b>2,044,011</b>
<b>Deferred Tax Liabilities</b>		
Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
<b>Total Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>
	<b>4,646,482</b>	<b>2,044,011</b>

## 5 Inventories

Particulars	As on March 31, 2021	As on March 31, 2020
Raw Materials	42,321,504	36,300,091
Work in Progress	113,305,127	90,067,925
Finished Goods	91,047,469	176,862,159
Stores and Spares	6,437,215	4,340,079
	<b>253,111,315</b>	<b>307,570,254</b>

## 6 Trade Receivables

Particulars	As on March 31, 2021	As on March 31, 2020
Unsecured, considered good	148,659,517	115,190,219
	<b>148,659,517</b>	<b>115,190,219</b>

## 7 Cash and cash equivalents

Particulars	As on March 31, 2021	As on March 31, 2020
Balances with banks		
- In current accounts	187,068	260,683
Cash on hand	405,572	66,737
	<b>592,640</b>	<b>327,420</b>



# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 8 Bank balances other than above

Particulars	As on March 31, 2021	As on March 31, 2020
Special Term Deposit /Balance with banks held as Margin Money	14,573,881	22,377,659
	<b>14,573,881</b>	<b>22,377,659</b>

## 9 Loans

Particulars	As on March 31, 2021	As on March 31, 2020
Security Deposits to others	25,000	25,000
<b>Other Loan</b>		
To Employee	342,800	386,948
	<b>367,800</b>	<b>411,948</b>

## 10 Other Current Assets

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Other advances</b>		
Advance to Parties	7,887,544	3,777,887
<b>Others</b>		
Prepaid Expenses	1,247,241	2,306,404
Balances with Government Dept	6,411,245	12,349,726
	<b>15,546,030</b>	<b>18,434,017</b>

## 11 Equity Share Capital

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Authorised</b>		
Equity Share of ₹ 10/- par value 1,65,00,000 (31.03.2020: 1,60,00,000) Equity Share	165,000,000	160,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
Equity Share of ₹ 10/- par value 46,61,179 (as on 31.03.2020: 46,61,179) Equity Share of ₹ 10/- each fully paid-up	46,611,790	46,611,790
Add : Bonus shares 1,16,52,947 share of ₹ 10/- each fully paid-up	116,529,470	-
	<b>163,141,260</b>	<b>46,611,790</b>

### Notes:

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- 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, 2021

(Amount in ₹)

3. Details of Share holders holding more than 5% of total shares as on March 31, 2021

Name of Shareholder	As on March 31, 2021		As on March 31, 2020	
	No. of Shares	% to Total Shares	No. of Shares	% to Total Shares
Geeta Ladha	7,726,414	47.36	2,207,547	47.36
Santosh Ladha	1,207,759	7.40	345,074	7.40
Ajinkya Mercantile Pvt Ltd.	-	-	-	-

4. The reconciliation of the number of shares outstanding as at March 31, 2021 is as below:

Particulars	As on March 31, 2021		As on March 31, 2020	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of shares at the beginning	7,726,414	46,611,790	4,661,179	46,611,790
Addition during the Year	11,652,947	116,529,470	-	-
<b>Number of shares at the closing</b>	<b>16,314,126</b>	<b>163,141,260</b>	<b>4,661,179</b>	<b>46,611,790</b>

6. The Company has allotted 1,16,52,947/- Fully Paid-up Equity Shares of ₹ 10/- each, as Bonus Equity Shares to the members in the ratio of 5:2 i.e., for every existing 2 nos. of shares, the members has received 5 nos. of Bonus Equity Shares. The record date and allotment date are 15-10-2020 and 17-10-2020 respectively.

## 12 Other Equity

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Securities Premium</b>		
Balance as per last Account	117,821,512	117,821,512
Less : Issue of Bonus shares	(116,529,470)	-
	<b>1,292,042</b>	<b>117,821,512</b>
<b>Retained Earnings</b>		
Surplus at the beginning of the year	157,214,789	121,382,501
Add : Profit for the year	65,329,703	39,402,184
OCI Components of Remeasurements of the net defined benefit Plans	1,227,257	(3,569,896)
<b>Total</b>	<b>225,063,791</b>	<b>275,036,300</b>

### a) Securities Premium

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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 13 Financial Liabilities - Borrowings

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Secured</b>		
<b>Term loans</b>		
Rupee Term Loan		
From Bank	-	41,983,809
Vehicle Loan		
From Bank	-	-
From Other Parties	-	2,022,089
<b>Total</b>	<b>-</b>	<b>44,005,898</b>

## 14 Financial -Non-Current

Particulars	As on March 31, 2021	As on March 31, 2020
Lease Liabilities	67,898,562	70,423,102
	<b>67,898,562</b>	<b>70,423,102</b>

## 15 Provisions

Particulars	As on March 31, 2021	As on March 31, 2020
Provision for employee benefits (Gratuity)	-	-
	<b>-</b>	<b>-</b>

## 16 Financial Liabilities - Borrowings

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Loans repayable on demand</b>		
<b>Secured</b>		
From Banks		
Cash Credit	203,388,093	202,440,743
<b>Total</b>	<b>203,388,093</b>	<b>202,440,743</b>

### Note:

#### Cash Credit:

Primary: Pari-Passu Charge 1<sup>st</sup> charge over the hypothecation of stocks and book debts and other current assets of the Company both present and future Collateral: Pari-Passu Charge 2<sup>nd</sup> charge over Property, Plant and Equipments of the Company both present and Future.

**Cash Credit facilities has been guaranteed by the directors.**

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 17 Trade payables

Particulars	As on March 31, 2021	As on March 31, 2020
Dues to Micro and Small Enterprises	-	6,951,202
Others		
For Goods	72,910,021	115,224,671
For Capital Goods	1,770,366	5,425,603
For Others	9,568,175	16,909,194
	84,248,562	137,559,468
	<b>84,248,562</b>	<b>144,510,670</b>

## 18 Financial -Current

Particulars	As on March 31, 2021	As on March 31, 2020
Lease Liabilities	2,524,543	2,423,475
	<b>2,524,543</b>	<b>2,423,475</b>

## 19 Other financial liabilities

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Current maturities of long-term debt</b>	-	16,547,069
<b>Interest accrued</b>		
Interest accrued but not due on borrowings	-	312,775
<b>Others</b>		
Liabilities for Expenses	2,276,894	1,355,746
Gratuity Payable	2,152,685	6,658,986
	<b>4,429,579</b>	<b>24,874,576</b>

## 20 Other current liabilities

Particulars	As on March 31, 2021	As on March 31, 2020
<b>Advances from Customers</b>	3,117,534	5,938
<b>Others</b>		
TDS and other taxes payable	3,014,648	2,196,622
<b>Deferred Income</b>	1,500,000	-
PF, ESI amount Payable		
Security Deposits	527,750	3,305,877
	<b>8,159,932</b>	<b>5,508,437</b>

## 21 Provisions

Particulars	As on March 31, 2021	As on March 31, 2020
Provision for employee benefits (for gratuity)	-	-
	-	-

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 22 Revenue from operations

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>(a) Sale of products</b>	-	
- Traded goods	8,463,103	26,789,641
- Raw Material	83,375,041	25,878,712
- Others	781,286,329	552,477,362
	<b>873,124,473</b>	<b>605,145,715</b>
<b>(b) Other operating revenues</b>	5,805,132	2,281,288
	<b>878,929,605</b>	<b>607,427,003</b>

## 23 Other Income

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>(a) Interest Income</b>		
From Bank	1,153,972	1,563,083
From Others	12,738	81,439
<b>(b) Other non-operating income</b>		
Miscellaneous Receipts and Income	-	203,286
Discount Received	3,301	14,773
Insurance Claim Received	2,343,756	22,595
	<b>3,513,767</b>	<b>1,885,176</b>

## 24 Cost of Materials Consumed

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Opening Stock of Raw Materials	36,300,091	34,072,715
Add: Raw materials Purchased	427,720,893	298,698,949
	<b>464,020,984</b>	<b>332,771,664</b>
Less: Closing Stock of Raw Materials	42,321,504	36,300,091
	<b>421,699,481</b>	<b>296,471,572</b>

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

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Purchase of Stock-in-Trade (Readymade Garments & Accessories)	3,486,038	28,248,497

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

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

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Opening Stock</b>		
Finished Goods	176,862,159	95,966,671
Work-in-Progress	90,067,925	98,379,905
Less: Closing Stock of Raw Materials	<b>266,930,085</b>	<b>194,346,576</b>
<b>Less : Closing Stock</b>		
Finished Goods	91,047,469	176,862,159
Work-in-Progress	113,305,127	90,067,925
	<b>204,352,596</b>	<b>266,930,085</b>
Increase / Decrease in Stock	<b>62,577,489</b>	<b>(72,583,509)</b>

## 27 Employee benefit expenses

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Salaries ,Wages and Bonus	93,834,593	93,191,001
Contribution to provident and other funds	6,397,442	6,055,308
Staff Welfare Expenses	2,302,610	2,348,526
	<b>102,534,645</b>	<b>101,594,835</b>

## 28 Finance Costs

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Interest</b>		
Banks	19,931,969	23,329,009
Others	9,004,145	9,035,016
Other Borrowing Costs	1,208,290	261,085
	<b>30,144,404</b>	<b>32,625,110</b>

## 29 Depreciation and Amortization Expense

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Depreciation	45,991,696	43,018,196
Amortisation	7,112,142	7,077,683
	<b>53,103,838</b>	<b>50,095,879</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

## 30 Other Expenses

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Consumption of stores and spares part	31,476,106	38,330,308
Power and Fuel	12,075,991	12,217,591
Rent	4,961,423	6,622,265
Repairs to buildings	987,887	565,815
Repairs to machinery	7,603,157	7,857,522
Repairs to others	1,958,985	1,393,263
Insurance	1,089,311	765,400
Rates and Taxes excluding taxes on Income	555,120	285,145
Stitching, Printing, Embroidery and Other Expenses	19,120,892	18,049,143
Carriage Outward	7,435,839	5,065,422
Commission Paid	9,864,906	7,626,281
Sales Promotion Expenses	1,712,058	4,026,523
Director's Sitting Fees	120,000	110,000
<b>Payments to the Auditor</b>		
As Auditor	150,000	150,000
For Tax Audit	25,000	25,000
For Fees for Other Services (incl for issuing various certificates)	180,000	30,000
For Reimbursement of out of pocket expenses	-	-
Donation	155,000	-
CSR Expenses	1,151,587	992,000
Discount Allowed	9,796,053	5,410,118
Legal & Professional Charges	4,105,461	3,146,911
Travelling and Conveyance	1,016,504	1,641,416
Security Charges	535,125	661,801
Miscellaneous Expenses	4,911,644	2,429,481
Sundry Debit Balance Adjusted	(311)	(21)
Net (gain)/loss on foreign currency transaction	(248,311)	(38,981)
	<b>120,739,427</b>	<b>117,362,401</b>
Items that will not be reclassified to profit or loss		
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	1,227,257	<b>(3,569,896)</b>
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).	-	-
	<b>1,227,257</b>	<b>(3,569,896)</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 31 Tax Expense

The components of income tax expense for the years ended March 31, 2021 and 2020 are:

(Amount in ₹)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Tax	2,54,53,332	1,61,58,823
Income Tax for earlier years	(22,513)	-
Deferred Tax	(26,02,471)	(63,613)
<b>Total Tax Charge</b>	<b>2,28,28,348</b>	<b>1,60,95,210</b>
Current Tax	2,54,30,819	1,61,58,823
Deferred Tax	(26,02,471)	(63,613)

### 31.1: Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and 2020 is, as follows:

(Amount in ₹)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit before tax	8,81,58,051	5,54,97,392
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>2,21,87,618</b>	<b>1,39,67,584</b>
<b>Tax effect of:</b>		
Exempted Income	-	-
Non-deductible items	-	2,44,507
Adjustment on account of change on tax rate	-	-
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	(1,61,027)
Others	32,65,714	21,07,759
<b>Tax expenses recognised in the statement of profit and loss</b>	<b>2,54,53,332</b>	<b>1,61,58,823</b>
Effective tax rate	<b>28.87%</b>	<b>29.12%</b>

### 31.2: Deferred Tax

(Amount in ₹)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	<b>20,44,011</b>	<b>19,80,398</b>
Credit / (charge) for equity instruments through OCI	-	-
Credit / (charge) for remeasurement of the defined benefit	-	-
Credit / (charge) to the statement of profit and loss	26,02,471	63,613
<b>At the end of year DTA / (DTL) (net)</b>	<b>46,46,482</b>	<b>20,44,011</b>



# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

As per the recent Taxation Laws (Amendment) Ordinance, 2019 the company has exercised the option to pay tax at a lower rate of 22%. The Ordinance also amended the relevant section governing MAT provisions and provide that companies opting for new tax rate would not be governed by MAT. The company has adopted the new tax rate starting this financial year.

The Company can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

## 32 Other Comprehensive Income

(Amount in ₹)

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the deferred benefit plans	12,27,257	(35,69,896)
	<b>12,27,257</b>	<b>(35,69,896)</b>
<b>Items that will be reclassified to profit or loss</b>		
	-	-
	-	-

## 33 Earnings per share

Particulars	Calculation	For the period ended March 31, 2021	For the period ended March 31, 2020
a) Basic Earnings per share	Net Profit attributable to Equity Shareholders	6,53,29,703	3,94,02,182
	Weighted Average Number of Equity Shares outstanding	1,63,14,126	1,63,14,126
	Basic Earnings Per Share of ₹ 10/- each fully paid up	4.00	2.42
b) Diluted Earnings per share	Net Profit attributable to Equity Shareholders	6,53,29,703	3,94,02,182
	Weighted Average Number of Equity Shares outstanding	1,63,14,126	1,63,14,126
	Diluted Earnings Per Share of ₹ 10/- each fully paid up	4.00	2.42

The Company has allotted 1,16,52,947/- Fully Paid-up Equity Shares of ₹ 10/- each, as Bonus Equity Shares to the members in the ratio of 5:2 i.e., for every existing 2 nos. of shares, the members has received 5 nos. of Bonus Equity Shares. The record date and allotment date are 15-10-2020 and 17-10-2020 respectively.

Accordingly, the Earning Per Share (EPS)- Basic and Diluted, has been revised for periods prior to allotment date i.e., 15-10-2020, after considering the bonus issues.

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 34 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) –

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
1) Income Tax *	1,35,66,260	1,35,66,260

\*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)

#### 2. Guarantees

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Guarantees	–	–

#### 3. Commitment

(Amount in ₹)

	March 31, 2021	March 31, 2020
a. Estimated Capital Commitments (Net of advances)	NIL	NIL
b. Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	14,75,77,650	17,43,28,505

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

As per the provisions of the Act, amount not less than Rs.11,28,568/- (year ended 31/03/2020 Rs. 9,48,611) should have been incurred during the year under CSR. The Company has incurred expenses amounting to Rs. 11,51,587/- (year ended 31/03/2020: Rs. 9,51,000), in line with the CSR policy, which is in conformity with the activities specified in Schedule VII of the Companies Act, 2013.

(Amount in ₹)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Construction / acquisition of any assets	–	–
(ii) On purposes other than (i) above	11,51,587	9,51,000

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

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

(₹ in lacs)

S. No.	Particulars	March 31, 2021	March 31, 2020
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	Nil	69,51,202
	(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

## 37 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:

(Amount in ₹)

S. No.	Particulars	March 31, 2021	March 31, 2020
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	41,66,486	29,66,218
c.	Others	-	-

### (b) Defined Benefits Plan:

Defined Benefit Plans (Gratuity) as per actuarial valuation on March 31, 2021

Particulars	Gratuity (Funded)	
	March 31, 2021	March 31, 2020
<b>I Reconciliation of Defined Benefit Obligations (DBO) during the year ended March 31, 2021</b>		
1 Present value of DBO at the beginning of period	1,06,86,904	37,82,321
2 Current service cost	31,84,934	30,51,671
3 Interest cost	7,48,083	2,91,239
4 Past Service Cost		
5 Actuarial (Gains)/Losses	(13,78,311)	35,61,673
6 Benefits paid		
7 Present value of DBO at the end of period	<b>1,32,41,610</b>	<b>1,06,86,904</b>
<b>II Reconciliation of Fair Value of plan assets during the year ended March 31, 2021</b>		
1 Plan assets at the beginning of period	40,27,918	28,10,413
2 Expected return on plan assets	4,74,804	2,53,820
3 Actuarial Gains/(Losses)	(1,51,054)	(8,223)
4 Company contribution	55,10,000	9,71,908
5 Benefits paid		
6 Plan assets at the end of period	<b>98,61,668</b>	<b>40,27,918</b>

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

Particulars	Gratuity (Funded)	
	March 31, 2021	March 31, 2020
<b>III Reconciliation of fair value of assets and obligation as at March 31, 2021</b>		
1 Present value of Defined Benefit Obligation	1,32,41,610	1,06,86,904
2 Fair value on plan assets	98,61,668	40,27,918
3 Status [Surplus/(Deficit)]	33,79,942	66,58,986
4 Effect of Asset Ceiling / Onerous Liability	-	-
5 Net assets / (liability) recognised in the Balance Sheet	<b>33,79,942</b>	<b>66,58,986</b>
<b>IV Expenses recognised during the year</b>		
1 Current service cost	31,84,934	30,51,670
2 Net Interest cost	2,73,279	37,419
3 Expected Return on Plan Assets	-	-
4 Past Service Cost	-	-
5 Total expenses recognised in the Statement of Profit & Loss	<b>34,58,213</b>	<b>30,89,090</b>
<b>V Other Comprehensive Income</b>		
<b>Re measurements of the net defined benefit liability/(assets)</b>		
Actuarial (gain)/loss for the year on PBO	(13,78,311)	35,61,673
Actuarial (gain)/loss for the year on Asset		
Return on Plan Assets (excluding Interest Income)	1,51,054	8,223
<b>Total Remeasurement in OCI</b>	<b>(12,27,257)</b>	<b>35,69,896</b>
<b>VI Major category of plan assets as a % of the total plan assets as at March 31, 2021</b>		
Fund Managed By LIC	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>VII Actuarial assumptions</b>		
1 Discount rate (%)	6.90%	7.00%
2 Expected Rate of Return on Assets	6.90%	7.00%
3 Rate of escalation in salary (per annum) (%)	6.00%	6.00%
4 Mortality table (IALM) Table Ultimate	2012-14	2012-14

## Sensitivity analysis

Particulars	Change in Assumptions	March 31, 2021	March 31, 2020
Discount Rate	1.00 % increase	1,18,54,127	95,52,506
	1.00 % decrease	1,48,92,549	1,20,37,751
Change in salary increase	1.00 % increase	1,49,57,016	1,20,91,239
	1.00 % decrease	1,17,78,906	94,90,839

## Maturity Profile of Defined Benefit Obligations

Year	Amount (Rs.)
April 2021 – March 2022	5,90,578
April 2022 – March 2023	-
April 2023 – March 2024	4,84,708
April 2024 – March 2025	3,38,462
April 2025 – March 2026	1,48,439
April 2026 –	85,85,65,842

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 38. 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”.

## 39. Lease Disclosures:

39.1 The following is the break-up of current and non-current lease liabilities as March 31, 2021, and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	25,24,543	24,23,475
Non- Current Lease Liabilities	6,78,98,562	7,04,23,102
<b>Total</b>	<b>7,04,23,105</b>	<b>7,28,46,577</b>

39.2 The following is the movement in lease liabilities during the year ended March 31, 2021 & March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the Beginning</b>	7,28,46,577	-
Additions	-	7,52,27,314
Finance cost accrued during the period	70,67,915	66,58,683
Deletion		
Payment of lease liabilities	94,91,388	90,39,420
<b>Balance at the End</b>	<b>7,04,23,104</b>	<b>7,28,46,577</b>

39.3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 & March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	99,65,961	94,91,391
One to five years	4,51,02,263	4,29,54,535
more than five years	5,48,22,082	6,69,35,770
<b>Total</b>	<b>10,98,90,306</b>	<b>11,93,81,696</b>

39.4 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.

39.5 During the period ended March 31, 2021 the expense recognized in the statement of profit and loss includes:

- (i) Rental Expenses recorded for Short-term lease ₹ 49,61,423 for the year ended March 31, 2021 (Previous Year: ₹ 66,22,265/-)
- (ii) Variable lease expense not forming part of lease liability of ₹ Nil (Previous Year: ₹ Nil)

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 40. 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. Niraj Agarwal	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary

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

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

### II. Transaction with related parties

#### For the Financial year ended 2020-21

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7,15,000
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	4,95,000
3	Mrs. Geeta Ladha	Whole Time Director	Remuneration	1,20,00,000
4	Mr. Santosh Ladha	Managing Director	Remuneration	1,20,00,000
5	Mr. Niraj Agarwal	CFO	Remuneration	3,24,000
6	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3,60,000
7	Mr. Baldev Das Ladha	Relative of KMP	Director's Sitting Fees	40,000

#### For the Financial year ended 2019-20

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7,80,000
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	54,000
3	Mrs. Geeta Ladha	Whole Time Director	Remuneration	1,20,00,000
4	Mr. Santosh Ladha	Managing Director	Remuneration	1,20,00,000
5	Mr. Niraj Agarwal	CFO	Remuneration	3,24,000
6	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3,60,000
7	Mr. Baldev Das Ladha	Relative of KMP	Director's Sitting Fees	40,000

### III Outstanding balance as on: 31.03.2021

Sl.	Name of the party	March 31, 2021	March 31, 2020
1	Iris Fashions Pvt. Ltd.	-	5,52,400
2	Iris Apparels Pvt. Ltd.	-	-
3	Mrs. Geeta Ladha	6,50,000 Cr.	5,50,000 Cr.
5	Mr. Santosh Ladha	6,25,000 Cr.	5,50,000 Cr.
7	Mr. Niraj Agarwal	25050	18103
8	Mrs. Sweta Agarwal	29850	22128
9	Mr. Baldev Das Ladha	9,250 Cr.	9000 Cr.

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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

## 41. Financial Instruments

Financial Instruments by category

(Amount in ₹)

Particulars	March 31, 2021		March 31, 2020	
	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	5,92,640	-	3,27,420	-
Bank balances other than above	1,45,73,881	-	2,23,77,659	-
Investment		-		-
Trade and Other Receivables	14,86,59,517	-	11,51,90,219	-
Loan	75,56,279	-	76,42,838	-
<b>Financial Liabilities designated at fair value through profit or loss</b>				
<b>Financial Liabilities designated at amortised cost</b>				
Borrowings	20,33,88,093	-	24,64,46,641	-
Lease Liabilities	7,04,23,105	-	7,28,46,577	-
Trade and Other payables	8,42,48,562	-	14,45,10,670	-
Other Financial Liabilities	44,29,579	-	2,48,74,576	-

### Fair Value Hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

(Amount in ₹)

Particulars	As of March 31, 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments	-	-	-	-
<b>Liabilities</b>				
Derivative financial instruments	-	-	-	-

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

(Amount in ₹)

Particulars	As of March 31, 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in equity instruments	-	-	-	-
<b>Liabilities</b>				
Derivative financial instruments	-	-	-	-

## 42. Financial risk management objective and policies

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

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

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

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

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

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

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



# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

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, 2021</b>					
Secured	-	-	-	-	-
Unsecured	14,86,59,517	14,79,03,155	7,56,362	-	14,86,59,517
<b>Total</b>	<b>14,86,59,517</b>	<b>14,79,03,155</b>	<b>7,56,362</b>	-	<b>14,86,59,517</b>
<b>As at March 31, 2020</b>					
Secured	-	-	-	-	-
Unsecured	11,51,90,219	11,48,22,080	3,68,139	-	11,51,90,219
<b>Total</b>	<b>11,51,90,219</b>	<b>11,48,22,080</b>	<b>3,68,139</b>	-	<b>11,51,90,219</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, 2021

## Maturity profile of financial liabilities

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

Financial Liabilities	Outstanding	0-1 year	2-5 year	5-10 year	(Amount in ₹)
					Above 10 years
<b>As at March 31, 2021</b>					
Borrowings	20,33,88,083	20,33,88,083	-	-	-
Lease Liabilities	7,04,23,105	25,24,543	2,30,07,455	4,48,91,107	-
Trade Payables	8,42,48,562	8,42,48,562	-	-	-
Other financial liabilities	44,29,579	44,29,579	-	-	-
<b>Total</b>	<b>36,24,89,329</b>	<b>29,45,90,767</b>	<b>2,30,07,455</b>	<b>4,48,91,107</b>	<b>-</b>
<b>As at March 31, 2020</b>					
Borrowings	24,64,46,641	20,24,40,743	3,12,16,605	1,27,89,293	-
Lease Liabilities	7,28,46,577	24,23,475	1,88,16,330	5,16,06,772	-
Trade Payables	14,45,10,670	14,45,10,670	-	-	-
Other financial liabilities	2,48,74,576	2,48,74,576	-	-	-
<b>Total</b>	<b>48,86,78,464</b>	<b>37,42,49,464</b>	<b>5,00,32,935</b>	<b>6,43,96,065</b>	<b>-</b>

## 43. 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.

## 44. Estimation of Uncertainty Relating to Covid - 19

The nation-wide lockdown/restrictions due to Covid-19 pandemic by the Government, impacted the Company operation activities. The Company resume its operations in phased manner after the Government, announced un-lockdown from 1<sup>st</sup> half of June, 2020. Accordingly, the financial results for the nine months ended December 31, 2020 is not comparable with the previous corresponding results. In 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

# Notes

Forming Part of the Financial Statements for the year ended March 31, 2021

- 45.** Contribution to political parties during the year 2020-21 is ₹ Nil (previous year ₹ Nil)
- 46.** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021.
- 47.** The Company has migrated from NSE-SME Platform to NSE-Main Trading Platform from February 22, 2021. Earlier Companies published the half yearly unaudited financial results as it is listed on NSE-SME trading platform.
- 48. Events after the reporting period**  
There has been no events after the reporting date that require disclosure in financial statements.
- 49.** Previous year figures are regrouped and reclassified to make them comparable with Ind AS presentation.
- 50.** The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on April 30, 2021.

As per our report on even date

**For AMK & Associates**

Chartered Accountants  
FRN: 327817E

**Manish Kumar Agarwal**

Partner  
Membership No. 064475

Kolkata  
April 30, 2021

**Santosh Ladha**

Managing Director  
(DIN: 03585561)

**Niraj Agarwal**

Chief Financial Officer

**Geeta Ladha**

Whole Time Director  
(DIN: 03585488)

**Sweta Agarwal**

Company Secretary

# Notice

Notice is hereby given that the Tenth Annual General Meeting of the Members of Iris Clothings Limited will be held on Monday, September 27, 2021 at 4.00 P.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

## Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Baldev Das Ladha (DIN: 03585566), who retires by rotation and being eligible, offers himself for re-appointment.

For Iris Clothings Limited

Date: August 27, 2021  
Place: Howrah

**Sweta Agarwal**  
(Company Secretary)

## Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing/Other Audio Video Means (VC/OAVM), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, SEBI Circulars, provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
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. 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).
4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
5. Corporate Shareholders (i.e., other than Individuals/HUF, NRI, etc.) intending to attend AGM through their Authorised Representatives are requested to send a scanned copy of its Board or Governing Body Resolution/Authorization, etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [rgadvisory18@gmail.com](mailto:rgadvisory18@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
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. Members holding shares in single name are advised to avail the facility of nomination in respect of shares

held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members may contact Company/respective Depository Participants for availing this facility.

8. 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.
9. 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 facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include Large Shareholders (shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. In accordance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the Annual General Meeting along with the Annual Report 2020-2021 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 2020-2021 will also be available on the Company's website <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 CDSL at [www.evotingindia.com](http://www.evotingindia.com).
11. 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.
12. 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.
13. Information of Director proposed to be re-appointed at the forthcoming Annual General Meeting as required by 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.

14. Members desirous of getting any information in relation to the Company's Accounts are requested to address their query (ies) well in advance, i.e., at least 7 days before the Meeting, to enable the Management to keep the information readily available at the Meeting.
15. The Register of Members shall remain closed from September 21, 2021 to September 27, 2021 (both days inclusive) for the purpose of 10<sup>th</sup> AGM of the Company.
16. 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:

17. Pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management of 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.
18. 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. The e-voting results along with Scrutinizers Report shall be available at the websites of the Company, NSE and CDSL respectively.
19. 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.
20. The remote e-voting period commences on **Friday, September 24, 2021 (9:00 am)** and ends on **Sunday, September 26, 2021 (5:00 pm)**. During this period members of the Company, holding shares as on the

cut-off date of September 20, 2021, 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.

21. 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 20, 2021. 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.
22. 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 20, 2021 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).

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

- i. 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.

- ii. 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	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their 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 i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> </ol>

Type of shareholders	Login Method
	4) 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 or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all E-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>i. 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.</p> <p>ii. 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></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 & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <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 022- 23058738 and 22-23058542-43.
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 toll free no.: 1800 1020 990 and 1800 22 44 30

- iii. 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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>

- iv. After entering these details appropriately, click on “SUBMIT” tab.
- v. 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.
- vi. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- vii. Click on the EVSN for <IRIS CLOTHINGS LIMITED> on which you choose to vote.
- viii. 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.
- ix. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- x. 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.
- xi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xiii. 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.

xiv. **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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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 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](mailto:rgadvisory18@gmail.com) and [accounts@irisclthings.in](mailto:accounts@irisclthings.in) respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [accounts@irisclthings.in](mailto: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](mailto: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 shall 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 NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders, please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [accounts@irisclothings.in](mailto:accounts@irisclothings.in).
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.
4. 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](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
5. 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**ANNEXURE TO THE NOTICE**

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

Name of Director	Baldev Das Ladha
Date of birth	March 08, 1943
Nationality	Indian
Date of first appointment on the board	August 27, 2011
Qualification	Commerce Background
Experience in functional area	Rich experience in Finance and Tax
Relationship with other Directors	Father of Mr. Santosh Ladha, Managing Director
Shareholding in the Company	2,56,517 Equity Shares
List of directorship held in other listed Companies	Nil
Committee membership in other listed Companies	Nil




## IRIS CLOTHINGS LIMITED

103/24/1, Foreshore Road, Howrah 711102, India

T: +91 81000 74062

[info@irisclothings.in](mailto:info@irisclothings.in) | [www.irisclothings.in](http://www.irisclothings.in)

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