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Chartered Accountants

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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 accompanying Ind AS financial statements of IRIS Clothings Limited ("the Company") which comprise the balance sheet as at 31st March 2026, 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 Companies Act, 2013, as amended ("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, 2026, and total comprehensive income (comprising of profit and other comprehensive income), 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 audit opinion on the Ind AS financial statements.

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 for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. **The other information is expected to be made available to us after the date of this auditor's report.**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other

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information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone 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 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.

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• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure, and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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(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 including Other Comprehensive Income/(loss), and the Statement of Cash Flow and Statement of Changes in Equity 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 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B."

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has no pending litigations on its financial position in its financial statements for the year ended 31st March 2026.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

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whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid by the Company during the financial year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended on 31st March 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For AMK & Associates
Chartered Accountants
FRN: 327817E

AMK & ASSOCIATES Chartered Accountants

Bhupendra Kumar Bhutia
Partner
Membership No. 059363
UDIN: 26059363WN8RAT8306

Place: Kolkata
Date: 11/05/2026

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Annexure "A" to the Independent Auditors' Report

Annexure to the Independent Auditors' Report to the Members of IRIS Clothings Limited referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date.

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant, and equipment at reasonable intervals.

According to the information and explanations given to us no material discrepancies were noticed in such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year, hence reporting under clause (i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate, having regard to size of the Company. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the

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Company of the respective quarters.

(iii) The Company has not, made investments in, provided any guarantee or security, or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, hence the clause (iii) of Order is not applicable.

(iv) As the Company has not given or provided or made any loans, investments, guarantees, or security the provisions of sections 185 and 186 of the Act are not applicable. Therefore, reporting under clause (iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:
a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Sales Tax, Service Tax, Value Added Tax ,Goods and Service Tax, Duty of Customs, Provident Fund, Employees' State Insurance, cess, and other statutory dues, as applicable, with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess, and other statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

c) There are no dues of Income tax, Goods and Service Tax, Cess which have not been deposited as on 31 March 2026 on account of disputes.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted on repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year hence, reporting under clause 3 (ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on a

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short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) We report that the Company has neither taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures, hence reporting under clause 3 (ix)(e) of the Order is not applicable.

f) We report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies, hence reporting under clause 3 (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) During the year, no fraud by the Company or any fraud on the Company has been noticed or reported, accordingly no such report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the Company has a mechanism or policy for whistle-blower complaints to lodge. As represented to us by the management, there have been no whistleblower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company, hence reporting under clause (xii) of the Order is not applicable.

(xiii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence the provisions of section 192 of Companies Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of

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India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group (as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios disclosed in note no. 46 to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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(xx) The Company has fully spent the required amount towards Corporate Social Responsibility("CSR") and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act, or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

For AMK & Associates
Chartered Accountants
FRN: 327817E

AMK & ASSOCIATES Chartered Accountants

Bhupendra Kumar Bhutia
Partner
Membership No. 059363
UDIN: 26059363WNGRAT8306

Place: Kolkata
Date: 11/05/2026

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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 (f) 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, 2026, 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.

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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, 2026, 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

AMK & ASSOCIATES Chartered Accountants

Bhupendra Kumar Bhutia
Partner
Membership No. 059363
UDIN: 26059363WNQRAT8306

Place: Kolkata
Date: 11/05/2026

IRIS Clothings Limited

Balance Sheet as at 31st March, 2026

('Rs. in Lakhs)

	Particulars	Note No.	As on 31.03.2026	As on 31.03.2025
I	**ASSETS :**			
1	**Non-current Assets**			
	Property, Plant & Equipment	2(I)	2,133.73	1,620.16
	Right of Use Assets	2(III)	1,152.21	1,058.51
	Capital work-in-progress	2(II)	699.02	-
	Other Intangible Assets	2(IV)	9.32	10.68
	Financial Assets			
	Other Financial Assets	3	349.62	135.49
	Deferred Tax Assets (Net)	4	115.79	148.54
			4,459.69	**2,973.38**
2	**Current Assets**			
	Inventories	5	7,601.25	6,970.56
	Financial Assets			
	Trade receivables	6	7,231.82	5,297.05
	Cash & cash equivalents	7	17.75	7.60
	Bank balances Other than Cash and Cash Equivalents	8	89.58	84.43
	Loans	9	11.07	10.79
	Other Current Assets	10	1,002.00	346.08
			15,953.47	**12,716.51**
	TOTAL ASSETS		**20,413.16**	**15,689.89**
II	**EQUITY AND LIABILITIES:**			
1	**Equity**			
	Equity Share capital	11	3,806.63	1,631.41
	Other Equity	12	10,369.29	6,596.99
			14,175.92	**8,228.40**
2	**Non-current Liabilities :**			
	Financial Liabilities			
	Lease Liabilities	13	1,204.42	1,133.21
			1,204.42	**1,133.21**
3	**Current Liabilities**			
	Financial Liabilities			
	Borrowings	14	2,006.14	3,751.60
	Lease Liabilities	15	220.75	158.19
	Trade Payables	16		
	(A) total outstanding dues of micro enterprises and small enterprises; and		212.53	133.64
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,255.58	2,032.27
	Other financial liabilities	17	0.98	5.12
	Other current liabilities	18	298.14	225.83
	Provisions	19	0.33	8.28
	Current Tax Liabilities (net)		38.36	13.33
			5,032.82	**6,328.27**
	TOTAL EQUITY AND LIABILITIES		**20,413.16**	**15,689.89**
	Accounting Polices	1		

The accompanying notes are an integral part of the financial statements

In terms of our report on even date

For AMK & Associates
Chartered Accountants
ICAI Firm registration No.: 327817E

Bhupendra Kumar Bhutia
M. No. 059363
Place: Kolkata
Date: 11-05-2026

Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

AMK & ASSOCIATES Chartered Accountants

IRIS Clothings Limited

Statement of Profit & Loss for the period ended 31st March, 2026

('Rs. in Lakhs)

Sl No	Particulars	Note No.	For the period ended 31.03.2026	For the period ended 31.03.2025
I	**Revenue From operations**	20	19,086.94	14,608.89
II	**Other Income**	21	18.46	49.03
III	**Total Income (I +II)**		**19,105.40**	**14,657.92**
IV	**EXPENSES**			
	Cost of Materials Consumed	22	6,132.79	6,120.48
	Purchases of Stock-in-Trade	23	5,864.66	2,253.60
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(626.85)	(711.05)
	Employee benefit expense	25	2,556.28	2,440.47
	Finance costs	26	266.78	420.11
	Depreciation and amortization expense	27	466.08	629.80
	Other expenses	28	2,234.65	1,722.97
	Total expenses (IV)		**16,894.39**	**12,876.38**
V	**Profit(loss) before exceptional items and tax(III-IV)**		**2,211.01**	**1,781.54**
VI	**Exceptional items**		-	-
VII	**Profit/ (loss) before tax (V-VI)**		**2,211.01**	**1,781.54**
VIII	**Tax Expenses**	29		
	a) Current Tax		548.00	495.00
	b) Income Tax related to earlier years		11.03	0.76
	c) Deferred Tax		32.75	(26.44)
			591.78	469.32
IX	**Profit/(loss) for the period (VII-VIII)**		**1,619.24**	**1,312.22**
X	**Other Comprehensive Income**	30		
A	(a) Items that will not be reclassified to profit or loss		-	-
	(b)Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(a) Items that will be reclassified to profit or loss		-	-
	(b) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period (IX+X)**		**1,619.24**	**1,312.22**
XII	**Earnings per equity share**	31		
	1) Basic		**0.85**	0.80
	2) Diluted		**0.85**	0.80

Accounting Polices 1

The accompanying notes are an integral part of the financial statements

In terms of our report on even date

For AMK & Associates
Chartered Accountants
ICAI Firm registration No.: 327817E

Bhupendra Kumar Bhutia
M. No. 059363
Place: Kolkata
Date: 11-05-2026

AMK & ASSOCIATES Chartered Accountants

Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

IRIS Clothings Limited

Statement of Cash Flow for the Year Ended 31st March,2026

('Rs. in Lakhs)

	PARTICULARS	Year ended 31-03-2026	Year ended 31-03-2025
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax and Extra-ordinary Items	**2,211.01**	**1,781.55**
	Adjustments for:		
	-Depreciation	**466.08**	629.80
	-Finance Cost	**266.78**	420.11
	-Profit on Sale of Property, Plant and Equipments (Net)	**(0.94)**	-
	-Interest Income	**(6.87)**	(18.95)
	Operating Profit Before Working Capital Changes	**2,936.05**	**2,812.51**
	Adjustments for:		
	-Trade Payables	**290.11**	413.74
	-Other Current Liabilities	**72.30**	3.29
	-Trade and other Receivables	**(2,149.19)**	(1,732.49)
	-Other Current Assets	**(655.92)**	(16.24)
	-Inventories	**(630.69)**	(778.75)
	Cash Generated from Operations :	**(137.34)**	702.06
	-Direct Taxes Paid	**(534.00)**	(448.58)
	Net Cash generated from Operating Activities	**(671.34)**	**253.48**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipments ,Capital work-in-progress, Intangible Assets	**(1,451.19)**	(84.48)
	Sale of Property, Plant and Equipments	**2.23**	-
	Term Deposit other than cash equivalents	**(5.15)**	69.18
	Interest Received	**6.87**	18.95
	Net Cash used in Investing Activities	**(1,447.24)**	**3.65**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Right Issue	**4,758.29**	-
	Issue Expenses (Right & Bonus Issue)	**(429.99)**	-
	Proceeds from Short Term Borrowings	**(1,745.46)**	310.38
	Payment of Lease Liabilities	**(316.05)**	(261.16)
	Interest Paid	**(138.06)**	(302.94)
	Net Cash generated/(used) in Financing Activities	**2,128.73**	**(253.72)**
	Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	**10.15**	**3.41**
	Opening Cash and Cash Equivalents	**7.60**	4.19
	Closing Cash and Cash Equivalents (**refer note no. 7**)	**17.75**	7.60
	Components of Cash and Cash Equivalents		
	Balances with banks		
	- In current accounts	**7.01**	**1.30**
	Cash on hand	**10.73**	**6.30**
	Total (refer note no. 7)	**17.75**	**7.60**

The accompanying notes are an integral part of the financial statements
In terms of our report on even date

For AMK & Associates
Chartered Accountants
ICAI Firm registration No.: 327817E

Bhupendra Kumar Bhutia
M. No. 059363
Place: Kolkata
Date: 11-05-2026

Santosh Ladha, Director
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Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

AMK & ASSOCIATES Chartered Accountants

IRIS Clothings Limited

a Equity Share Capital

Rs. In Lakhs

Particulars	No. of Equity Shares of Rs. 2 each fully paid up	Balance at the beginning of the reporting period 01.04.2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period 31.03.2026
Equity shares of Rs. 2 each issued, subscribed and fully paid	19,03,31,470	1,631.41	-	1,631.41	2,175.22	3,806.63

Particulars	No. of Equity Shares of Rs. 2 each fully paid up	Balance at the beginning of the reporting period 01.04.2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period 31.03.2025
Equity shares of Rs. 2 each issued, subscribed and fully paid	8,15,70,630	1,631.41	-	1,631.41	-	1,631.41

b Other Equity

Rs. In Lakhs

Particulars	Reserve and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period (01.04.2024)	**12.92**	**5,271.84**	**5,284.76**
Changes in accounting policy/ prior period expenses	-	-	-
Restated Balance at the beginning of the reporting year (01.04.2024)	**12.92**	**5,271.84**	**5,284.76**
Profit for the year	-	1,312.23	**1,312.23**
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
Balance at the end of the reporting period (31.03.2025)	**12.92**	**6,584.07**	**6,596.99**
Changes in accounting policy/ prior period expenses	-	-	-
Restated Balance at the beginning of the reporting year (31.03.2025)	**12.92**	**6,584.06**	**6,596.98**
Profit for the year	-	1,619.24	1,619.24
Issue of 13595105 Equity Shares on right basis @35/- each of FV 2/- and Premium Rs. 33/-	4,486.38	-	4,486.38
Expenditure Incurred wrt Issue of Right Shares	(424.78)	-	(424.78)
Issue of Bonus shares @1:1 Ratio	(1,903.31)	-	(1,903.31)
Expenditure Incurred wrt Issue of Bonus Issue	(5.22)	-	(5.22)
Balance at the end of the reporting period (31.03.2026)	**2,166.00**	**8,203.30**	**10,369.29**

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED HOWRAH

Notes
Overview and Notes the Financial Statements as at and for the year ended on 31st March 2026

Note-1 –Overview

1. **CORPORATE INFORMATION**

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

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

The financial statements were approved and adopted by the board of directors of the Company in their meeting held on 11th May 2026.

2. **Basis of Preparation 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"). These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The Company has prepared the Ind AS financial statements on the basis that it will continue to operate as a going concern.

3. **Basis of Measurement**

The financial statements have been prepared on accrual basis and under the historical cost convention, except for the following which have been measured at fair value:

a) certain financial assets and liabilities

b) defined benefit plans - plan assets measured at fair value,

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise.

4. **Use of Estimates and Judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates can change from period to period.

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED HOWRAH

Actual results could differ from those judgments. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements. The Company uses the following critical accounting Judgments, estimate and assumptions in preparation for its financial statements:

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

(a) Income taxes

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

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

(c) Defined Benefit Plans

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
Further details about gratuity obligations are given in Note 34

(d) Insurance Claims

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

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

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

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IRIS CLOTHINGS LIMITED HOWRAH

(f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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

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

5. Current versus non-current classification

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

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

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

All other assets are classified as non-current.

(B) A liability is current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

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HOWRAH

6. Reclassification of financial assets and liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no classification is made for financial assets which are equity instruments and financial liabilities. For financials assets which are debt instruments; a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to the external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date, which is the first day of the immediately next reporting period. Following the changes in the business model, the company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

7. Summary of Material Accounting Policies Information

a) Revenue Recognition

The Company recognises the revenue when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.
The five-step process is applied for recognition of revenue:

(i) identify contracts with customers
(ii) identify the separate performance obligation
(iii) determine the transaction price of the contract
(iv) allocate the transaction price to each of the separate performance obligations, and
(v) recognise the revenue as each performance obligation is satisfied.

The Company assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:
(a) The customer simultaneously consumes the benefits as the Company performs, or
(b) The customer controls the work-in-progress, or
(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.
If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point of recognition of revenue is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining whether the control has been transferred.

(i) Revenue from sale of products

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

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IRIS CLOTHINGS LIMITED

Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates/ incentives.

Contracts for the sale of goods provide customers with a right of return the goods. The Company also provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

ii) Sale of services

Revenue from job work charges is recognised based on stage of completion of the contract. Stage of completion is determined using "input methods" as a proportion of cost incurred to date to the total estimated contract cost. Estimated loss on job work to be undertaken in future years are provided for in the period in which the estimate results in a loss on job work.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are subject to impairment assessment.

A contract liability is recognised if a payment is received or a payment is due. Contract liabilities are recognised as revenue when the Company performs under the contract

iii) 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.

iv) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regards to the amount to be realized and the ultimate collection thereof.

v) 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 effective interest method (EIR) is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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.

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CLOTHINGS LIMITED HOWRAH

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.

vi) 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.

b) **Properties, Plant and Equipment (PPE)**

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

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

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

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

Assets	Useful Life in years
Plant & machinery	5/10/15 Years
Office Building	30 Years
Warehouse	30 Years
Office Equipment	5 Years
Furniture & Fittings	10/15 Years
Electrical Installations	5/10/15 Years
Vehicles *	10 Years

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*The Company, based on management estimate, depreciates vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 (8 years) as the management believes that these are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 the statement of profit and loss under other income or other expenses respectively.

c) **Intangible Assets**

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

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

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible Assets	Useful Life	Internally generated or Acquired
Computer software	5 Years	Acquired

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.

d) **Impairment of Tangible and Intangible Assets other than Goodwill**

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

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

Recoverable amount is determined:

AMK & ASSOCIATES Chartered Accountants

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

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss 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.

e) **Inventories**

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

f) **Employee Benefits**

i) Short Term Employee Benefits

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

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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 recognized 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 recognized in the Other Comprehensive Income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss.

Defined benefit costs are categorized as follows:
i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements).
ii) Net interest expense or income; and
iii) Re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

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

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

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

g) **Leases**

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

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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 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

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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.

h) **Financial Instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

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

1) Financial Assets

a) Financial assets at amortised cost

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

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

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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 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.

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e) Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction value except trade receivable that contains significant financing component that are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

f) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

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

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

2) Financial liabilities

At initial recognition, all financial liabilities other than fair valued through profit or loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognised in the Statement of Profit and Loss.

(ii) Financial liabilities measured at amortised cost Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn-down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

Borrowings are derecognised from the Balance Sheet when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or

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transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income or finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has unconditional right to defer settlement of the liability for at least 12 months after reporting period.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income or finance costs.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where the Company has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

i) **Write Off**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

j) **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

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The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

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.

k) **Derecognition of financial assets**

A financial asset is derecognised only when

a) The Company has transferred the rights to receive cash flows from the financial asset or
b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

l) **Fair value financial instruments**

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

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

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

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

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Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

m) **Government Grant:**

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

The Company has option to present the Government grant related to property, plant and equipment by deducting the grant from the carrying value of the asset and to present the non-monetary grant at a nominal amount. The Company has not availed this option in the current financial year.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government revenue grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

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.

n) **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 part of cash and cash equivalents.

o) **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

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a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p) **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 Managing Director has been identified as the chief operating decision maker (CODM), who evaluates the Company's performance. 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.

q) **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.

r) **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 has exercised the option under Section 115BA of the Income Tax Act, 1961 which is irrevocable

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.

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Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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.

s) **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.

t) **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.

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

u) **Statement of cash flows:**
Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
i) changes during the period in operating receivables and payables transactions of a non-cash nature;
ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
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.

v) **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.

w) **(i) New and amended standards adopted by the Company**

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants - Amendments to Ind AS 1
As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:
"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Company's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements –Amendments to Ind AS 7 and Ind AS 107
As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in note 16.

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(c) International Tax Reform –Pillar Two Model Rules - Amendments to Ind AS 12
The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Company operates.

(d) Lack of Exchangeability – Amendments to Ind AS 21
The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards or amendments not yet adopted
Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants - Amendments to Ind AS 1 –
This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

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Rs. In Lakhs

Note No. 2(I) **Property, Plant & Equipment**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2025 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2026 (Rs.)	Up to 01.04.25 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2026 (Rs.)	As at 31.03.2026 (Rs.)	As at 31.03.2025 (Rs.)
Land	18.35	-	-	18.35	-	-	-	-	18.35	18.35
Building	1,023.74	-	-	1,023.74	520.15	47.84	-	567.99	455.76	503.59
Plant & Machinery	2,882.89	721.43	24.56	3,579.76	2,135.12	100.07	23.28	2,211.91	1,367.84	747.76
Electrical Installation	283.66	1.83	-	285.50	199.18	15.06	-	214.24	71.26	84.48
Office Equipments	92.29	4.21	-	96.50	76.40	5.83	-	82.23	14.27	15.89
Furniture Fittings	686.97	21.22	-	708.19	478.70	54.26	-	532.96	175.23	208.27
Vehicles	167.26	-	-	167.26	125.45	10.78	-	136.23	31.03	41.81
Total	**5,155.17**	**748.69**	**24.56**	**5,879.30**	**3,535.00**	**233.84**	**23.28**	**3,745.56**	**2,133.73**	**1,620.16**
For 2024-25	**5,064.35**	**90.82**	**-**	**5,155.17**	**3,097.51**	**437.50**	**-**	**3,535.00**	**1,620.16**	**1,981.68**

Note No. 2(II) **Capital work in Progress**

Rs. In Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2025 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2026 (Rs.)	Up to 01.04.25 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2026 (Rs.)	As at 31.03.2026 (Rs.)	As at 31.03.2025 (Rs.)
CWIP	-	699.02		699.02	-	-		-	699.02	-
Total	**-**	**699.02**	**-**	**699.02**	**-**	**-**	**-**	**-**	**699.02**	**-**
For 2024-25	**14.84**	**6.50**	**21.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note No. 2(III) **Right of Use Assets**

Rs. In Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2025 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2026 (Rs.)	Up to 01.04.25 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2026 (Rs.)	As at 31.03.2026 (Rs.)	As at 31.03.2025 (Rs.)
Land & Building	1,704.76	321.10		2,025.86	646.25	227.40		873.65	1,152.21	1,058.51
Total	**1,704.76**	**321.10**	**-**	**2,025.86**	**646.25**	**227.40**	**-**	**873.65**	**1,152.21**	**1,058.51**
For 2024-25	**1,248.54**	**456.22**	**-**	**1,704.76**	**454.81**	**191.44**	**-**	**646.25**	**1,058.51**	**793.73**

Note:

The Company has taken the following nature of assets on lease under the various lease agreements:

(i) Offices, land and other premises/warehouse facilities

Note No. 2(IV) **Other Intangible Assets**

Rs. In Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.2025 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2026 (Rs.)	Up to 01.04.25 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2026 (Rs.)	As at 31.03.2026 (Rs.)	As at 31.03.2025 (Rs.)
Computer Software	26.59	3.48	-	30.07	15.90	4.83	-	20.73	9.32	10.69
Total	**26.59**	**3.48**	**-**	**30.07**	**15.90**	**4.83**	**-**	**20.73**	**9.32**	**10.69**
For 2024-25	**17.23**	**9.35**	**-**	**26.58**	**15.05**	**0.85**	**-**	**15.90**	**10.68**	**2.17**

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Note No. 2- Capital-Work-in Progress (CWIP)

(a) Capital work-in-progress (CWIP)- Theageingof capital work-in-progress is as below:

CWIP aging schedule

('Rs. in Lakhs)

	Amount in CWIP for a period of				
As in 31st March 2026	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total***
Projects in progress	699.02	-	-	-	699.02
Projects temporarily suspended	-	-	-	-	-

('Rs. in Lakhs)

	Amount in CWIP for a period of				
As in 31st March 2026	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total***
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note:

(a) For capital-work-in progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan during the year 2025-26 and 2024-25

(b)The Company has not revalued its property, plant and equipment and intangible assets (including right-of-use assets) during the year 2025-26 and 2024-25.

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Notes to Financial Statements

Note	Particulars	Rs. In Lakhs As on 31.03.2026	Rs. In Lakhs As on 31.03.2025
Note 3	**Other Financial Assets**		
	Unsecured, considered good		
	(Carried at amortised cost)		
	Security Deposits	349.62	135.49
		349.62	**135.49**
Note 4	**Deferred Tax Assets (net)**		
	The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:		
	Deferred Tax Assets		
	Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	115.79	148.54
	Total Deferred Tax Assets	**115.79**	**148.54**
	Deferred Tax Liabilities		
	Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
	Total Deferred Tax Liabilities	-	-
		115.79	**148.54**
Note 5	**Inventories ((valued at lower of cost and net realisable value)**		
	Raw Materials	664.03	632.50
	Work in Progress	3,813.74	3,514.65
	Finished Goods	3,053.04	2,744.91
	Stores and Spares	70.45	78.50
		7,601.25	**6,970.56**
Note 6	**Trade Receivables**		
	(Carried at amortised cost)		
	Unsecured, considered good	7,231.82	5,297.05
		7,231.82	**5,297.05**
	Trade Receivables ageing schedule		
	Outstanding for following periods from due date of payment		
	Unsecured-Considered Good		
	Undisputed Trade receivables –considered good		
	Less than 6 months	**5,756.09**	4,157.96
	6 months - 1 year	**1,085.13**	825.54
	1-2 years	**57.36**	311.41
	2-3 years	**331.10**	-
	More than 3 years	**2.14**	2.14
	Total	**7,231.82**	**5,297.05**
Note 7	**Cash and cash equivalents**		
	Balances with banks		
	- In current accounts	7.01	1.30
	Cash on hand	10.73	6.30
		17.75	**7.60**

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Note	Particulars	Rs. In Lakhs As on 31.03.2026	Rs. In Lakhs As on 31.03.2025
Note 8	**Bank Balances Other than Cash and Cash Equivalents**		
	Special Term Deposit / Balance with banks held as Margin Money	**89.58**	**84.43**
		89.58	**84.43**
Note 9	**Loans**		
	Unsecured-Considered Good		
	(Carried at amortised cost)		
	To Employee	11.07	10.79
		11.07	**10.79**
Note 10	**Other Current Assets**		
	Unsecured-Considered Good		
	Security Deposits to others	0.25	0.25
	Advance to Parties	771.76	152.56
	Other Advances	0.78	0.81
	Prepaid Expenses	12.37	8.29
	Balances with Government Dept	216.84	184.17
		1,002.00	**346.08**
Note 11	**Equity Share Capital**		
	Authorised		
	Equity Share of Rs. 2/- par value 20,00,00,000 Equity Share	4,000.00	4,000.00
	Issued, Subscribed and Paid-up Capital		
	Equity Share of Rs. 2/- par value		
	19,03,31,470 (PY 8,15,70,630) Equity Share of Rs 2/- par value fully paid up	3,806.63	1,631.41
		3,806.63	**1,631.41**

Notes:

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

2. 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.

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

	As on 31.03.2026		As on 31.03.2025	
Name of Shareholder	**No. of Shares**	**% to Total Shares**	No. of Shares	**% to Total Shares**
Geeta Ladha	7,82,29,140	41.10%	3,88,14,570	47.58
Santosh Ladha	1,31,64,590	6.92%	65,82,295	8.07

4. The reconciliation of the number of shares outstanding:

Particulars	As on 31.03.2026		As on 31.03.2025	
	No. of Shares	**Amount (Rs.)**	**No. of Shares**	**Amount (Rs.)**
Number of shares at the begnning	8,15,70,630	16,31,41,260	8,15,70,630	16,31,41,260
Addition during the Year (Right Issue)	1,35,95,105	2,71,90,210	-	-
Addition during the Year (Bonus Issue)	9,51,65,735	19,03,31,470	-	-
Number of shares at the closing	**19,03,31,470**	**38,06,62,940**	**8,15,70,630**	**16,31,41,260**

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Note	Particulars	Rs. In Lakhs As on 31.03.2026	Rs. In Lakhs As on 31.03.2025

5. Shares held by promoters

-at the end of the year 31st March, 2026

Sl. No.	Promoter name	No. of Shares	% of total shares**	% Change during
1.	Geeta Ladha	7,82,29,140	41.10	-6.48
2.	Santosh Ladha	1,31,64,590	6.92	-1.15
3.	Baldev Das Ladha	66,65,170	3.50	-0.59
4.	Kamala Devi Ladha	43,79,060	2.30	-0.38
5.	Baldev Das Ladha (HUF)	72,80,000	3.82	-0.64
6.	Santosh Ladha (HUF)	65,22,880	3.43	-0.57
7.	Shruti Ladha	90,000	0.05	-0.01
8.	Sakshi Ladha	1,00,000	0.05	0.05
	Total	**11,64,30,840**	**61.17**	**-9.77**

-at the end of the year 31st March, 2025

Sl. No.	Promoter name	No. of Shares	% of total shares**	% Change during
1.	Geeta Ladha	3,88,14,570	47.58	-
2.	Santosh Ladha	65,82,295	8.07	-
3.	Baldev Das Ladha	33,32,585	4.09	-
4.	Kamala Devi Ladha	21,89,530	2.68	-
5.	Baldev Das Ladha (HUF)	36,40,000	4.46	-
6.	Santosh Ladha (HUF)	32,61,440	4.00	-
7.	Shruti Ladha	45,000	0.06	-
8.	Sakshi Ladha	-	-	-
	Total	**5,78,65,420**	**70.94**	**0.00**

6. The Company has raised Rs. 4758.28 Lakhs through rights issue by issuing of 1,35,95,105 nos. of equity share at Rs. 35/- per equity shares including equity share premium of Rs. 33/- . The allotment was completed on 24th April 2025.

7. The Company allotted Bonus Equity Share 9,51,65,735 in the ratio of 1:1 to the members of the Company on 7th July 2025.

8. Previously the Company has allotted Bonus Equity Share 1,16,52,947 in the ratio of 5:2 to the members of the Company on17th October 2020

Note	Particulars	As on 31.03.2026	As on 31.03.2025
Note 12	**Other Equity**		
	Securities Premium		
	Balance as per last Account	12.92	12.92
	Addition during the year	-	-
	Add : Issue of Right shares @35/- each	4,486.38	-
	Less : Capital Expenditure in respect to Right Isuue	(424.78)	-
	Less : Issue of Bonus shares in the ratio of 1:1	(1,903.31)	-
	Less : Capital Expenditure in respect to Bonus Issue	(5.22)	-
		2,166.00	**12.92**
	Retained Earnings		
	Surplus at the beginning of the year	6,584.06	5,271.83
	Add : Profit for the year	1,619.24	1,312.23
	Add/(Less): OCI Components of Remeasurements of the net defined benefit Plans	-	-
		8,203.30	**6,584.06**
	Total	**10,369.29**	**6,596.98**

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.

b) Retained Earnings

This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013.

Note	Particulars	As on 31.03.2026	As on 31.03.2025
Note 13	**Financial -Non-Current**		
	Lease Liabilities	1,204.42	1,133.21
		1,204.42	**1,133.21**

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Note	Particulars	Rs. In Lakhs As on 31.03.2026	Rs. In Lakhs As on 31.03.2025
Note 14	**Borrowings**		
	Loans repayable on demand		
	Secured		
	From Banks		
	Cash Credit	2,006.14	3,751.60
		2,006.14	**3,751.60**

Note:
Cash Credit:
Primary: Exclusive Charge over the hypothecation of stocks and book debts and other current assets of the Company both present and future
Collateral: Exclusive Charge over Property, Plant and Equipments of the Company both present and Future.

Cash Credit facilities have been guaranteed by the directors.

Note	Particulars	As on 31.03.2026	As on 31.03.2025
Note 15	**Lease Liabilities**	220.75	158.19
		220.75	**158.19**
Note 16	**Trade payables**		
	(Carried at amortised cost)		
	Dues to Micro and Small Enterprises	**212.53**	**133.64**
	Others		
	For Goods	2,080.37	1,958.92
	For Capital Goods	20.40	0.31
	For Others	154.81	73.04
		2,255.58	**2,032.27**
		2,468.11	**2,165.91**
	Trade Payables ageing schedule payment		
	MSME- other than disputed dues		
	Less than1 year	212.53	133.64
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
	Total	**212.53**	**133.64**
	Other than MSME- other than disputed dues		
	Less than1 year	2,255.58	2,210.47
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
	Total	**2,255.58**	**2,210.47**

Note:

The Company has trade payables balance, which are part of supplier finance arrangements, of Rs. Nil (March 31, 2025 Rs. Nil lakhs).

The key terms and conditions of the arrangement are

a. The Company decides which invoices will be financed.
b. The financier pays the supplier before the due date of the invoice.
c. The Company pays the financier on the due date of the invoice.
d. The financing terms are negotiated by the Company, and it bears interest in the range of 9–12% on the credit availed beyond the due date.

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Note	Particulars	Rs. In Lakhs As on 31.03.2026	Rs. In Lakhs As on 31.03.2025
Note 17	**Other financial liabilities**		
	(Carried at amortised cost)		
	Liabilities for Expenses	0.98	5.12
		0.98	**5.12**
Note 18	**Other current liabilities**		
	(Carried at amortised cost)		
	Advances from Customers	2.50	4.87
	Payable to Employees	262.61	177.81
	TDS and other taxes payable	28.03	37.07
	Security Deposits	5.00	6.08
		298.14	**225.83**
Note 19	**Provisions**		
	(Carried at amortised cost)		
	Provision for employee benefits (for gratuity)	0.33	8.28
		0.33	**8.28**

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Notes to Financial Statements

Rs. In Lakhs

Note	Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Note 20	**Revenue From operations**		
(a)	Sale of products		
	- Traded goods	**6,248.01**	2,439.05
	- Raw Material	**14.40**	42.20
	- Manufactured good & Others	**12,822.23**	12,109.62
	Sale of products	**19,084.64**	14,590.87
(b)	**Sale of services**		
	- Job Work	**2.30**	18.02
		19,086.94	14,608.89

(c) **Disaggregation Of Revenue from Contracts with Customers**

(a) The Company derives revenue at point in time from sale of goods and over time from sale of services-job work. The Company's operations are located in India. The Company's sales by geography is determined on the basis of location of customers.

Below are the details for revenue from customers.

Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Sale of Goods		
Within India	18,821.71	14,420.75
Outside India	262.93	170.12
Sale of Services		
Within India	2.30	18.02
Outside India	-	-
	19,086.94	**14,608.89**
(b) Timing of revenue recognition		
Revenue Recongnised at a point in time	**19,084.64**	14,590.87
Revenue Recongnised over a period of time	**2.30**	18.02
	19,086.94	14,608.89
(c) Trade Receivables- Outstanding as on	7,231.82	5,297.05
(d) Contract Assets		
Opening Balance	**4.87**	0.96
Recognised during the year	2.27	4.79
Billed during the year	-4.64	-0.88
Refunded / Adjusted	-	-
Closing Balance	**2.50**	4.87
(e) Contract Liabilities		
Opening Balance	-	-
Advance received during the year	-	-
Revenue recognised during the year	-	-
Refunded / Adjusted	-	-
Closing Balance	-	-

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

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

Note	Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Note 21	**Other Income**		
(a)	**Interest Income**		
	From Bank	**5.57**	7.43
	From Others	**1.31**	11.52
(b)	**Other non-operating income**		
	Profit on sale of Fixed Assets (Net)	**0.94**	-
	Discount Received	-	10.96
	Frieght Charges Reimbursement (Export)	**4.61**	15.08
	Insurance Claim Received	-	0.68
	Duty Drawback Received	**6.03**	3.36
		18.46	**49.03**
Note 22	**Cost of Materials Consumed**		
	Opening Stock of Raw Materials	**632.50**	558.41
	Add: Raw materials Purchased	**6,164.32**	6,194.56
		6,796.82	6,752.98
	Less: Closing Stock of Raw Materials	**664.03**	632.50
		6,132.79	6,120.48

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Note	Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Note 23	**Purchase of Stock-in-Trade (Readymade Garments & Accessories)**	**5,864.66**	2,253.60
Note 24	**Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress**		
	Opening Stock		
	Finished Goods	**2,670.24**	2,114.57
	Stock in Trade	**74.67**	75.78
	Work-in-Progress	**3,514.65**	3,358.16
		6,259.56	5,548.51
	Less : Closing Stock		
	Finished Goods	**2,968.48**	2,670.24
	Stock in Trade	**84.56**	74.67
	Work-in-Progress	**3,833.37**	3,514.65
		6,886.41	6,259.56
	Increase / Decrease in Stock	**(626.85)**	(711.05)
Note 25	**Employee benefit expenses**		
	Salaries ,Wages and Bonus	**2,343.66**	2,217.54
	Contribution to provident and other funds	**173.83**	148.93
	Staff Welfare Expenses	**38.79**	73.99
		2,556.28	2,440.47

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes, collectively referred to as the 'New Labour Codes' and notified with effect from 21st Novermber 2025. Based on the analysis of the information available so far actuarial valuation, the Company has assessed **NIL** financial impact of past service cost on post - employment defined benefits for its employees. The Company continues to monitor the developments relating to the implementation of the New Labour Codes and would review the estimates as further clarifications and Rules are notified.

Note	Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Note 26	**Finance Costs**		
	Interest		
	Banks	**132.64**	295.60
	Others - On Leased obligations	**128.72**	117.16
	Other Borrowing Costs	**5.42**	7.35
		266.78	420.11
Note 27	**Depreciation and Amortization Expense**		
	Depreciation	**233.84**	437.50
	Depreciation on Leased assets	**227.40**	191.44
	Amortisation of Intangible assets	**4.83**	0.85
		466.08	629.80
Note 28	**Other Expenses**		
	Consumption of stores and spares part	**588.23**	432.00
	Power and Fuel	**227.72**	233.32
	Rent	**63.56**	59.58
	Repairs to buildings	**30.28**	3.41
	Repairs to machinery	**83.87**	96.00
	Repairs to others	**27.48**	9.90
	Insurance	**20.07**	9.19
	Rates and Taxes excluding taxes on Income	**16.39**	3.25
	Stiching, Printing, Embroidery and Other Expenses	**55.67**	96.13
	Carriage Outward	**205.89**	123.89
	Commission Paid	**56.62**	48.89
	Sales Promotion Expenses	**156.17**	68.73
	Director's Sitting Fees	**0.78**	1.23
	Payments to the Auditor		
	As Auditor	**0.75**	0.75
	For Tax Audit	**0.25**	0.25
	For Quarterly Review	**2.25**	2.25
	For Corporate Governance	**0.25**	0.25
	For Fees for Other Services (incl for issuing various certificates)	**0.25**	1.00
	Donation	**0.11**	0.11
	CSR Expenses	**30.50**	28.00
	Discount Allowed	**241.23**	212.83
	Legal and Professional Charges	**269.99**	92.21
	Travelling and Conveyance	**79.78**	58.23
	Security Expenses	**16.73**	12.91
	Miscellaneous Expenses	**72.97**	131.42
	Net (gain)/loss on foreign currency transaction	**(13.12)**	(2.76)
		2,234.65	1,722.97
Note 30	**Other Comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	Changes in revaluation surplus	-	-
	Remeasurements of the defrned benefit plans	-	-
	Equity Instruments through Other Comprehensive Income		
	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;	-	-
	Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	-	-
	Others (specify nature).	-	-
		-	-

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NOTES ON ACCOUNTS

29. Tax Expense

The components of income tax expense for the years ended 31st March 2026 and 2025 are:

(₹ In Lakhs)

	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Current Tax	548.00	495.00
Income Tax for earlier years	11.03	0.76
Deferred Tax	32.75	(26.44)
Total Tax Charge	**591.78**	**469.32**
Current Tax	559.03	495.76
Deferred Tax	32.75	(26.44)

Note 29.1: Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India's corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2026 and 2025 is, as follows:

(₹ In Lakhs)

	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Accounting profit before tax	2211.02	1,781.55
Applicable tax rate (%)	25.17%	25.17%
Computed tax expense	**556.51**	**448.38**
Tax effect of:		
Exempted Income	-	-
Non-deductible items	7.79	12.20
Timing difference	-5.27	35.18
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	-
Tax expenses recognised in the statement of profit and loss	**559.03**	**495.76**
Effective tax rate	**25.28%**	**27.83%**

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Note 29.2: Deferred Tax

	Year Ended 31st March, 2026	Year Ended 31st March, 2025
		(₹ In Lakhs)
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**148.54**	**122.10**
Credit / (charge) for equity instruments through OCI	-	-
Credit / (charge) for re-measurement of the defined benefit	-	-
Credit / (charge) to the statement of profit and loss	(32.75)	26.44
At the end of year DTA/(DTL) (net)	**115.79**	**148.54**

30. Other Comprehensive Income

	Year Ended 31st March, 2026	Year Ended 31st March, 2025
		(₹ In Lakhs)
Items that will not be reclassified to profit or loss		
Re-measurements of the deferred benefit plans	-	-
	-	-
Items that will be reclassified to profit or loss	-	-
	-	-

31. Earnings per share

			For the period ended 31.03.2026	For the period ended 31.03.2025
Particulars		**Calculation**		
a)	Basic Earnings per share	Net Profit attributable to Equity Shareholders	1,619.24	1,312.23
		Weighted Average Number of Equity Shares outstanding (Nos.)	18,94,37,545	16,31,41,260
		Basic Earnings Per Share of ₹ 2/- each fully paid up	0.85	0.80
b)	Diluted Earnings per share	Net Profit attributable to Equity Shareholders	1,619.24	1,312.23
		Weighted Average Number of Equity Shares outstanding	18,94,37,545	16,31,41,260
		Diluted Earnings Per Share of ₹ 2/- each fully paid up	0.85	0.80

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The Company has revised and recalculated the Earning Per Share (Basic and Diluted) of previous year ended on 31st March 2025 after considering the issuance of Bonus Shares in the ratio of 1:1 to the Members on 7th July 2025.

32. Contingent Liabilities and Commitments (to the extent not provided for)-

A. Contingent Liabilities:

1. Guarantees

(₹ In Lakhs)

Particulars	**31st March, 2026**	**31st March, 2025**
Guarantees	71.98	74.64

2. Commitment

(₹ In Lakhs)

	Particulars	**31st March, 2026**	**31st March, 2025**
a.	Estimated Capital Commitments (Net of advances)	NIL	NIL
b.	Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	1876.80	1,065.72

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A Corporate Social Responsibility Committee has been formed by the Company as per the Act.

(₹ In Lakhs)

The amounts expended are as follows:	**Year Ended 31st March, 2026**	**Year Ended 31st March, 2025**
(a) amount required to be spent by the company during the year	**30.34**	**27.51**
(b) amount of expenditure incurred	**30.50**	**28.00**
(c) shortfall at the end of the year	**Nil**	**Nil**
(d) total of previous year shortfall	**Nil**	**Nil**
(e) reason for shortfall	**NA**	**NA**
(f) Nature of CSR activities		
(i) construction/acquisition of any assets	-	-
(ii) on purpose other than (i) above	**30.50**	**28.00**
(g) details of related party transactions,	**NA**	**NA**
(h) provision made with respect to a liability incurred by entering into contractual obligations	**NA**	**NA**

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

(₹ In Lakhs)

Sl.No.	Particulars	31st March, 2026	31st March, 2025
(a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due thereon	**212.53** Nil	**133.64** Nil
(b)	Interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed date	Nil	Nil
(c)	Interest due and payable for the period of delay in making the payments (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

34. Disclosure as required by Indian Accounting Standard (Ind AS) 19 on Employee Benefits

(a) Defined Contribution Plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Refer table below for the expense recognised during the period towards defined contribution plan:

(₹ In Lakhs)

Sl. No.	Particulars	31st March, 2026	31st March, 2025
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	146.20	137.92
c.	Contribution to ESI	43.18	46.86

(b) Defined Benefits Plan:

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Social Security Code 2020 with effect from 21/11/2025 (Earlier under the Payment of Gratuity Act, 1972). Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is funded.

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The following tables summarise the components of net benefit expense recognised in the Ind AS statement of profit or loss and amounts recognised in the balance sheet for gratuity benefit:

(₹ In Lakhs)

	Particulars	Gratuity (Funded)	
		31st March, 2026	31st March, 2025
I	**Reconciliation of Defined Benefit Obligations (DBO) during the year ended**		
	1 Present value of DBO at the beginning of period	243.68	191.40
	2 Current service cost	49.12	46.67
	3 Interest cost	16.04	13.54
	4 Past Service Cost	-	-
	5 Actuarial (Gains)/Losses	(47.17)	(6.66)
	6 Benefits paid	-	-
	7 Benefit Payments from Plan Assets	(6.54)	(1.27)
	8 Present value of DBO at the end of period	**255.12**	**243.68**

II	**Reconciliation of Fair Value of plan assets during the year ended**	31st March, 2026	31st March, 2025
	1 Plan assets at the beginning of period	235.40	219.83
	2 Expected returns on plan assets	15.75	15.56
	3 Actuarial Gains/(Losses)	2.29	1.27
	4 Company contribution	7.90	-
	5 Benefits paid	-	-
	6 Benefit Payments from Plan Assets	(6.54)	(1.27)
	7 Plan assets at the end of period	**254.80**	**235.40**

III	**Reconciliation of fair value of assets and obligation as at**	31st March, 2026	31st March, 2025
	1 Present value of Defined Benefit Obligation	255.12	243.68
	2 Fair value on plan assets	254.80	235.40
	3 Status [(Surplus)/Deficit]	(0.33)	(8.28)
	4 Effect of Asset Ceiling / Onerous Liability	-	-
	5 Net (assets) /liability recognised in the Balance Sheet	**(0.33)**	**8.28**

IV	**Expenses recognised during the year**	31st March, 2026	31st March, 2025
	1 Current service cost	49.12	46.67
	2 Net Interest cost	0.29	(2.02)
	3 Expected Return on Plan Assets	-	-
	4 Past Service Cost	-	-
	5 Total expenses recognised in the Statement of Profit & Loss	**49.41**	**44.65**

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	Other Comprehensive Income		
V	**Re measurements of the net defined benefit liability/(assets)**	**31st March, 2026**	**31st March, 2025**
	Actuarial (gain)/loss for the year on DBO	(47.17)	(6.66)
	Actuarial (gain)/loss for the year on Asset		
	Return on Plan Assets (excluding Interest Income)	(2.29)	(1.27)
	Total Re-measurement in OCI	**49.46**	**7.93**

VI	Major category of plan assets as a % of the total plan assets	31st March, 2026	31st March, 2025
	Fund Managed By LIC	100%	100%
	Total	**100%**	**100%**

VII. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

VII	Actuarial assumptions	31st March, 2026	31st March, 2025
	1 Discount rate (%)	**7.41%**	6.67%
	2 Expected Rate of Return on Assets	**7.41%**	6.67%
	3 Rate of escalation in salary (per annum) (%)	**7.00%**	6.00%
	4 Mortality table (IALM) Table Ultimate	**2012-14**	2012-14
	5. Average Future Service (Year)	**24.22**	24.57

Note:

1. Plan assets are fully represented by balance with an Insurance Company.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. Plan Characteristics and Associated Risks: The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

   a. Discount rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
   b. Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation

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VIII. Sensitivity analysis-

Under Base Scenario -Defined Benefit Obligations – ₹ 255.12 lakhs

Particulars	Change in Assumptions	31st March, 2026	31st March, 2025
Discount Rate	1.00 % increase	235.02	218.24
	1.00 % decrease	299.08	274.33
Change in salary increase	1.00 % increase	297.49	272.18
	1.00 % decrease	235.77	219.72
Change in withdrawal rate	1.00 % increase	264.08	245.13
	1.00 % decrease	263.88	241.89
Change in mortality rate	1.00 % increase	252.28	243.83
	1.00 % decrease	254.96	243.53

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet. The method and types of assumptions used in preparing the sensitivity analysis did not changed compared to the previous year.

IX. Maturity Profile of Defined Benefit Obligations

Year	Amount (₹ In Lakhs)
April 2026 – March 2027	14.77
April 2027 – March 2028	16.41
April 2028 – March 2029	7.49
April 2029 – March 2030	7.86
April 2030 – March 2031	8.68
April 2031 Onwards	45.86

35. Segment information as per IND AS-108

Operating segment are components of the Company whose operating results, the Chief Operating Decision Maker ("CODM")- the managing director of the Company, 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, considering 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 in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

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36. Lease Disclosures:

36.1 The following is the break-up of current and non-current lease liabilities as March 31, 2026, and March 31, 2025

(₹ In Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Current Lease Liabilities	220.75	158.19
Non- Current Lease Liabilities	1204.42	1,133.21
Total	**1425.17**	**1,291.40**

36.2 The following is the movement in lease liabilities during the year ended March 31st, 2026 & March 31st, 2025:

(₹ In Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Balance at the Beginning	**1291.40**	**978.32**
Add: Additions during the year	321.10	456.22
Add; Finance cost accrued during the period	128.72	117.16
Less: Deletion during the year	-	-
Less: Payment of lease liabilities	316.05	260.30
Balance at the End	**1425.17**	**1,291.40**

36.3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2026 & March 31st, 2025, on an undiscounted basis:

(₹ In Lakhs)

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Less than one year	220.75	158.19
One to five years	855.52	868.44
More than five years	348.90	264.77
Total	**1425.17**	**1,291.40**

36.4 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36.5 During the period ended March 31st,2026 the expense recognized in the statement of profit and loss includes:

(i) Rental Expenses recorded for Short-term lease ₹ 63.56 Lakhs for the year ended 31st March 2026 (Previous Year: ₹ 59.58 lakhs)

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(ii) Variable lease expense not forming part of lease liability of ₹ Nil (Previous Year: ₹ Nil)

37. Related Party Transactions

In accordance with the requirements of Ind AS 24, Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are provided below:

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. Baldev Das Ladha	Non – Executive Director
Mr. Manoj Tuslyan (*)	KMP Of the Entity
Mr. Nikhil Saraf (*)	KMP Of the Entity
Mr. Sanjay Jain (*) (appointed w.e.f. 6th November 2025)	KMP Of the Entity
Mrs. Vranda Manish Rathi (resigned w.e.f. 9th August 2025)	KMP Of the Entity
Iris Clothings limited Employees Gratuity Fund	Gratuity Trust
Mr. Niraj Agarwal	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary

* Independent directors are included only for the purpose of compliance with definition of key management personnel given under Ind AS 24- Related Party Disclosures.

(b) Relative of the Key Managerial Personnel

Name of the Relative of KMP	Relationship
Ms. Shruti Ladha	Relative of Managing Director
Ms. Sakshi Ladha	Relative of Managing Director

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

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

II. Transaction with related parties

During the Financial year ended 2025-26

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹ In Lakhs)
1	Mr. Santosh Ladha (*)	Managing Director	Remuneration	126.00
2	Mrs. Geeta Ladha (*)	Whole Time Director	Remuneration	126.00
3	Mr. Baldev Das Ladha (*)	Non – Executive Director	Director Sitting Fees	0.10
4	Mr. Manoj Tuslyan	KMP Of the Entity	Director Sitting Fees	0.23
5	Mr. Nikhil Saraf	KMP Of the Entity	Director Sitting Fees	0.23
6	Mrs. Vranda Manish Rathi	KMP Of the Entity	Director Sitting Fees	0.10
7	Mr. Sanjay Jain	KMP Of the Entity	Director Sitting Fees	0.07
8	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	10.649
9	Mr. Niraj Agarwal	CFO	Remuneration	9.11
10	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.96
11	Ms. Shruti Ladha	Relative of Managing Director	Salary	10.80
12	Ms. Sakshi Ladha	Relative of Managing Director	Salary	5.40

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(*) Personal Guarantee provide to the Bank for cash credit facilities given by Bank to the Company.

During the Financial year ended 2024-25

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (₹ In Lakhs)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7.80
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	5.40
3	Mr. Santosh Ladha (*)	Managing Director	Remuneration	150.00
4	Mrs. Geeta Ladha (*)	Whole Time Director	Remuneration	150.00
5	Mr. Baldev Das Ladha (*)	Non – Executive Director	Director Sitting Fees	0.18
6	Mr. Manoj Tuslyan	KMP Of the Entity	Director Sitting Fees	0.35
7	Mr. Nikhil Saraf	KMP Of the Entity	Director Sitting Fees	0.35
8	Mrs. Vranda Manish Rathi	KMP Of the Entity	Director Sitting Fees	0.35
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	0.27
10	Mr. Niraj Agarwal	CFO	Remuneration	8.41
11	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.96

(*) Personal Guarantee provide to the Bank for cash credit facilities given by Bank to the Company.

III Outstanding balance as on: 31.03.2026

(₹ In Lakhs)

Sl.	Name of the party	31st March 2026	31st March, 2025
1	Mr. Santosh Ladha	-	-
2	Mrs. Geeta Ladha	-	-
3	Mr. Baldev Das Ladha	-	0.05
4	Mr. Manoj Tulsyan	-	0.11
5	Mr. Nikhil Saraf	-	0.11
6	Iris Clothings Limited Employees Gratuity Fund	0.78	0.77
7	Mrs. Sweta Agarwal	0.33	0.33
8	Mr. Niraj Agarwal	0.69	0.63
9	Ms. Shruti Ladha	0.90	-
10	Ms. Sakshi Ladha	0.90	-

Terms and conditions of transactions with related parties –

a. All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. All outstanding receivable balances are unsecured and repayable in cash.
b. Transaction above excludes indirect taxes and includes materials in transit
c. None of the balances is secured.

Key management personnel compensation:

(₹ In Lakhs)

	Particulars	31st March 2026	31st March, 2025
	Short Term Benefits	265.07	312.37
	Post Employment Benefits	-	-
	-Defined Contribution Plan ($, #)	0.216	0.216
	-Defined Benefit Plan (#, *)	-	-
	Other Long-Term Benefits	-	-
	Total	265.286	312.586

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(₹ In Lakhs)

Srl No.	Particulars	31st March 2026	31st March, 2025
1	Mr. Santosh Ladha	126.00	150.00
2	Mrs. Geeta Ladha	126.00	150.00
3	Mrs. Sweta Agarwal	3.96	3.96
4	Mr. Niraj Agarwal	9.33	8.63

$ Including provident fund, compensated absences paid and any other benefit.
# The liability for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole. Accordingly, amounts accrued pertaining to key managerial personnel are not included above.
* Amount presented is towards the gratuity payment.

38. Financial Instruments

Financial Instruments by category

(₹ In Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets/ liabilities at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through other Comprehensive Income	-	-	-	-
Financial Assets designated at Amortised Cost				
Cash and Cash Equivalent	**17.75**	**17.75**	7.60	7.60
Bank balances other than above	**89.58**	**89.58**	84.43	84.43
Investment	-	-	-	-
Trade and Other Receivables	**7,231.83**	**7,231.83**	5,297.05	5,297.05
Loan	**11.07**	**11.07**	10.79	10.79
Others Financial Assets	**349.62**	**349.62**	135.49	135.49
Financial Liabilities designated at fair value through profit or loss				
-				
Financial Liabilities designated at amortised cost				
Borrowings	**2,006.14**	**2,006.14**	3,751.60	3,751.60
Lease Liabilities	**1,425.17**	**1,425.17**	1,291.40	1,291.40
Trade and Other payables	**2,468.11**	**2,468.11**	2,165.91	2,165.91
Other Financial Liabilities	**0.98**	**0.98**	5.12	5.12

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.

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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2026:

(₹ In Lakhs)

Particulars	As of 31st March, 2026	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-	-	-	-
Liabilities				
Derivative financial instruments	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2025:

(₹ In Lakhs)

Particulars	As of 31st March, 2025	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-	-	-	-
Liabilities				
Derivative financial instruments	-	-	-	-

39. Financial risk management objective and policies

The Company's financial liabilities include 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.

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.

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(₹ In Lakhs)

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
Trade receivables					
As at 31st March, 2026					
Secured	-	-	-	-	-
Unsecured	-	5,756.09	1,085.13	390.60	7,231.82
Total	-	**5,756.09**	**1,085.13**	**390.60**	**7,231.82**
As at 31st March, 2025					
Secured	-				-
Unsecured	-	4,157.96	825.54	313.55	5,297.05
Total	-	**4,157.96**	**825.54**	**313.55**	**5,297.05**

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.

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Derivative instruments and un-hedged foreign currency exposure:

During the current or previous financial year the Company does not enter into any derivative instruments for trading or speculative purposes and have no outstanding foreign currency exposure.

(ii) **Interest rate risk-**The Company's exposure to the risk of changes in market interest rates relates primarily to long-term debt.

Maturity profile of financial liabilities

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

(₹ In Lakhs)

Financial Liabilities	Outstanding	0-1 year	2-5 year	6-10 year	Above 10 years
As at 31st March, 2026					
Borrowings	**2,006.14**	**2,006.14**			-
Lease Liabilities	**1,425.17**	**220.75**	**855.52**	**348.90**	-
Trade Payables	**2,468.11**	**2,468.11**			-
Other financial liabilities	**0.98**	**0.98**			-
Total	**5,900.40**	**4,695.98**	**855.52**	**348.90**	-
As at 31st March, 2025					
Borrowings	3,751.60	3,751.60	-	-	-
Lease Liabilities	1291.40	158.19	868.44	264.77	-
Trade Payables	2,165.91	2,165.91	-	-	-
Other financial liabilities	5.12	5.12	-	-	-
Total	7,214.03	6,080.82	868.44	264.77	-

40. Capital management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. Net debt includes, interest bearing loans and borrowings less cash and short-term deposits.

The funding needs are met through equity, cash generated from operations and short term bank borrowings.

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.

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The Company monitors capital using gearing ratio, which is net debt divided by sum of capital and net debt.

(₹ In Lakhs)

Particulars	31st March, 2026	31st March, 2025
Borrowing	2,006.14	3,751.60
Lease Liabilities	1,425.17	1,291.40
Less: Cash and Cash Equivalents	(17.75)	(7.60)
Net Debt (A)	**3,413.56**	**5,035.40**
-		
Equity Share Capital	3,806.63	1,631.41
Other Equity	10,369.29	6,596.99
Total Capital (B)	**14,175.92**	**8,228.40**
Total Capital and Net Debts (C=(A+B))	**17,589.48**	**13,263.80**
Gearing Ratio (A/C)	**19.41%**	**37.96%**

41. Contribution to political parties during the year 2025-26 is ₹ Nil (previous year ₹ Nil)

42. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2026.

43. Events after the reporting period

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

44. Additional Disclosures:

a. The Company has not revalued its Property, Plant and Equipment accordingly disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable to the Company.

b. During the year, the Company has not granted any Loans or Advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment to promoters, directors and KMPs either severally or jointly with any other person

c. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company for the financial year 2025-26.

d. The Company has taken borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarter.

e. The Company has not been declared as a willful defaulter by any bank or financial Institution or other lender.

f. The company has any not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31.03.2026.

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g. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

h. The Company does not have any investment through more than two layers of investment companies as per section 2(87)(d) and section 186 of the Companies Act 2013.

i. During the year Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries, the company.

j. During the year Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

k. The Company does not have such transaction which are not recorded in the books of accounts during the year and also there are not such unrecorded income and related assets related to earlier years which have been recorded in the books of account during the year.

l. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

45. Movement in each class of provision during the financial year are provided below:

Particulars	As on 31.03.2026	As on 31.03.2025
Opening Balances	**8.28**	-28.43
Provision/(reversal) during the year	49.12	46.66
Re-measurement gains/(Losses) accounted for in OCI	-49.47	-7.93
Payment during the Year	-7.90	-
Interest Charge	0.30	-2.02
Closing Balances	**0.33**	**8.28**
Current	0.33	8.28
Non-Current	-	-
	0.33	**8.28**

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46. Ratio Analysis

Ratios	Numerator	Denominator	As on 31st March, 2026	As on 31st March, 2025	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.19	2.01	58%	Increase due to higher current assets, primarily trade receivables and inventories, resulting in an improved working capital position.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.24	0.62	-61%	Decrease due to repayment of borrowings, supported by fresh equity infusion and retained earnings during the year.
Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Services	0.86	0.56	53%	Improved on account of lower debt servicing obligations resulting from reduced borrowings
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.15	0.18	-17%	Decline attributable to a higher average equity base following fresh equity infusion, which outpaced the increase in net profit.
Inventory turnover ratio	Net Sales	Average Inventory	2.62	2.22	18%	Improvement driven by better inventory management and higher inventory turnover during the year.
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivables	3.05	3.28	-7%	Marginal decline due to an increase in average trade receivables during the year.
Trade payables turnover ratio	Net Credit Purchase/ Cost of Goods Sold	Average Trade Payables	4.73	3.59	32%	Increase due to lower average trade payables, reflecting a faster payment cycle.

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Net capital turnover ratio	Net Sales	Average Working Capital	2.21	2.62	-16%	Decline owing to an increase in average working capital, primarily on account of higher trade receivables and inventories.
Net profit ratio	Net Profit	Net Sales	0.08	0.09	-5%	Slight decline due to an increase in operating expenses, which impacted profit margins.
Return on Capital employed	EBIT	Average Capital Employed	0.22	0.3	-24%	Decline due to an increase in average capital employed following fresh equity infusion, while growth in EBIT remained comparatively lower.
Return on investment	Profit After Tax	Average total Assets less DTA (Net)	0.09	0.09	-	No significant change as compared to the previous year.

47. Previous year figures are regrouped and reclassified to make them comparable with Ind AS presentation.

48. The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 11th May 2026.

As per our Report of even date
For AMK & Associates
Chartered Accountants
FRN 327817E

Bhupendra Kumar Bhutia
Partner
Membership No. 059363

Kolkata
11th May 2026

Santosh Ladha
Managing Director
DIN:03585561

Geeta Ladha
Whole Time Director
DIN:03585488

Sweta Agarwal
Company Secretary

Niraj Agarwal
Chief Financial Officer

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