



AMK & ASSOCIATES
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 Ind AS financial statements of IRIS Clothings Limited ("the Company") which comprise the balance sheet as at 31st March 2022, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS financial statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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





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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 obtained at the date of this auditor's report is information included in the Annual report but does not include the financial statements and our auditor's report thereon.

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 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.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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





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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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- 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.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.





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(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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 (i) (1) to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever





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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 has 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 declared or paid by the Company during the financial year.

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN: 22064475AICQJZ1255

Place: Kolkata
Date: 29th April, 2022





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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 program 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 on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties (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 the opinion, the coverage and procedure of such





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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 generally in agreement with the unaudited books of account of the 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, and security the provisions of sections 185 and 186 of the Act is not applicable. Therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

As informed to us, no order has been passed by the Company law Board and National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal against the company for any violation of deposit provisions.

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:





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a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Goods and Service Tax, Provident Fund, Employees' State Insurance, cess, and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, cess, and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

c) Details of dues of Income tax, Goods and Service Tax, cess which have not been deposited as on 31 March 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (Rs.) (Net of Deposit)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,35,68,260/-	A.Y. 2013-14	C.I.T.(Appeal)

(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 in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared 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 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





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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) According to the information and explanations given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause (x) of the Order is not applicable

(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 are no whistle blower 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 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





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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 as a non-banking financial company under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.

As represented to us by the management, the group has no CIC.

- (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, 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.

- (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

Manish Kumar Agarwal

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN: 22064475AICQJZ1255

Place: Kolkata
Date: 29th April 2022





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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 (g) of Report on Other Legal and Regulatory Requirements in our Report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IRIS Clothings Limited as of March 31, 2022, 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.





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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial





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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, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN: 22064475AICQJZ1255

Place: Kolkata
Date: 29th April 2022



1. CORPORATE INFORMATION

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

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

2. Statement of Compliance

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

2.1. Basis of Preparation

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

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

2.2. Presentation of Financial Statements

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

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



2.3. Revenue Recognition

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

i) **Sales of goods**

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

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii) **Export Incentives**

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

iii) **Insurance and Other Claims**

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

iv) **Interest and Dividend Income**

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

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

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

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

v) **Other Operational Revenue**

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

2.4. Properties, Plant and Equipment (PPE)

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



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

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

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

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

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

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

2.5. Intangible Assets

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

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

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

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

2.6. Impairment of Tangible and Intangible Assets other than Goodwill

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

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

Recoverable amount is determined:



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- 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.

2.7. Inventories

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

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

2.8. Employee Benefits

i) Short Term Employee Benefits

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

ii) Post-employment benefits:

- a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.
- b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive



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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.

2.9. Leases

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

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

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received,



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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Company as a Lessor

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

Transition

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.10. Financial Instruments

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

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



costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

1) Financial Assets

a) Financial assets at amortised cost

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

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

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

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.

e) De-recognition

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

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

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

2) Financial liabilities

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

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

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

2.11. Write Off

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

2.12. Impairment

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

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

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:



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- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

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

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

Significant increase in credit risk

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

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

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

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

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.



Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

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

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

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

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

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

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

2.13. Modification and derecognition of financial assets

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



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

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

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

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

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

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

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

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



Notes

Forming Part of the Financial Statements for the year ended 31st March 2022

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

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

2.14. Presentation of allowance for ECL in the Balance Sheet

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

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

2.15. Government Grant:

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

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

Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

2.16. Cash and bank balances:

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

2.17. Borrowing costs:

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

Borrowing costs net of any investment income from the temporary investment of related



Notes

Forming Part of the Financial Statements for the year ended 31st March 2022

borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18. Share-based payment arrangements:

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

2.19. Accounting and reporting of information for Operating Segments:

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

2.20. Foreign currencies:

- i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.
- iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
 - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rates; and
 - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

2.21. Taxation:

Current Tax:

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

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

Deferred Tax:

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

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



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

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

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

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

2.22. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

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

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

2.23. Commitment:

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

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

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

2.24. Statement of cash flows:

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

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

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



2.25. Earnings per share

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

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

2.26. Key source of estimation:

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

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

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

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.



Notes

Forming Part of the Financial Statements for the year ended 31st March 2022

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements



IRIS Clothings Limited
Balance Sheet as at 31st March, 2022

		('Rs. in Lakhs)	
Particulars	Note No.	As on 31.03.2022	As on 31.03.2021
I ASSETS :			
1 Non-current Assets			
Property, Plant & Equipment	2	2,513.26	2,509.84
Right of Use Assets	2	597.29	615.50
Other Intangible Assets	2	4.28	7.62
Financial Assets			
Other Financial Assets	3	105.02	71.88
Deferred Tax Assets (Net)	4	68.31	46.46
		3,288.16	3,251.30
2 Current Assets			
Inventories	5	3,374.30	2,531.11
Financial Assets			
Trade receivables	6	2,373.19	1,486.60
Cash & cash equivalents	7	4.05	5.93
Other Bank balances	8	138.06	145.74
Loans	9	4.12	3.43
Current Tax Assets (Net)		-	8.73
Other Current Assets	10	197.03	155.71
		6,090.76	4,337.25
TOTAL ASSETS		9,378.92	7,588.55
II EQUITY AND LIABILITIES:			
1 Equity			
Equity Share capital	11	1,631.41	1,631.41
Other Equity	12	3,237.66	2,250.64
		4,869.07	3,882.05
2 Non-current Liabilities :			
Financial Liabilities			
Lease Liabilities	13	661.39	678.98
		661.39	678.98
3 Current Liabilities			
Financial Liabilities			
Borrowings	14	2,550.11	2,033.88
Lease Liabilities	15	65.12	25.25
Trade Payables	16	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		80.13	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		995.65	842.49
Other financial liabilities	17	74.49	44.30
Other current liabilities	18	64.32	81.60
Current Tax Liabilities (net)		18.64	-
		3,848.46	3,027.52
TOTAL EQUITY AND LIABILITIES		9,378.92	7,588.55
Accounting Polices	1		

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
Manish Kumar Agarwal
M. No. 064475
Place: Kolkata
Date: 29.04.2022

Santosh Ladha
Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha
Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Sweta Agarwal
Company Secretary

Niraj Agarwal
Niraj Agarwal
CFO



IRIS Clothings Limited
Statement of Profit & Loss for the Year Ended 31st March, 2022

					('Rs. in Lakhs)	
SI No	Particulars	Note No.		For the period ended 31.03.2022	For the period ended 31.03.2021	
I	Revenue From operations	19		11,152.13	8,789.30	
II	Other Income	20		24.62	35.13	
III	Total Income (I +II)			11,176.75	8,824.43	
IV	EXPENSES					
	Cost of Materials Consumed	21		5,776.95	3,473.48	
	Purchases of Stock-in-Trade	22		933.63	778.38	
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23		(925.95)	625.77	
	Employee benefit expense	24		1,674.98	1,025.35	
	Finance costs	25		238.50	301.44	
	Depreciation and amortization expense	26		559.95	531.04	
	Other expenses	27		1,561.21	1,207.39	
	Total expenses (IV)			9,819.27	7,942.85	
V	Profit(loss) before exceptional items and tax(III-IV)			1,357.48	881.58	
VI	Exceptional items			-	-	
VII	Profit/ (loss) before tax (V-VI)			1,357.48	881.58	
VIII	Tax Expenses	28				
	a) Current Tax			364.63	254.53	
	b) Income tax related to earlier years			-	(0.23)	
	c) Deferred Tax			(21.85)	(26.02)	
				342.78	228.28	
IX	Profit/(loss) for the period (VII-VIII)			1,014.70	653.30	
X	Other Comprehensive Income	29				
	(a) Items that will not be reclassified to profit or loss			(27.67)	12.27	
	(b)Income tax relating to items that will not be reclassified to profit or loss			-	-	
				(27.67)	12.27	
XI	Total Comprehensive Income for the period (IX+X)			987.03	665.57	
XII	Earnings per equity share	30				
	1) Basic			6.22	4.00	
	2) Diluted			6.22	4.00	
	Accounting Policies	1				

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
Manish Kumar Agarwal
M. No. 064475
Place: Kolkata
Date: 29.04.2022



Santosh Ladha
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Sweta Agarwal
Sweta Agarwal
Company Secretary

Niraj Agarwal
Niraj Agarwal
CFO

IRIS Clothings Limited
Statement of Cash Flow for the Year Ended 31st March, 2022

('Rs. in Lakhs)

	PARTICULARS	Year ended 31-03-2022	Year ended 31-03-2021
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Extra-ordinary Items	1,357.48	881.58
	Adjustments for:		
	-Depreciation	559.95	531.04
	-Sundry Balances Written Off	(0.33)	(0.00)
	-Finance Cost	164.07	301.44
	-Lease Rent	95.32	(24.23)
	-OCI Defined Benefit Scheme	(27.67)	12.27
	-Interest Income	(8.69)	(11.67)
	Operating Profit Before Working Capital Changes	2,140.12	1,690.43
	Adjustments for:		
	-Trade Payables	97.90	(780.56)
	-Trade and other Receivables	(952.69)	(304.94)
	-Inventories	(843.19)	544.59
	Cash Generated from Operations :	442.14	1,149.52
	-Direct Taxes Paid	(345.99)	(251.09)
	Net Cash generated from Operating Activities	96.15	898.43
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipments (Net)	(466.56)	(253.45)
	Term Deposit other than cash equivalents	7.68	78.04
	Interest Received	8.69	11.67
	Net Cash used in Investing Activities	(450.20)	(163.76)
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Short Term Borrowings	516.23	9.47
	Proceeds/(Repayment) of Long Term Borrowings	-	(440.06)
	Interest Paid	(164.07)	(301.44)
	Net Cash generated/(used) in Financing Activities	352.16	(732.03)
	Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(1.88)	2.66
	Opening Cash and Cash Equivalents	5.93	3.27
	Closing Cash and Cash Equivalents	4.05	5.93

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal

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M. No. 064475
Place: Kolkata
Date: 29.04.2022



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Sweta Agarwal
Sweta Agarwal
Company Secretary

Niraj Agarwal
Niraj Agarwal
CFO

IRIS Clothing Limited
a Equity Share Capital

Particulars	No. of Equity Shares of Rs. 10 each fully paid up	Balance at the beginning of the reporting period 01.04.2021	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 31.03.2022
Equity Share	1,63,14,126	1,631.41	-	1,631.41	-	1,631.41

Particulars	No. of Equity Shares of Rs. 10 each fully paid up	Balance at the beginning of the reporting period 01.04.2020	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 31.03.2021
Equity Share	1,63,14,126	466.12	-	466.12	1,165.29	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 (01.04.2020)	1,178.22	1,572.15		2,750.36
Changes in accounting policy/ prior period expenses	-	-		-
Restated Balance at the beginning of the reporting year	1,178.22	1,572.15		2,750.36
Profit for the year	-	653.30		653.30
OCI Components of Remeasurements of the net defined benefit Plans	-	12.27		12.27
Issue of Bonus shares during the year	(1,165.29)	-		(1,165.29)
Balance at the beginning of the reporting period (31.03.2021)	12.92	2,237.72		2,250.64
Changes in accounting policy/ prior period expenses	-	-		-
Restated Balance at the beginning of the reporting year 31.03.2021	12.92	2,237.72		2,250.64
Profit for the year	-	1,014.70		1,014.70
OCI Components of Remeasurements of the net defined benefit Plans	-	(27.67)		(27.67)
Balance at the end of the reporting period (31.03.2022)	12.92	3,224.74		3,237.66



Note No. 2	Property, Plant & Equipment									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.21 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2022 (Rs.)	Up to 01.04.21 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2022 (Rs.)	As at 31.03.2022 (Rs.)	As at 31.03.2021 (Rs.)
Land	18.35	-	-	18.35	-	-	-	-	18.35	18.35
Building	1,023.76	-	-	1,023.76	264.65	72.12	-	336.77	886.99	759.11
Plant & Machinery	2,367.05	285.03	-	2,652.08	1,078.14	268.04	-	1,346.18	1,305.90	1,288.91
Electrical Installation	262.55	2.87	-	265.42	101.17	29.34	-	130.50	134.92	161.38
Office Equipments	59.50	7.89	-	67.39	47.11	6.79	-	53.90	13.49	12.39
Furniture Fittings	432.99	60.94	-	493.93	200.51	67.76	-	268.27	225.65	232.48
Vehicles	113.53	126.82	50.66	179.68	76.31	18.99	43.57	51.72	127.96	37.22
Total	4,277.72	483.55	60.66	4,700.61	1,767.89	463.03	43.57	2,187.35	2,513.26	2,509.84
Note No. 2	Right of Use Assets									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.20 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2021 (Rs.)	Up to 01.04.20 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2021 (Rs.)	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
For 2020-21	4,029.55	248.17	-	4,277.72	1,307.97	459.92	-	1,767.89	2,509.84	2,721.58

Note No. 2	Other Intangible Assets									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.21 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2022 (Rs.)	Up to 01.04.21 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2022 (Rs.)	As at 31.03.2022 (Rs.)	As at 31.03.2021 (Rs.)
Land & Building	752.27	75.27	-	827.54	136.78	93.48	-	230.25	597.29	615.50
Total	752.27	75.27	-	827.54	136.78	93.48	-	230.25	597.29	615.50
Note No. 2	Other Intangible Assets									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.20 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2021 (Rs.)	Up to 01.04.20 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2021 (Rs.)	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
For 2020-21	752.27	-	-	752.27	68.39	68.39	-	136.78	615.50	683.88

Note No. 2	Other Intangible Assets									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.21 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2022 (Rs.)	Up to 01.04.21 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2022 (Rs.)	As at 31.03.2022 (Rs.)	As at 31.03.2021 (Rs.)
Computer Software	15.83	0.10	-	15.93	8.22	3.44	-	11.65	4.28	7.61
Total	15.83	0.10	-	15.93	8.22	3.44	-	11.65	4.28	7.61
Note No. 2	Other Intangible Assets									
	GROSS BLOCK					DEPRECIATION				
	Original Cost as at 01.04.20 (Rs.)	Addition during the year (Rs.)	Sales/Adjustments during the year (Rs.)	Total Cost as at 31.03.2021 (Rs.)	Up to 01.04.20 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2021 (Rs.)	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
For 2020-21	10.55	5.28	-	15.83	5.48	2.73	-	8.22	7.61	5.07



IRIS Clothings Limited

Notes to Financial Statements

Note	Particulars	Rs. In Lakhs	Rs. In Lakhs
		As on 31.03.2022	As on 31.03.2021
Note 3 Other Financial Assets			
	Security Deposits	105.02	71.88
		<u>105.02</u>	<u>71.88</u>
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	68.31	46.46
	Total Deferred Tax Assets	<u>68.31</u>	<u>46.46</u>
	Deferred Tax Liabilities		
	Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
	Total Deferred Tax Liabilities	<u>-</u>	<u>-</u>
		<u>68.31</u>	<u>46</u>
Note 5 Inventories			
	Raw Materials	324.10	423.22
	Work in Progress	1,121.52	1,133.05
	Finished Goods	1,847.96	910.47
	Stores and Spares	80.72	64.37
		<u>3,374.30</u>	<u>2,531.11</u>
Note 6 Trade Receivables			
	Unsecured, considered good	2,373.19	1,486.60
		<u>2,373.19</u>	<u>1,486.60</u>
	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	2,294.34	1,479.04
	6 months - 1 year	64.77	5.34
	1-2 years	12.22	2.39
	2-3 years	1.86	(0.52)
	More than 3 years	-	0.35
	Total	<u>2,373.19</u>	<u>1,486.60</u>
Note 7 Cash and cash equivalents			
	Balances with banks	1.61	1.87
	- In current accounts	2.44	4.06
	Cash on hand	<u>4.05</u>	<u>5.93</u>



Note	Particulars	Rs. In Lakhs As on 31.03.2022	Rs. In Lakhs As on 31.03.2021
Note 8 Other Bank Balances			
	Special Term Deposit / Balance with banks held as Margin Money	138.06	145.74
		<u>138.06</u>	<u>145.74</u>
Note 9 Loans			
	To Employee	4.12	3.43
		<u>4.12</u>	<u>3.43</u>
Note 10 Other Current Assets			
	Security Deposits to others	0.25	0.25
	Other advances		
	Advance to Parties	97.26	78.88
	Other Advances	0.50	-
	Others		
	Prepaid Expenses	6.72	12.47
	Balances with Government Dept	92.31	64.11
		<u>197.03</u>	<u>155.71</u>
Note 11 Equity Share Capital			
	Authorised		
	Equity Share of Rs. 10/- par value 1,65,00,000 Equity Share	<u>1,650.00</u>	<u>1,650.00</u>
	Issued, Subscribed and Paid-up Capital		
	Equity Share of Rs. 10/- par value 1,63,14,126 (2020-21- 1,63,14,126) Equity Share of Rs 10/- par value fully paid up	1,631.41	466.12
	Add : Bonus shares 1,16,52,947 share of Rs. 10/- each fully paid-up	-	1,165.29
		<u>1,631.41</u>	<u>1,631.41</u>

Notes:

1. The Company has only one class of shares referred to as equity shares having a par value of Rs 10/- 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:

Name of Shareholder	As on 31.03.2022		As on 31.03.2021	
	No. of Shares	% to Total Shares	No. of Shares	% to Total Shares
Geeta Ladha	77,26,414	47.36	77,26,414	47.36
Santosh Ladha	12,73,959	7.81	12,07,759	7.40

4. The reconciliation of the number of shares outstanding:

Particulars	As on 31.03.2022		As on 31.03.2021	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Number of shares at the beginning	1,63,14,126	16,31,41,260	46,61,179	4,66,11,790
Addition during the Year	-	-	1,16,52,947	11,65,29,470
Number of shares at the closing	1,63,14,126	16,31,41,260	1,63,14,126	16,31,41,260



Note	Particulars	Rs. In Lakhs As on 31.03.2022	Rs. In Lakhs As on 31.03.2021
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5. Shares held by promoters at the end of the year 31st March, 2022

Sl. No.	Promoter name	No. of Shares	% of total shares**	% Change
1.	Geeta Ladha	77,26,414.00	47.36	-
2.	Santosh Ladha	12,73,959.00	7.81	0.41
3.	Baldev Das Ladha	6,66,517.00	4.09	2.55
4.	Kamala Devi Ladha	4,37,906.00	2.68	-
5.	Baldev Das Ladha (HUF)	7,28,000.00	4.46	-
6.	Santosh Ladha (HUF)	6,52,288.00	4.00	-
	Total	1,14,85,084.00	70.40	2.96

Note 12 Other Equity

Securities Premium

Balance as per last Account	12.92	1,178.22
Addition during the year	-	-
Less : Issue of Bonus shares	-	(1,165.29)
	12.92	12.92

Retained Earnings

Surplus at the beginning of the year	2,237.72	1,572.15
Add : Profit for the year	1,014.70	653.30
Add/(Less): OCI Components of Remeasurements of the net defined benefit Plans	(27.67)	12.27
	3,224.74	2,237.72

Total

3,237.66	2,250.64
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a) Securities Premium

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

Note 13 Financial -Non-Current

Lease Liabilities	661.39	678.99
	661.39	678.99

Note 14 Borrowings

Loans repayable on demand

Secured

From Banks

Cash Credit	2,550.11	2,033.88
	2,550.11	2,033.88

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 has been guaranteed by the directors.

Note 15 Lease Liabilities

65.12	25.25
65.12	25.25



Note	Particulars	Rs. In Lakhs As on 31.03.2022	Rs. In Lakhs As on 31.03.2021
Note 16	Trade payables		
	Dues to Micro and Small Enterprises	80.13	-
	Others		
	For Goods	920.92	729.10
	For Capital Goods	17.16	17.70
	For Others	137.71	95.68
		1,075.78	842.49
		1,155.92	842.49
	Trade Payables ageing schedule of payment		
	MSME- other than disputed dues		
	Less than 1 year	80.13	-
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
	Total	80.13	-
	Other than MSME- other than disputed dues		
	Less than 1 year	978.69	824.79
	1-2 years	16.96	17.70
	2-3 years	-	-
	More than 3 years	-	-
	Total	995.65	842.49
Note 17	Other financial liabilities		
	Others		
	Liabilities for Expenses	19.88	22.77
	Gratuity Payable	54.61	21.53
		74.49	44.30
Note 18	Other current liabilities		
	Advances from Customers	22.09	31.18
	Others		
	Defered income	-	15.00
	TDS and other taxes payable	36.70	30.15
	Security Deposits	5.53	5.28
		64.32	81.60



IRIS Clothings Limited

Notes to Financial Statements

Note	Particulars	Rs. In Lakhs For the period ended 31.03.2022	Rs. In Lakhs For the period ended 31.03.2021
Note 19 Revenue From operations			
(a) <u>Sale of products</u>			
- Traded goods	949.01	901.93	
- Raw Material	11.27	16.45	
- Manufactured good & Others	10,132.86	7,812.86	
	<u>11,093.14</u>	<u>8,731.24</u>	
(b) Other operating revenues	59.00	58.05	
	<u>11,152.13</u>	<u>8,789.30</u>	
Note 20 Other Income			
(a) Interest Income			
From Bank	8.06	11.54	
From Others	0.63	0.13	
(b) Other non-operating income			
Government Grants Received	15.00	-	
Discount Received	0.25	0.03	
Insurance Claim Received	0.68	23.44	
	<u>24.62</u>	<u>35.14</u>	
Note 21 Cost of Materials Consumed			
Opening Stock of Raw Materials	423.22	363.00	
Add: Raw materials Purchased	<u>5,677.84</u>	<u>3,533.69</u>	
	<u>6,101.05</u>	<u>3,896.69</u>	
Less: Closing Stock of Raw Materials	<u>324.10</u>	<u>423.22</u>	
	<u>5,776.95</u>	<u>3,473.48</u>	
Note 22 Purchase of Stock-in-Trade (Readymade Garments & Accessories)	933.63	778.38	
Note 23 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress			
Opening Stock			
Finished Goods	776.82	1,548.64	
Stock in Trade	133.66	219.98	
Work-in-Progress	<u>1,133.05</u>	<u>900.68</u>	
	<u>2,043.53</u>	<u>2,669.30</u>	
Less : Closing Stock			
Finished Goods	1,683.60	776.82	
Stock in Trade	164.36	133.66	
Work-in-Progress	<u>1,121.52</u>	<u>1,133.05</u>	
	<u>2,969.48</u>	<u>2,043.53</u>	
Increase / Decrease in Stock	<u>(925.95)</u>	<u>625.77</u>	
Note 24 Employee benefit expenses			
Salaries ,Wages and Bonus	1,488.02	938.35	
Contribution to provident and other funds	137.48	63.97	
Staff Welfare Expenses	49.48	23.03	
	<u>1,674.98</u>	<u>1,025.35</u>	
Note 25 Finance Costs			
Interest			
Banks	157.02	199.32	
Others	75.21	90.04	
Other Borrowing Costs	6.27	12.08	
	<u>238.50</u>	<u>301.44</u>	



Note	Particulars	For the period ended 31.03.2022	For the period ended 31.03.2021
Note 26 Depreciation and Amortization Expense			
Depreciation	463.03	459.92	
Amortisation	96.91	71.12	
	<u>559.95</u>	<u>531.04</u>	
Note 27 Other Expenses			
Consumption of stores and spares part	533.83	314.76	
Power and Fuel	170.96	120.76	
Rent	52.89	49.61	
Repairs to buildings	6.95	9.88	
Repairs to machinery	54.03	76.03	
Repairs to others	22.75	19.59	
Insurance	10.28	10.89	
Rates and Taxes excluding taxes on Income	2.51	5.55	
Stitching, Printing, Embroidery and Other Expenses	221.28	191.21	
Carriage Outward	90.30	74.36	
Commission Paid	90.29	98.65	
Sales Promotion Expenses	24.93	17.12	
Director's Sitting Fees	1.41	1.20	
Payments to the Auditor			
As Auditor	1.50	1.50	
For Tax Audit	-	0.25	
For Fees for Other Services (incl for issuing various certificates)	0.13	1.80	
For Reimbursement of out of pocket expenses	-	-	
Donation	0.55	1.55	
CSR Expenses	14.51	11.52	
Discount Allowed	148.81	97.96	
Legal & Professional Charges	53.14	41.05	
Travelling and Conveyance	14.10	10.17	
Security Charges	5.89	5.35	
Miscellaneous Expenses	43.88	49.12	
Sundry Debit Balance Adjusted	(0.33)	(0.00)	
Net (gain)/loss on foreign currency transaction	(3.36)	(2.48)	
	<u>1,561.21</u>	<u>1,207.39</u>	
Items that will not be reclassified to profit or loss			
Changes in revaluation surplus	-	-	
Remeasurements of the defined benefit plans	(27.67)	12.27	
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).	-	-	
	<u>(27.67)</u>	<u>12.27</u>	



NOTES ON ACCOUNTS

28. Tax Expense

The components of income tax expense for the years ended 31 March 2022 and 2021 are:

	(Rs. In Lakhs)	
	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Current Tax	364.63	254.53
Income Tax for earlier years	-	(0.23)
Deferred Tax	(21.85)	(26.02)
Total Tax Charge	342.78	228.28
Current Tax	364.63	254.31
Deferred Tax	(21.85)	(26.02)

Note 28.1: Reconciliation of the Total Tax Charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 2021 is, as follows:

	(Rs. In Lakhs)	
	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Accounting profit before tax	1,357.48	881.58
Applicable tax rate	25.17%	25.17%
Computed tax expense	341.65	221.88
Tax effect of:		
Exempted Income	-	-
Non-deductible items	-	-
Adjustment on account of change on tax rate	-	-
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	-
Others	22.98	32.66
Tax expenses recognised in the statement of profit and loss	364.63	254.53
Effective tax rate	26.86%	28.87%



Note 28.2: Deferred Tax**(Rs. In Lakhs)**

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	46.46	20.44
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	21.85	26.02
At the end of year DTA / (DTL) (net)	68.31	46.46

29 Other Comprehensive Income**Items that will not be reclassified to profit or loss**

Re-measurements of the deferred benefit plans

(27.67)	12.27
<u>(27.67)</u>	<u>12.27</u>

Items that will be reclassified to profit or loss

-	-
<u>-</u>	<u>-</u>

30 Earnings per share**(Rs. In Lakhs)**

		For the period ended 31.03.2022	For the period ended 31.03.2021
Particulars	Calculation		
a) Basic Earnings per share	Net Profit attributable to Equity Shareholders	1,014.70	653.30
	Weighted Average Number of Equity Shares outstanding	163.14	163.14
	Basic Earnings Per Share of Rs. 10/- each fully paid up	6.22	4.00
b) Diluted Earnings per share	Net Profit attributable to Equity Shareholders	1,014.70	653.30
	Weighted Average Number of Equity Shares outstanding	163.14	163.14
	Diluted Earnings Per Share of Rs. 10/- each fully paid up	6.22	4.00



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

i. Contingent Liabilities:

1. Claims against the Company not acknowledged as debts (Net of Deposit) –

(Rs. In Lakhs)

Particulars	31 st March, 2022	31 st March, 2021
1) Income Tax *	135.68	135.68
*The company had received a Demand Order dated March 16, 2016, for Assessment year 2013-14, under Section 143(3) of the Income Tax Act, 1961, of Rs. 159.63/-(in Lakhs), against which, on April 29, 2016, an Appeal has been filed before the Commissioner of Income Tax Appeal. The company has already paid Rs. 23.94/-(in Lakhs) against the demand order. The matter is still pending before the concerned authorities. (Net off Refunds and Self-Assessment Tax)		

2. Guarantees

(Rs. In Lakhs)

Particulars	31 st March, 2022	31 st March, 2021
Guarantees	-	-

3. Commitment

(Rs. In Lakhs)

	Particulars	31 st March, 2022	31 st March, 2021
a.	Estimated Capital Commitments (Net of advances)	NIL	NIL
b.	Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	1,624.32	1,743.29

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

(Rs. In Lakhs)

The amounts expended are as follows:	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(a) amount required to be spent by the company during the year	14.12	11.29
(b) amount of expenditure incurred	14.51	11.52
(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	14.51	11.52
(g) details of related party transactions,	NA	NA
(h) provision made with respect to a liability incurred by entering into contractual obligations	NA	NA

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

(Rs. In Lakhs)

S.No.	Particulars	31 st March, 2022	31 st March, 2021
(a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due thereon	80.13 Nil	Nil Nil
(b)	Interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed date	Nil	Nil
(c)	Interest due and payable for the period of delay in making the payments (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

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

(a) Defined Contribution Plans

The Company has recognized expenses towards the defined contribution plans as under:

(Rs. In Lakhs)

Sl. No.	Particulars	31 st March, 2022	31 st March, 2021
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	93.60	41.66
c.	Others	-	-



(b) Defined Benefits Plan:Defined Benefit Plans (Gratuity) as per actuarial valuation on 31st March 2022

(Rs. In Lakhs)

Particulars		Gratuity (Funded)	
		31 st March, 2022	31 st March, 2021
I	Reconciliation of Defined Benefit Obligations (DBO) during the year ended		
	1 Present value of DBO at the beginning of period	132.42	106.87
	2 Current service cost	42.84	31.85
	3 Interest cost	9.14	7.48
	4 Past Service Cost	-	-
	5 Actuarial (Gains)/Losses	11.56	(13.78)
	6 Benefits paid	(1.25)	
	7 Present value of DBO at the end of period	194.71	132.42

II	Reconciliation of Fair Value of plan assets during the year ended	31st March, 2022	31st March, 2021
	1 Plan assets at the beginning of period	98.62	40.28
	2 Expected returns on plan assets	8.09	4.75
	3 Actuarial Gains/(Losses)	(3.83)	(1.51)
	4 Company contribution	38.47	55.10
	5 Benefits paid	(1.25)	
	6 Plan assets at the end of period	140.10	98.62

III	Reconciliation of fair value of assets and obligation as at	31st March, 2022	31st March, 2021
	1 Present value of Defined Benefit Obligation	194.71	132.42
	2 Fair value on plan assets	140.10	98.62
	3 Status [Surplus/(Deficit)]	54.61	33.80
	4 Effect of Asset Ceiling / Onerous Liability	-	-
	5 Net assets / (liability) recognised in the Balance Sheet	54.61	33.80

IV	Expenses recognised during the year	31st March, 2022	31st March, 2021
	1 Current service cost	42.84	31.85
	2 Net Interest cost	1.04	2.73
	3 Expected Return on Plan Assets	-	-
	4 Past Service Cost	-	-
	5 Total expenses recognised in the Statement of Profit & Loss	43.88	34.58



V	Other Comprehensive Income		
	Re measurements of the net defined benefit liability/(assets)	31st March, 2022	31st March, 2021
	Actuarial (gain)/loss for the year on PBO	11.56	(13.78)
	Actuarial (gain)/loss for the year on Asset		
	Return on Plan Assets (excluding Interest Income)	3.83	1.51
	Total Re-measurement in OCI	15.40	(12.27)

VI	Major category of plan assets as a % of the total plan assets	31st March, 2022	31st March, 2021
	Fund Managed By LIC	100%	100%
	Total	100%	100%

VII	Actuarial assumptions	31st March, 2022	31st March, 2021
	1 Discount rate (%)	7.10%	6.90%
	2 Expected Rate of Return on Assets	7.10%	6.90%
	3 Rate of escalation in salary (per annum) (%)	6.00%	6.00%
	4 Mortality table (IALM) Table Ultimate	2012-14	2012-14

Sensitivity analysis-

Under Base Scenario -Defined Benefit Obligations – Rs. 194.71 lakhs

Particulars	Change in Assumptions	31st March, 2022	31st March, 2021
Discount Rate	1.00 % increase	174.67	118.54
	1.00 % decrease	218.47	148.93
Change in salary increase	1.00 % increase	219.50	149.57
	1.00 % decrease	173.50	117.79

Maturity Profile of Defined Benefit Obligations

Year	Amount ((Rs. In Lakhs))
April 2022 – March 2023	9.06
April 2023 – March 2024	10.33
April 2024 – March 2025	14.47
April 2025 – March 2026	11.88
April 2026 – March 2027	12.30
April 2027 –	61.12



35. Segment information as per IND AS-108

Operating segment are components of the Company whose operating results, the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance regularly review and for which discrete financial information is available.

The Company is engaged primarily on the business of "manufacturing & trading of readymade garments business" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. Lease Disclosures:

- 36.1** The following is the break-up of current and non-current lease liabilities as March 31, 2022, and March 31, 2021

(Rs. In Lakhs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Lease Liabilities	65.12	25.25
Non- Current Lease Liabilities	661.39	678.99
Total	726.51	704.24

- 36.2** The following is the movement in lease liabilities during the year ended March 31, 2022 & March 31, 2021

(Rs. In Lakhs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the Beginning	704.23	728.47
Additions	75.27	-
Finance cost accrued during the period	74.43	70.68
Deletion	-	-
Payment of lease liabilities	127.42	94.91
Balance at the End	726.51	704.24

- 36.3** The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 & March 31, 2021, on an undiscounted basis:

(Rs. In Lakhs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	139.03	99.66



One to five years	527.86	451.02
more than five years	287.47	548.22
Total	954.36	1,098.90

- 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 31, 2022 the expense recognized in the statement of profit and loss includes:
- (i) Rental Expenses recorded for Short-term lease ₹ 52,89,079 for the year ended 31 March 2022 (Previous Year: ₹ 49,61,423/-)
- (ii) Variable lease expense not forming part of lease liability of ₹ Nil (Previous Year: ₹ Nil)

37. Related Party information as per Ind AS 24.

I. List of Related Party

(a) Key Management Personnel (KMP)

Name of the Key Management Personnel	Relationship
Mrs. Geeta Ladha	Whole-time Director
Mr. Santosh Ladha	Managing Director
Mr. Niraj Agarwal	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary
Mr. Manoj Tulsyan	KMP of Entity
Mr. Nikhil Saraf	KMP of Entity
Ms. Savli Prabhakar Mangle	KMP of Entity

(b) Relative of the Key Managerial Personnel

Name of the Relative of KMP	Relationship
Mr. Baldev Das Ladha	Relative of KMP
Mr. Kamala Devi Ladha	Relative of KMP

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

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

II. Transaction with related parties

For the Financial year ended 2021-22

Sl. No	Name of the Party	Nature of Relationship	Nature of Transaction	Amount (Rs. In Lakhs)
1	Iris Fashions Pvt Ltd.	Control of KMP	Machinery Hire Charges	7.80
2	Iris Apparels Pvt Ltd.	Control of KMP	Machinery Hire Charges	5.40
3	Mr. Santosh Ladha	Managing Director	Director Remuneration	117.00



4	Mrs. Geeta Ladha	Managing Director	Director Remuneration	117.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.18
6	Mr. Manoj Tulsyan	KMP of Entity	Director Sitting Fees	0.38
7	Mr. Nikhil Saraf	KMP of Entity	Director Sitting Fees	0.38
8	Ms. Savli Prabhakar Mangle	KMP of Entity	Director Sitting Fees	0.38
9	Mrs Sweta Agarwal	Company Secretary	Remuneration	3.45
10	Mr. Niraj Agarwal	Chief Finance Officer	Remuneration	5.08

For the Financial year ended 2020-21

Sl.	Name of the party	Nature of Relation	Nature of Transaction	Amount (Rs. In Lakhs)
1	Iris Fashions Pvt. Ltd.	Control of KMP	Machine Hire charges	7.15
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	4.95
3	Mrs. Geeta Ladha	Whole Time Director	Remuneration	120.00
4	Mr. Santosh Ladha	Managing Director	Remuneration	120.00
5	Mr. Niraj Agarwal	CFO	Remuneration	3.24
6	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.60
7	Mr. Baldev Das Ladha	Relative of KMP	Director's Sitting Fees	0.40

III Outstanding balance as on: 31.03.2022

Sl.	Name of the party	(Rs. In Lakhs)	
		31 March 2022	31 March, 2021
1	Iris Fashions Pvt. Ltd.	-	-
2	Iris Apparels Pvt. Ltd.	-	-
3	Mr. Santosh Ladha	6.50	6.25
4	Mrs. Geeta Ladha	6.50	6.50
5	Mr. Baldev Das Ladha	0.02	0.09
6	Mr. Manoj Tulsyan	0.09	0.09
7	Mr. Nikhil Saraf	0.09	0.09
8	Ms. Savli Prabhakar Mangle	0.09	-
9	Mrs. Sweta Agarwal	0.30	0.30
10	Mr. Niraj Agarwal	0.49	0.25

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

38. Financial Instruments

Financial Instruments by category

Particulars	31 st March, 2022		31 st March, 2021	
	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	4.05	-	5.93	-
Bank balances other than above	138.06	-	145.74	-
Investment	-	-	-	-
Trade and Other Receivables	2,373.19	-	1,486.60	-
Loan	109.15	-	75.56	-
Financial Liabilities designated at fair value through profit or loss				
Financial Liabilities designated at amortised cost				
Borrowings	2,550.11	-	2,033.88	-
Lease Liabilities	726.51	-	704.23	-
Trade and Other payables	1,075.78	-	842.49	-
Other Financial Liabilities	74.49	-	44.30	-

Fair Value Hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

(Rs. In Lakhs)

Particulars	As of 31 st March, 2022	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, 2021:

(Rs.)

Particulars	As of 31 st March, 2021	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 includes Loan and borrowings and Trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade & other receivables, deposits and cash & cash equivalents.

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

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

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

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

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



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

(Rs. 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 31 st March, 2022					
Secured	-	-	-	-	-
Unsecured	-	2,294.34	64.77	14.08	2,373.19
Total	-	2,294.34	64.77	14.08	2,373.19
As at 31 st March, 2021					
Secured	-				-
Unsecured	-	1479.03	5.34	2.23	1,486.60
Total	-	1479.03	5.34	2.23	1,486.60

B. Liquidity Risk- A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's finance department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, Term loans among others.

C. Market Risk- A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

(i) Foreign Currency Risk- A risk that the fair value or future value of the cash flows of a forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's import and export activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.



Derivative instruments and un-hedged foreign currency exposure:

The Company does not enter into any derivative instruments for trading or speculative purposes.

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

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.

(Rs. In Lakhs)

Financial Liabilities	Outstanding	0-1 year	2-5 year	5-10 year	Above 10 years
As at 31st March, 2022					
Borrowings	2,550.11	2,550.11			-
Lease Liabilities	726.51	65.12	299.30	362.08	-
Trade Payables	1,075.78	1,058.82	16.96	-	-
Other financial liabilities	74.49	74.49	-	-	-
Total	4,426.89	3,748.54	316.26	362.08	-
As at 31st March, 2021					
Borrowings	2,033.88	2,033.88	-	-	-
Lease Liabilities	704.23	25.24	230.07	448.91	-
Trade Payables	842.49	824.79	17.70	-	-
Other financial liabilities	44.30	44.30	-	-	-
Total	3,624.90	2,928.21	247.77	448.91	-

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. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short-term deposits.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing for reported periods.

Contribution to political parties during the year 2021-22 is Rs. Nil (previous year Rs. Nil)



41. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.

42. Events after the reporting period

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

43. 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 2021-22.
- d. The Company has been 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 quarters.
- e. The Company has not been declared as 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 2022.
- 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

44. Ratio Analysis

Ratios	Numerator	Denominator	As on 31 st March, 2022	As on 31 st March, 2021	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.58	1.43	10.47%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.68	0.71	-4.39%	NA
Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Service	0.66	0.63	5.11%	NA
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.23	0.19	26.46%	Sales volume increased by 26.88% compared to previous financial Year
Inventory turnover ratio	Net Sales	Average Inventory	3.78	3.14	20.47%	NA
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivables	5.78	6.66	-13.26%	NA
Trade payables turnover ratio	Net Credit Purchase/ Cost of Goods Sold	Average Trade Payables	6.03	4.26	41.43%	Better Credit Management
Net capital turnover ratio	Net Sales	Average Working Capital	6.28	8.11	-22.58%	NA
Net profit ratio	Net Profit	Net Sales	0.23	0.19	26.46%	Sales volume increased by 26.88% compared to previous financial Year
Return on Capital employed	EBIT	Average Capital Employed	0.37	0.34	9.84%	NA
Return on investment	Profit After Tax	Average total Assets less DTA (Net)	0.12	0.08	43.96%	Sales volume increased by 26.88% compared to previous financial Year

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



46. The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 29th April 2022.

As per our Report of even date

For AMK & Associates
Chartered Accountants
FRN 327817E

Manish Kumar Agarwal

Manish Kumar Agarwal
Partner
Membership No. 064475

Kolkata
29th April 2022

Santosh Ladha

Santosh Ladha
Managing Director
DIN:03585561

Geeta Ladha

Geeta Ladha
Whole Time Director
DIN:03585488

Sweta Agarwal

Sweta Agarwal
Company Secretary

Niraj Agarwal

Niraj Agarwal
Chief Financial Officer

