(Please scan QR to view DLOF)

Iris Clothings Limited

Our Company was originally incorporated as "Iris Clothings Private Limited" under the provisions of the Companies Act, 1956 on August 27, 2011 bearing Corporate Identification Number U18109WB2011PTC166895 issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted into a Public Limited Company and consequently name was changed to "Iris Clothings Limited" and Fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal on July 24, 2018 bearing Corporate Identification Number U18109WB2011PLC166895. For further details of change in name and registered office of our Company, please refer to "***General Information***" beginning on page 40 of this Draft Letter of Offer.

Registered Office: 103/24/1, Foreshore Road Shibpur, Howrah – 711102, West Bengal, India
Contact person: Mrs. Sweta Agarwal, Company Secretary & Compliance Officer
Telephone: +91 33 26373856;| **E-mail id:** info@irisclothings.in | **Website**: www.irisclothings.in |
Corporate Identity Number: L18109WB2011PLC166895

PROMOTERS OF OUR COMPANY: MRS.GEETA LADHA, MR.SANTOSH LADHA, M/S.SANTOSH LADHA HUF, MR.BALDEV DAS LADHA, M/S.BALDEV DAS LADHA (HUF) & MRS.KAMALA DEVI LADHA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF IRIS CLOTHINGS LIMITED (OUR "COMPANY" OR THE "ISSUER" ONLY)

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ 5,000 LAKHS[#] ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 171.
[#]Assuming full subscription.

WILFUL DEFAULTERS

Neither our Company nor any of our Promoters or any of our Directors have been declared as Wilful Defaulters or Fraudulent Borrowers by the RBI or any other government authority.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 19.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on NSE (the "**Stock Exchange**"). Our Company has received 'in-principle' approval from the NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.

REGISTRAR TO THE ISSUE

CAMEO

CAMEO CORPORATE SERVICES LIMITED
Registered Address: "Subramanian Building", #1, Club House Road, Chennai - 600 002
Telephone: +91-44-40020700,
Fax: +91-44-28460129
Contact Person: Ms. K Sreepiya
Email: rights@cameoindia.com
Website: https://rights.cameoindia.com/iris
CIN: U67120TN1998PLC041613
Investor Grievance Email: wisdom.@cameoindia.com /investor@cameoindia.com
SEBI Registration Number: INR000003753

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION[*]	ISSUE CLOSES ON[#]
[●]	[●]	[●]

[*]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.
[#]Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "**Statement of Special Tax Benefits**" and "**Financial Statements**" beginning on pages 51 and 84 respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer", "We", "our", "us", or "ICL"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company, Iris Clothings Limited, a company incorporated in India under the Companies Act, 1956, having its registered at 103/24/1, Foreshore Road Shibpur, Howrah – 711102, West Bengal, India.

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Audited Financial Statements	The audited financial statements of our Company as at and for the financial year ended March 31, 2024 (along with comparative financial statements for the financial year ended March 31, 2023) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2024 (along with comparative balance sheet as at March 31, 2023) and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.For details, see chapter titled "***Financial Statements***" on page 84 of this Draft Letter of Offer.
Board/ Board of Directors/ Directors	The Board of Directors of our Company or a duly constituted committee thereof, as appointed from time to time
Chief Financial Officer	The Chief Financial Officer of our Company, namely, Mr. Niraj Agarwal
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Mrs. Sweta Agarwal
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
Executive Director	Whole-time Director/ Executive Director on our Board
Financial Statements	Our Audited Financial Statements together with our Limited Reviewed Financial Results
Independent Director(s)	Independent Directors on the Board, who are eligible to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to "***Our Management***" beginning on page 79.

Term	Description
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Limited Reviewed Financial Results	The limited reviewed unaudited financial results for the six-month period ended September 30, 2024, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see chapter titled "***Financial Statements***" on page 84.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board, as described in "***Our Management***" beginning on page 79.
Non-Executive Director(s)	Non-executive non-independent director of our Company. For details, see "***Our Management***" on page 79.
Promoter Group	The individuals and entities constituting the promoter group of our Company determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely, Mrs. Geeta Ladha, Mr.Santosh Ladha, M/s. Santosh Ladha HUF, Mr.Baldev Das Ladha, M/s.Baldev Das Ladha HUF & Mrs.Kamala Devi Ladha
Registered Office	Registered office of our Company at 103/24/1, Foreshore Road Shibpur, Howrah – 711102, West Bengal, India
Registrar of Companies/ RoC	The Registrar of Companies, Jaipur situated at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020, West Bengal
Statutory Auditors	The current statutory auditor of our Company, namely, M/s AMK & Associates, Chartered Accountants .
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "***Our Management***" beginning on page 79.

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment/ Allot/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited.
Allotment Account(s)	The account(s) to be opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to this Issue.
Allotment/Allot/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s)/ Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.

Term	Description
Application Form	Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares.
Application Money	Amount payable at the time of Application, i.e., ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application. in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process
Banker(s) to the Issue	Together, the Escrow Collection Bank, the Allotment Account Bank and Refund Bank, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue, and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "***Terms of the Issue***" beginning on 191.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	National Stock Exchange of India Limited i.e. NSE
Draft Letter of Offer or DLOF	This draft letter of offer to be filed with the SEBI and the Stock Exchange in accordance with the SEBI ICDR Regulations.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "***Notice to Investors***" beginning on page 10.
Equity Shareholder(s) /Shareholders	Holder(s) of the Equity Shares of our Company
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors – eligible equity shareholders as on record date making an Application through the ASBA facility
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited.
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of the Letter of Offer.
ISIN	International securities identification number i.e., INE01GN01025
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹2 each of our Company for cash at a price of ₹[●] per Rights Equity Share aggregating up to ₹ 5,000 Lakhs on a rights

Term	Description
	basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]
Issue Closing Date	[●]
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Equity Share
Issue Proceeds or Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Shares) aggregating up to ₹ 5,000 lakhs[#] [#]*Assuming full subscription*
Letter of Offer	The final letter of offer to be filed with the Stock Exchange and submitted with SEBI for information and dissemination on the SEBI's website.
Listing Agreement	The listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to "***Objects of the Issue***" beginning on page 46.
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a Depository Participant in accordance with the SEBI ICDR Master Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI ICDR Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	Agreement dated December 13, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue / Registrar to the Company/Registrar	Cameo Corporate Services Limited, situated at, "Subramanian Building", #1, Club House Road, Chennai - 600 002
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.

Term	Description
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Entitlement(s)	No. of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the no. of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder, on Record Date, excluding any fractional entitlements. The Rights Entitlements with a separate ISIN: [●] will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Self-Certified Syndicate Banks /SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchange	The stock exchange where the Equity Shares of our Company are presently listed, being NSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry Related Terms

Term	Description
UK	United Kingdom
GDP	Gross Domestic Product
HFI	High Frequency Indicator
PE	Private Equity
VC	Venture Capital
GST	Goods & Service Tax
CGST	Central Goods & Service Tax
SGST	State Goods & Service Tax
IGST	Integrated Goods & Service Tax
FDI	Foreign Direct Investments
IIP	Index of Industrial Production
MOSPI	Ministry of Statistics & Programme Implementation
CPI	Consumer Price Index
FII	Foreign Institutional Investors
DII	Domestic Institutional Investors
FPIs	Foreign Portfolio Investors
LMT	Lakh Metric Tones
RMS	Rabi Marketing season
KMS	Kharif Marketing Season
CAZRI	Central Arid Zone Research Institute
ICAR	Indian Council of Agricultural Research

Term	Description
NABARD	National Bank for Agriculture and Rural Development
MFP	Mega Food Parks
DPA	Deendayal Port Authority
BOT	Build-Operate-Transfer
PPP	Public-Private Partnership
US$	United States Dollars
RBI	Reserve Bank of India
AI	Artificial Intelligence
AIDEF	Artificial Intelligence In Defence
IT	Information Technology
MSME	Micro, Small & Medium Enterprises
IISR	Indian Institute of Spices Research
ICAR	Indian Council for Agricultural Research
MOU	Memorandum of Understanding
FTAs	Free Trade Agreements
CEPA	Comprehensive Partnership Agreement
Ind Aus ECTA	India-Australia Economic Cooperation and Trade Agreement
PLI	Production Linked Incentive
BGs	Bank Guarantee
BSNL	Bharat Sanchar Nigam Limited
DoS	Department of Space
ACC	Advanced Chemistry Cell
SEZ	Special Economic Zone
SDLs	State Development Loans
NARCL	National Asset Reconstruction Company Ltd
IDRCL	India Debt Resolution Co. Ltd
NaBFID	National Bank for Financing Infrastructure and Development
CPI	Consumer Price Index
WPI	Wholesale Price Index
CAGR	Compounded Annual Growth Rate
FY	Financial Year
CAI	Cotton Association of India
B2B	Business-to-Business
D2C	Direct-to-Consumer
C2C	Consumer-to-Consumer
C2B	Consumer-to-Business
GMV	Gross Merchandise Value
B&M	Brick & Mortar
EBOs	Exclusive Brand Outlets
LFS	Large Format Stores
MBOs	Multiple Brand Outlets
SKDs	Salwaar , Kameez , Dupattas
SIS	Store In Store
COCO	Company Owned and Company Operated
FOFO	Franchisee Owned and Franchisee Operated
CAD	Computer Aided Design
HP	Horse Power
KMPs	Key Managerial Personnels
ERP	Enterprise Resource Planning
POS	Point of Sale
BIN	BIN Cards
FIFO	First In First Out
EAN	European Article Number

Conventional and General Terms/Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal

Term	Description
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Rights Issue Circulars	SEBI circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
Stock Exchange	NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)

Term	Description
U.S. QIB	Qualified Institutional Buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form, Rights Entitlement Letter and other issue materials and the issue of Rights Entitlement and Rights Equity Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form or other Issue material may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, Application Form, Rights Entitlement and other Issue material Letter through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

In case the Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, and the Application Form will be sent only to their valid e-mail address, and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI for observations and the Stock Exchange. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer, invitation to or solicitation by anyone in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction and India, without the requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "***Other Regulatory and Statutory Disclosures***" on page 165. Our Company, in consultation with the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and other Issue material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions. The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold or resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the equity shares are only being offered and sold outside the United States in offshore transactions in reliance on regulations under Regulation S of the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy or transfer any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any other federal or any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements. For details, please see "***Financial Statements***" beginning on page 84 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Financial Statements of our Company have been prepared in accordance with Ind AS and recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Unless otherwise stated, the financial numbers stated in this Draft Letter of Offer are derived from the Audited Financial Statements and /or the Limited Reviewed Financial Information.

The Audited Financial Statements of our Company have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. For further information, see "***Financial Statements***" beginning on page 84.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" beginning on pages 19, 67, and 154 and elsewhere, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Name of the Currency	As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
United States Dollar	83.78	83.37	82.21	75.81

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed, and their reliability cannot be assured. This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on page 19 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward looking-statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, performance of the financial markets in India and globally, changes in laws, regulations and taxes, the incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our ability to continue to develop innovative, fashionable and popular designs;
- Our ability to expand our product offerings and distribution channels;
- If any new products that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected;
- Any adverse changes in central or state government policies;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Any adverse development that may affect our operations; and
- General, political, economic, social and business conditions in India and other global markets.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on pages 19, 67, and 154 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters,

nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "***Risk Factors***", "***Objects of the Issue***", "***Our Business***" and "***Outstanding Litigation and Material Developments***" beginning on pages 19, 46, 67 and 162, respectively.

Primary Business of our Company

Our Company is engaged in the manufacturing, designing, branding and selling of Kids Wear under the brand name DoReMe© in India. DoReMe© caters to the Kids Wear category mostly juniors including various kinds of apparels and related products for all Infants, Boys and Girls. We have been able to establish our brand Do Re Me© as a mid-market, comfortable and high quality junior Kids Wear brand. Our Company makes different kinds of products like Tops, T-shirts, Pants, Shorts, Frock, Dresses, and Towels among others catering to Kids Wear category.

For further details, please see chapter titled "***Our Business***" beginning on page 67.

Objects of the Issue

The details of the Net Proceeds are summarized in the table below:

(in ₹ Lakhs)

Particulars	Amount
Gross Proceeds from the Issue[#]	Up to 5,000
Less: Issue related expenses	[●]
Net Proceeds of the Issue	[●]

[#]assuming full subscription and allotment

[*]The issue size shall aggregate up to ₹1,600 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price, the same will be adjusted against General Corporate Purpose.

The Net Proceeds are proposed to be used in the manner set out in the following table:

(in ₹ Lakhs)

Particulars	Amount
To augment the existing and incremental working capital requirement of our Company	3,513.75
General Corporate Purposes[#]	[●]
Total Net Proceeds	[●]

[#]To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the Stock Exchange and submitted with SEBI. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled "***Objects of the Issue***" beginning on page 46.

Intention and extent of participation by our Promoters and Promoter Group shareholders

Our Promoter and Promoter Group may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company. Our Company must, therefore, ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. Thus, the rights issue price will be in accordance with Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations.

Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

Outstanding Litigation and Material Developments

A summary of the outstanding legal proceedings involving our Company as on the date of this Draft Letter of Offer is set forth in the table below:

Particulars	Criminal Matters	Matters involving material violations of statutory regulations	Economic offences where proceedings have been initiated against our Company	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Tax Proceedings (₹ in lakhs)	Aggregate amount involved (₹ in lakhs)
Against the Company	Nil	Nil	Nil	2	3	12.56
By the Company	Nil	Nil	Nil	Nil	Nil	Nil

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please refer to "***Risk Factors***" beginning on page 19.

Related Party Transactions

For details regarding our related party transactions, please see "***Financial Statements***" on pages 84.

Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "**Financial Statements**" on page 84 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 67, 55 and 154 respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "**Forward Looking Statements**" beginning on page 15 of this Draft Letter of Offer.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Draft Letter of Offer. For further information, please refer to section titled "**Financial Statements**" beginning on page 84 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Iris Clothings Limited.*

INTERNAL RISK FACTORS

1. Our business is completely concentrated on apparel wear for children and vulnerable to variations in demand and changes in consumer preferences, which could have an adverse effect on our business, results of operations and financial condition

Our business presently is fully concentrated on apparel wear for children. Our sales of apparel wear for children are dependent on a number of factors, and may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products and other factors outside our control. Our business is prone to sustainability, as more parents and consumers prioritize eco-friendly practices. If we fail to use sustainable materials or adopt environmentally responsible practices, we may lose the trust of environmentally conscious customers. In particular, our business is also vulnerable to rapidly changing customer preferences including seasonal demand for certain types of children's clothing, like outerwear, swimwear, or holiday items, which can cause sales to fluctuate. Our results of operations are dependent on our ability to attract customers by anticipating, gauging and responding to such changes in customer preferences, and design new apparels or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. Our customers may not consider our apparel wear for children preferable to the alternatives or parents may switch to other brands due to price, quality, or value, which could lower customer loyalty and negatively impact our business. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose or fail to attract customers.

A decline in demand for our products or a misjudgement on our part could lead to increased market acceptance of our competitors' products or may result in the substitution of our products in the market, which could lead to us having lower sales and excess inventories. This may render us unable to support new growth platforms and cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial condition and cash flows.

2. ***Our business prospects depend on the strength of our key brand, and any failure to maintain or grow sales of our products could adversely affect our business***

The success of our business is substantially dependent on the recognition and reputation of our flagship brand, "Doreme," which significantly influences customer purchasing decisions. However, we cannot provide any assurance that we will be able to maintain or enhance the recognition and reputation of our brand, and any failure to do so may materially adversely affect our competitiveness and overall business operations. We intend to continue to enhance the brand recall of our apparel through the expansion of our footprint by opening Exclusive Brand Outlets (EBOs). We are highly conscious of our brand image and seek to further strengthen our brand by increasing its visibility though marketing initiatives, supplying qualitative products at competitive prices. Presently, we are promoting our brand by cluster model and strive to actively support our brand through online advertising, exhibitions and events.

Many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, the new products we launch or in geographic markets where we intend to expand our operations. Maintaining and enhancing our brand may require us to make substantial investments and incur substantial expenses in many areas including product design, marketing, advertising, e-commerce and employee training.

Our investments in marketing our brand may not be successful, and our results of operations would also suffer if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. We anticipate that, as our business continues to expand through entering new markets and launching new designs and apparels, and as the market becomes increasingly competitive, maintaining and enhancing our brand may continue to take significant effort and be a significant cost for us.

Consumers in new markets may be less compelled by our brand image as compared to consumers in our existing markets, and thus may be less willing to purchase our products. If our marketing initiatives fail to yield the intended results, or we fail to maintain or enhance our brand recognition and reputation or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion, without our knowledge, to unauthorized distribution channels, product defects, counterfeit products, failure to protect the intellectual property rights in our brand and other factors may threaten the strength of our brand and could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brand will depend largely on our ability to retain our leadership position in the children's apparel market, and that our range of products is of a high quality. We cannot assure you that the quality of our products will be maintained or enhanced.

3. ***Our cost of manufacturing is exposed to fluctuations in the prices of raw material particularly Fabrics, Threads, Dye and Finishing Chemicals and our Company has not entered into any agreement with respect to long-term supply for raw materials required.***

Our cost of manufacturing is exposed to fluctuations in the prices of raw materials, particularly fabrics, threads, dyes, and finishing chemicals. These raw materials account for significant expenses, contributing to 47.34%, 54.64%, 51.87% of our revenue from operations for the financial years ended March 31, 2024, 2023, and 2022, respectively.

We have not entered into long-term supply agreements with our suppliers, and transactions are on an order-by-order basis depending upon the demand. As a result, we are vulnerable to price fluctuations in the raw materials we procure. The prices of materials are highly volatile and influenced by factors beyond our control. This exposes us to the risk of increased manufacturing costs.

If we are forced to raise the prices of our products to maintain our margins, we risk making our products unaffordable for certain customer segments, which could negatively impact demand. These upward fluctuations in raw material costs may reduce our profitability and have a material adverse effect on our business, financial condition, and results of operations.

Additionally, we face the risk of supply disruptions. Since we do not have long-term agreements with our suppliers, there is no assurance that the supply of raw materials will remain stable. In the event of a disruption, we may have difficulty finding alternative suppliers who can provide materials of comparable quality at acceptable prices. The process of identifying and qualifying new suppliers requires careful evaluation of their quality control, responsiveness, service, financial stability, and ethical practices, which could further delay production and impact our operations.

4. ***Our business requires significant working capital, necessitating substantial financing. If we are unable to secure additional debt or equity financing on favourable terms, it may lead to increased interest costs, restrictive covenants, or equity dilution, adversely impacting our financial performance, operations, and the market price of our Equity Shares.***

Our business is working capital intensive, requiring significant financing to meet operational demands such as the purchase of raw materials, inventory, and the operation of Exclusive Brand Outlets (EBOs). We may need to secure additional debt or equity financing to meet these working capital needs and support our growth strategy. However, there can be no assurance that we will be able to obtain the necessary financing on favorable terms or at all, as our ability to arrange financing depends on factors such as economic and market conditions, investor confidence, the success of our projects, and laws governing capital raising in India.

If we are unable to secure additional debt, it may result in increased interest expenses and restrictive covenants within our financing agreements. Conversely, additional equity financing could dilute earnings per Equity Share and decrease our ownership stake, potentially negatively impacting the market price of our Equity Shares. Any new financing arrangements may also come with higher interest rates, particularly if our financial condition or industry performance deteriorates, increasing the costs of borrowing and limiting access to competitive financing terms.

Our inventory and operations require substantial working capital, and if actual capital needs exceed estimates due to factors such as cost overruns, unanticipated expenses, or regulatory changes, we may incur additional short-term borrowings. Delays in payments from clients or limited funding availability from banks and financial institutions could further affect our ability to meet these requirements.

The objects of the Issue include funding our working capital requirements based on management estimates and assumptions, but these estimates may not accurately reflect future needs. We cannot provide assurance that we will be able to secure additional financing within the required timeframe or on acceptable terms, which could impact our capital expenditures, business operations, and financial stability. Additionally, restrictive covenants in financing agreements could limit our ability to access cash flows or undertake certain transactions, adversely affecting our expansion plans and overall business performance. Please see "***Objects of the Issue***" on page 46 of this Draft Letter of Offer.

5. ***Any failure in our quality control processes may damage our reputation, and adversely affect our business, cash flows, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers' expectations***

It is possible that some of our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or handling of our products or other raw materials. We have establish internal quality standards with clear definitions of defects to be detected, and our dedicated quality control teams oversee quality control processes for raw materials like fabrics and finished goods. These processes are tracked throughout our sourcing and manufacturing cycles, incorporating comprehensive measures such as inspections, audits, and product tracking at various stages. However, given the volume of raw materials and scale of production of finished goods, we are not able to inspect every single item and may rely instead on selective methods such as sampling.

Although there have been no material instances in the past, we cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted.

Any deficiencies in the quality of our products may cause adverse reactions to users of such products. This may expose us to product liability claims and legal proceedings brought against us by various entities, including customers and online marketplaces. Although there have been no such actions against us in the past, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims.

6. ***We are dependent on third parties for the supply of raw materials and such providers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

We are highly dependent on third-party suppliers for the procurement of raw materials, including fabric, which are essential to our production processes. Any failure by these suppliers to meet their obligations, such as discontinuation of production, delays in delivery, or failure to meet required quality standards, could disrupt our production schedules and adversely impact our business operations, financial performance, and results. Furthermore, any issues faced by our suppliers, such as capacity

limitations, strong demand, or other operational problems, could lead to shortages or delays in the supply of raw materials, potentially affecting our ability to meet production targets.

In the event of a significant or prolonged shortage of raw materials from any of our suppliers, and if alternative sources are unavailable or unable to meet our needs, we may face challenges in fulfilling customer orders on time, which could harm customer relationships, sales, and margins. Additionally, there can be no assurance that our suppliers will continue to provide the necessary raw materials in the future, or that changes in the supply chain will not adversely affect our business.

We primarily source raw materials locally, and any restrictions imposed by the Government of India or state authorities could disrupt our ability to deliver products on time, negatively impacting our financial condition and operational results. Although we have not experienced material disruptions due to such restrictions in the past, there can be no guarantee that future regulatory changes or stricter enforcement will not hinder our ability to import raw materials from other regions, further aggravating supply chain risks.

Further our purchases made from top 5 suppliers and top 10 suppliers, and for the half-year ended September 30,2024 and Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

(₹in Lakhs)

Sr. No	Particulars	H1FY 2024		FY 2023-24		FY 2022-23		FY 2021-22	
		Purchases	%	Purchases	%	Purchases	%	Purchases	%
1.	Purchases from Top 5 suppliers	2,697.57	65.73%	4,673.30	62.59%	5,193.71	71.22%	5,505.83	83.28%
2.	Purchases from Top 10 suppliers	2,821.60	68.75%	4,864.88	65.16%	5,415.13	74.26%	5,716.90	86.47%

While we may seek additional suppliers to meet our product requirements, any failure by our suppliers to deliver products in the necessary quantities, adhere to delivery schedules, or meet credit terms, quality standards, and technical specifications could adversely affect our business operations. Such disruptions may hinder our ability to fulfill customer orders on time and maintain the desired quality, which could result in the loss of customers and have a material negative impact on our financial condition and results of operations.

Moreover, the supply and pricing of our products may become volatile due to various external factors beyond our control, such as global supply and demand fluctuations, economic and political conditions, transportation or labor disruptions, natural disasters, and increased competition. These factors introduce inherent uncertainties in forecasting and managing supply chain variables. As a result, we cannot guarantee that we will be able to procure adequate supplies of our products when needed, or on commercially acceptable terms.

Additionally, there can be no assurance that we will successfully manage relationships with our current or new suppliers, or that we will be able to secure favorable agreements with new suppliers, or any agreements at all. If we are unable to effectively leverage these relationships, our business and financial performance could be adversely affected.

7. Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process, any disruption, breakdown or shutdown of our Manufacturing Facilities may have a material adverse effect on our business, financial condition, results of operations and cash flow

We have four manufacturing facilities all located at Howrah District in West Bengal at i) First Floor 103/24/1, Foreshore Road, Howrah, West Bengal, ii) MJ Industrial Park, Panchla, Howrah West Bengal iii) Srijan Industrial Logistics Park Unit 4, Part A, Block B , West Bengal Iv). Fortune Industrial Park, Panchla, West Bengal.

Our business is highly dependent on the operation of our manufacturing facilities, and we are subject to a range of risks inherent in industrial production. These include, but are not limited to, equipment breakdowns, labor stoppages or disputes, shortage of skilled labor, natural disasters, government directives, water shortages, power interruptions, inefficiency or performance below expected levels, obsolescence, severe weather, industrial accidents, and our ability to adapt to technological advances and emerging industry standards.

Our manufacturing facilities are critical to our ability to produce and deliver products to our customers on time. Any disruption in their operations, including machinery breakdowns, failure of equipment, automation systems, or IT infrastructure, could lead to significant repair and maintenance costs, delays in production, and operational suspensions.

While we have not faced such incidents in the past, we cannot assure you that we will be able to address any such issues promptly or at all. If we are unable to repair or replace malfunctioning manufacturing assets in a timely manner, our operations may be suspended until the necessary assets are procured and integrated, which could result in delays and disruption of production. Additionally, any significant breakdown of machinery or equipment could trigger regulatory issues, potentially requiring us to cease or limit production until any disputes regarding our regulatory approvals are resolved.

Our manufacturing facilities rely on uninterrupted power supply and access to labor and raw materials. Any failure to secure the necessary resources for uninterrupted production may severely affect our ability to meet customer demands, which could harm our financial performance.

Our reliance on the manufacturing facilities makes us vulnerable to risks specific to the state of Bengal, including natural calamities, civil disturbances, or adverse political, social, or economic conditions that could disrupt our operations. The concentration of our major manufacturing facilities in a single geographical region exposes us to heightened risks associated with these regional factors. Any significant adverse events affecting our manufacturing facilities could have a material negative impact on our business, financial condition, and results of operations.

8. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.

Our manufacturing facilities, warehouse, offices and EBOs have significant electricity requirements and any interruption in power supply to our manufacturing facilities, warehouse, offices and EBOs may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We rely on third-party providers, including the West Bengal State Electricity Distribution Company Limited and CESC Limited, for our electricity needs. While we have installed diesel generator sets to provide backup power in the event of power failures, our operations remain vulnerable to any interruptions in the primary electricity supply. These backup generators are essential to maintaining our operations during power outages, but their capacity is limited and may not fully mitigate long-term disruptions.

As our electricity requirements are significant, any unexpected or substantial increases in power tariffs could increase the operational costs of our manufacturing facilities, warehouses, offices, and EBOs, thereby raising our overall production costs. In such instances, we may face difficulties in passing on these increased costs to our customers, which could negatively impact our profit margins and financial performance. Moreover, the limited number of electricity providers in the areas where we operate reduces our ability to find a cost-effective substitute in the event of a price hike or service disruption, further exacerbating the potential impact on our business.

9. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

Our industry is labour intensive. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of date of DLOF, we employed about 1,405 employees. Our labour force is not unionized. However, in the event that employees seek to unionize, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. A potential increase in the salary scale of our employees because of unrest, or a disruption in services from our employees due to potential strikes, could adversely affect our business operations and financial condition. In the past three years, we have not experienced any labour dispute. We do not have any formal policy for redressal of labour disputes. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. In the event of any prolonged delay or disruption of our business, results of operations and financial condition could be materially and adversely affected.

10. ***Substantial portion of our revenues is dependent upon distributors. The loss of any one or more of our major distributors would have a material adverse effect on our business operations and profitability.***

Our Company's revenue is primarily dependent on our distribution channels. During the half-year ended September 30, 2024, Financial Year 2024, Financial Year 2023 and Financial Year 2022, revenue generated from distribution channels, EBOs, website is as follows:

Particular	For the Financial Year ended on							
	Fiscal 2022		Fiscal 2023		Fiscal 2024		H1FY 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Trading	949.01	8.51%	2,105.58	18.63%	2,207.52	18.11%	1,183.44	16.28%
Distribution Channel	10,203.12	91.49%	9,189.29	81.32%	9,942.10	81.54%	6,024.94	82.88%
EBOs	-	-	-	-	33.00	0.27%	58.11	0.80%
Website	-	-	5.26	0.05%	9.48	0.08%	2.91	0.04%
Total	**11,152.13**	**100%**	**11,300.14**	**100%**	**12,192.11**	**100%**	**7,269.40**	**100%**

**As certified by M/s AMK .and Associates. Statutory Auditor, by certificate dated December 13, 2024 bearing UDIN: 24059363BKAJBX4655*

Any disruption or challenges faced by these channels, such as delays in product supply, logistical issues, changes in distributor relationships, or a decline in the effectiveness of our EBOs, could negatively impact our ability to generate revenue. Additionally, our reliance on these distribution networks exposes us to the risk of fluctuations in market demand and changes in customer preferences. Any adverse changes or disruptions to these distribution channels could have a material adverse effect on our business, financial condition, and results of operations.

11. ***Our revenues are majorly dependent upon distribution channels in western regions and we are dependent upon a few distributors.***

A significant portion of our revenue is derived from our distribution channels, particularly in the western regions of India, including Maharashtra, West Bengal, and Gujarat. While our distribution network has expanded rapidly, with over 170 distributors as of the current year, we remain heavily reliant on a few key distributors, especially in these regions. Any disruption in the operations of these distributors, such as logistical issues, financial instability, or failure to meet sales targets, could significantly impact our revenue generation and market reach.

Our business is also dependent on specific geographical regions, particularly the western states, which expose us to regional economic downturns, market fluctuations, and changes in local consumer preferences. Additionally, political factors such as changes in government policies, regional regulations, or political instability in these states could negatively affect the performance of our distribution network. For example, sudden changes in state-level taxation policies, trade regulations, or local government interventions could disrupt the smooth flow of goods and impact our ability to meet customer demand in these key markets.

Furthermore, regional political unrest, strikes, or civil disturbances could lead to delays in the supply chain, damage to infrastructure, or a decrease in consumer spending, all of which could adversely affect our sales and financial performance. Our concentration of business in these regions, combined with our reliance on a limited number of distributors, makes us vulnerable to such risks.

While we continue to expand our distribution network and diversify our geographical presence, we remain exposed to the risks associated with our dependence on specific regions and distributors. Any adverse political, economic, or operational developments in these areas could have a material adverse effect on our business, financial condition, and results of operations. During the Financial Year 2024, Financial Year 2023 and Financial Year 2022, revenue generated from ***top-5 state*** is as follows:

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
West Bengal	2,644.65	4,182.85	4,851.03	2,493.75
Maharashtra	1,959.25	1,481.65	1,853.85	1,185.18
Gujarat	1,231.81	1,045.17	889.18	508.40
Rajasthan	895.36	944.70	878.80	470.51

Punjab	-	-	472.97	-
Assam	-	598.54	-	-
Haryana	-	-	-	508.03
Karnataka	665.05	-	-	-
Total Domestic Sales	**7,396.11**	**8,252.91**	**8,945.84**	**5,165.88**

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During the Financial Year 2024, Financial Year 2023 and Financial Year 2022, the contribution towards revenue from our top 5 and top 10 distributors is as follows:

(in ₹ Lakhs)

Particular	For the Financial Year ended on							
	March 31, 2022		March 31, 2023		March 31, 2024		H1FY 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue from Top 5 distributors	2,832.52	25.42%	4,215.47	37.30%	4,529.89	37.23%	3248.32	44.71%
Revenue from Top 10 distributors	3,979.17	35.71%	5,416.33	47.92%	5,597.59	46.01%	3959.61	54.51%

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The loss of any one or more of these key distributors could have a material adverse effect on our business, financial condition, and results of operations. We are heavily reliant on these distributors for the sale of our products, and there is no guarantee that we will be able to maintain current levels of business from them. There are no agreements with our distributors. As a result, we are exposed to the risk that these distributors may reduce or discontinue their purchases of our products, or prioritize competing products over ours, without notice.

Furthermore, the loss of any distributor, or a significant reduction in business from them, could be difficult to replace, particularly in markets or regions where our distributor relationships are concentrated. Additionally, factors such as the bankruptcy, management changes, mergers, acquisitions, or other major events affecting our distributors could disrupt the flow of products, adversely affecting our sales and operations.

Given the concentration of our revenue sources, any adverse developments affecting one or more of these distributors could significantly impact our financial performance. We may face challenges in establishing new distributor relationships or in ensuring that replacement distributors can generate equivalent levels of sales, potentially resulting in a material negative impact on our business.

12. If we are unable to accurately identify customer demand and maintain an optimal level of inventory, our business, results of operations and cash flows may be adversely affected

Inventories form a substantial part of our current assets. Failure to manage our inventories could have an adverse effect on our net sales, profitability, cash flow and liquidity

Our business is working capital intensive and Inventories form substantial part of our current assets. Our, Inventories as on March 31, 2024, March 31, 2023 were Rs. 6,191.81 Lakhs, Rs. 4,492.04 Lakhs respectively. The results of operations of our business are dependent on our ability to effectively manage our inventory. We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the finished inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

13. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

Our operations involve extending credit for extended periods of time to our customers and distributors in respect of our services, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers and distributors. Our credit terms vary from 90 days to 95 days for our customers and distributors. While our distributors typically provide us with their commitments, we cannot guarantee that our customers and distributors will not default on their payments. Our inability to collect receivables from our customers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows.

Any delay in payments to us by the customers and distributors or request modifications to their payment arrangements, could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customers and distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

14. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flow in the future could adversely affect our results of operations and financial condition

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for the period ended Fiscals 2024, 2023, 2022;

(In lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash flow generated from Operating activities	171.24	169.02	96.15
Net Cash flow Generated from Investing Activities	(102.93)	(102.93)	(450.20)
Net Cash flow Generated from Financing Activities	102.76	(68.36)	352.16

Our Company had negative cash flows from our investing and financing activities in previous year's i.e. 2024 and 2023, negative cash flows in investing activities in the previous year's i.e. 2024, 2023, 2022. Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

15. Our proposed expansion plans relating to the opening of Exclusive Brand Outlets (EBOs) are subject to the risk of unanticipated delays in implementation and cost overruns.

Our proposed expansion plans to open additional Exclusive Brand Outlets (EBOs) are subject to various risks and uncertainties, including potential delays in implementation and cost overruns, which could materially adversely affect our business, financial condition, results of operations, and cash flows.

The setting up of new stores involves substantial capital expenditure and is subject to risk of unanticipated delays, labour shortages, and other external factors beyond our control. Additionally, we may face difficulties in obtaining necessary governmental, statutory, or regulatory approvals, and we may encounter future regulatory restrictions that could hinder our expansion efforts. Any increase in construction or operational costs could also impact our budgeted expenditure.

Furthermore, while we have launched two stores in Kolkata in FY24, bringing our total operational EBOs to seven, we have no prior experience in operating or scaling EBOs. In FY25, we plan to open 15 additional Company-Owned EBOs, with a long-term goal of establishing 100 stores within the next two years. Achieving these expansion targets will require significant investment, and there can be no assurance that we will be able to complete these expansions as planned or on schedule.

If our actual capital expenditures exceed our projected budgets, or if the expansion is delayed or does not proceed as intended, we may not realize the expected economic benefits. Such delays or budget overruns could negatively affect our growth, prospects, financial condition, and cash flows. Accordingly, the success of our expansion is subject to various uncertainties, and any failure to execute as anticipated could materially harm our business and financial results.

16. ***If we are unable to effectively manage or expand our retail network and operations or pursue our growth strategy, our new EBOs as well as our existing EBOs may not achieve our expected level of profitability which may adversely affect our business prospects, financial condition and results of operations.***

Our ability to achieve desired profitability and sustain business growth is dependent on the effective management of our existing retail operations and the successful execution of our expansion strategy. If we fail to efficiently oversee our current EBOs or expand our retail network as planned, new and existing EBOs may not meet expected profitability targets. This could adversely impact our financial performance, business prospects, and overall results of operations. Challenges such as operational inefficiencies, misjudged market entries, high capital expenditures, inconsistent customer experiences, and intensified competition could further exacerbate these risks. Consequently, our financial health and growth trajectory may be adversely affected.

17. ***We do not own registered office, three factories, one warehouse and EBOs which are currently in use by our Company.***

We do not own our registered office, three factories, one warehouse, and our Exclusive Brand Outlets (EBOs), all of which are currently rented under separate lease agreements. In the event that we are unable to renew or comply with the terms of these leases, or if unfavorable conditions are imposed on us, our business operations may be disrupted, which could adversely affect our financial results.

Our EBOs, Factories, warehouse and registered office are primarily on leasehold arrangements, and lease costs represent a significant portion of our expenses. These costs, as a percentage of our revenue, may increase as we expand our retail stores, warehousing operations, or due to the contractual escalation of rents. The lease periods and rental amounts vary depending on the location of each property.

We cannot guarantee that we will fully comply with all terms of our leases or that we will be able to renew them on favorable terms. Failure to meet the terms of these agreements may result in liability or termination of leases. Furthermore, certain leases may not be registered, potentially affecting their enforceability in court. Our inability to maintain or renew leases on favorable terms could require us to vacate these properties and seek alternative locations, which may not be available or commercially viable. In particular, some of our EBOs rely heavily on their prime locations, and relocating or discontinuing operations in these areas may cause a disruption to our business, leading to increased costs and adversely impacting our operations, prospects, and financial condition. For more details regarding our registered office, factories, warehouse, and EBOs, please refer to the "***Properties***" section under "***Our Business***" on page 67.

18. ***Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may materially and adversely affect our business, cash flows, financial condition and results of operations***

Competitive pricing by our competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. This may lead to a decrease in our revenues and profits. Moreover, if we fail to follow our retail price stipulations, our brand value and the public perception of our brand positioning could be negatively affected. We may seek to reduce the price of our raw materials and production through negotiations with our suppliers and streamline product designs to offset the impact of pricing pressure. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face competitive pricing from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

19. ***We require various statutory and regulatory permits and approvals in the ordinary course of our business, and our failure to obtain, renew or maintain them in a timely manner may adversely affect our operations.***

We require certain statutory and regulatory approvals, licenses, registrations, and permissions to operate our business, and we may need to apply for additional approvals or renew existing ones in the future. However, there can be no assurance that the relevant authorities will issue or renew such permits or approvals within the anticipated time frame, or at all. Failure to obtain, renew, or maintain the required approvals could result in an interruption of our operations and adversely affect our business, financial condition, and results of operations. Additionally, the approvals, licenses, registrations, and permits issued to us may be suspended or revoked if we fail to comply with the terms or conditions, or as a result of regulatory action. Any such failure to obtain or maintain the necessary approvals, or any suspension or revocation, could impede our operations and have a

material adverse impact on our business. Therefore, our ability to operate effectively depends on the timely issuance and renewal of these approvals, and there can be no guarantee that we will secure them as needed.

20. Our insurance may be insufficient to cover all losses associated with our business operations.

Our insurance policies may not be sufficient to cover all potential risks associated with our business operations. While we currently maintain insurance coverage for various aspects of our operations, including inventories at our manufacturing facility, secure rooms, transit, theft, employee handling, fire, burglary, special perils, and vehicle-related risks, there are inherent limitations to the extent of our coverage.

We have also obtained insurance for specific risks, such as vehicles, machinery, equipment, and warehouse operations. These policies are renewed periodically to ensure that the coverage remains adequate. However, despite these efforts, there are certain abnormal business risks, unforeseen events, or third-party liabilities that may not be fully covered by our insurance. Our insurance policies do not address all possible risks, and we cannot assure you that they will provide full protection in the event of significant losses. If we face a substantial uninsured loss or if an insurance claim is denied or disputed, or if the amount of loss exceeds our coverage, our business, financial condition, and results of operations could be materially and adversely affected.

We will continue to strive to maintain adequate insurance coverage, but the possibility of insufficient coverage for certain risks remains. This exposure to uninsured or underinsured risks could have a significant impact on our operations, especially if such events disrupt our business or result in significant liabilities.

For further details on our insurance coverage, please refer to the "*Insurance*" section in the "***Our Business***" chapter on page 67 of this Draft Letter of Offer.

21. Our Company under Export Promotion Capital Goods (EPCG) scheme has imported machinery for manufacturing at a concessional duty of 3% and is subject to an export obligation saved on the machines imported under EPCG scheme.

Our Company has availed the benefit of concessional duty of 3% for import of machinery for manufacturing under EPCG Scheme of GoI. As per the list compiled by our Company, there is an export obligation of 1,113.91 lakhs, 1,113.91 lakhs and 1,113.91 lakhs during the fiscal 2025, fiscal 2026 and Fiscal 2027.. In case our Company, fails to fulfill the said obligation, the exemption on duty availed may be reversed and evolve upon our Company as a liability to pay, thus affecting the financials in the year/s it devolves.

22. Our Company is subject to certain obligations and reporting requirements as may be required under applicable regulations framed by SEBI and may be subject to monetary penalty on account of delayedcompliance.

Our Company is subject to certain obligations and reporting requirements as may be required under applicable regulations framed by SEBI and may be subject to monetary penalty on account of delayed compliance. As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI (LODR) Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. In past the following instance of delayed compliance with provisions of SEBI (LODR) Regulations.

Sr. No.	Period	Regulation of the SEBI	Particulars	Delayed compliance	Fine/penalties imposed (in Rs.)	Steps taken to rectify such inaccuracy
			2023-24			
1.	For Quarter ended March 31, 2023	Schedule B of PIT regulations	Closure of trading window	Delayed filing	No fine was imposed	Company has made the delayed filing
2.	For Quarter ended September 30, 2023	Regulation 74(5) of Listing Regulations	Compliance certificate from RTA	Delayed filing	No fine was imposed	Company has made the delayed filing

In past one year from the date of filing the Draft Letter of Offer, our Company has complied with all the filing and disclosure requirement as required under the SEBI (LODR) Regulations and thus making the disclosure in this Draft Letter of Offer in compliance with Part B of Schedule VI. Our Company shall endeavour to comply with all obligations/reporting requirements under various regulations framed by SEBI and/or Stock Exchanges. Any failure to comply with such rules and regulations or

any wrong disclosure/ non filing to the NSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations**.**

23. We have identified an instance of delayed filing with the Registrar of Companies (RoC) by our Company.

Our Company has encountered one instance of delayed filing in the last financial year. As a result, we may face regulatory actions and penalties for any historical or future inaccuracies, delays, and incorrect filings, which may potentially adversely impacting our business and financial condition.

The one instance where our company has made delayed filing with the Registrar of Companies as mentioned below:

Delayed filings				
Sr. No.	**Date of occurrence of delay**	**Particulars of delayed filing**	**Steps taken to rectify such delayed filing**	**Fine/penalties imposed**
1.	July 27, 2023	Form SH-7 for Increase in Authorised Share Capital of the Company	Form was filed with additional fees	Additional fees ₹ 7107

It is important to note that as of now, no show cause notices have been issued against our Company in relation to the aforementioned matters. However, in the event that the relevant authorities take cognizance of these issues, actions may be initiated against our Company, and its Directors. Such actions could have implications on the financials of our Company and our Directors.

Furthermore, as we expand our operations, there is no guarantee that deficiencies in our internal controls and compliance will not arise. We cannot assure that we will be able to effectively implement and consistently maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, whether in a timely manner or at all.

24. Our Company is subject to litigations, which, if determined adversely, may affect our business and financial condition.

Our Company is currently involved in certain litigations in India. We cannot assure you that such proceedings will be decided in favour of our Company. Any adverse decision in such proceedings may render our Company to pay penalties. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, civil litigation etc. A classification of the outstanding proceedings is given in the following table:

Particulars	**Criminal Matters**	**Matters involving material violations of statutory regulations**	**Economic offences where proceedings have been initiated against our Company**	**Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**	**Tax Proceedings (₹ in lakhs)**	**Aggregate amount involved (₹ in lakhs)**
Against the Company	Nil	Nil	Nil	2	3	12.56
By the Company	Nil	Nil	Nil	Nil	Nil	Nil

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our

reputation, brand, business, results of operations and financial condition. For further details, please refer to the section "***Outstanding Litigations and Material Developments***" on page 162 of this Draft Letter of Offer.

25. Our success depends on the efforts and abilities of our Managing Director, Mr. Santosh Ladha, and our Whole Time Director, Mrs. Geeta Ladha and other key personnel, as well as our ability to retain and attract qualified and skilled personnel.

Our inability to do so may adversely affect our business, cash flows, results of operations and financial condition. Our performance depends largely on the efforts and abilities of our founder and our Managing Director, Mr. Santosh Ladha, and our Whole Time Director, Mrs. Geeta Ladha and other key personnel. We believe that the inputs and experience of Mr. Santosh Ladha and Mrs. Geeta Ladha are key for the growth and development of our business and operations and the strategic direction taken by our Company and we rely heavily on their direction and vision for our overall business strategies. If we lose the services of Mr. Santosh Ladha, Mrs. Geeta Ladha or any member of our management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which may require a long period of time. This might significantly delay or prevent the achievement of our business objectives, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Any inability on our part to retain and hire such personnel or find suitable replacements in a timely manner may adversely affect our business, cash flows, results of operations and financial condition. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining employees that our business requires. We cannot assure you that we will be able to recruit and retain experienced and capable employees or find adequate replacements in a timely manner, or at all. Any inability on our part to do so may adversely affect our business, cash flows, results of operations and financial condition.

26. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

27. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.

As on date of this Draft Letter of Offer, Our Company has register 15 trademarks/logos under various classes. The said trademarks are required to be renewed from time to time. Further, our Company has registered 2 copyrights act i.e. " DOREME " and " ". Furthermore, we have applied for under class 8, 25,21,18 and 10. Any failure to renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third-party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Further, if do not maintain our brand name and identity, which we believe is one of the factors that differentiates us from our competitors, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our tradename is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such tradename will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our tradename, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

For further details, please refer to the "*Intellectual Property rights*" section under ***"Our Business"*** on page 67 of this Draft Letter of Offer.

28. We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest

We have entered into a number of related party transactions, within the meaning of Ind-AS-24, as applicable. While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details of historical related party transactions, please refer to ***"Related Party Transactions" in "Financial Statements"*** on page 84 of this Draft Letter of Offer**.**

29. Our Promoters will continue to retain significant shareholding in our Company after the issue, which will enable them to exercise significant control over us.

After the completion of the Issue, Our Promoters and Promoter Group will continue to collectively own a substantial portion of our issued Equity Shares. Pursuant to subscription of Equity Shares in the Issue, in case public shareholders do not subscribe fully, the collective holding of our Promoters and Promoter Group may increase above their current holdings. Our Promoters and Promoter Group will therefore continue to have the ability to exercise a controlling influence over our business which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters as our controlling shareholders may conflict with your interests and the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

30. Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.

Our Company has not declared dividends for last three financial year and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future. Realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

Issue Specific Risk

31. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 1, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6,2020, July 24,2020, January 19,2021 and April 22, 2021, October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "***Terms of the Issue"*** beginning on page 171of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, " [●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which

are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

32. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

33. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On-market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "***Terms of the Issue***" beginning on page 171 of this Draft Letter of Offer.

34. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

35. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

36. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the

listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

37. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

38. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

39. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

40. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTOR

41. The coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local national and global economies and financial markets. The global impact of the COVID-19 pandemic has rapidly evolved, and public health officials and governmental authorities had responded by taking measures, including in Rajasthan where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay at home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. Further, India experienced a severe second wave of COVID-19 between March 2021 and June 2021.

While the lockdown does not remain in force, in case the lockdown is reintroduced, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial condition. The COVID-19 pandemic has affected our business and operation. The pandemic may continue to affect our business, results of operations and financial condition in a number of ways. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

42. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

43. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

1. any increase in Indian interest rates or inflation;
2. any scarcity of credit or other financing in India;
3. prevailing income conditions among Indian consumers and Indian corporations;

4. changes in India's tax, trade, fiscal or monetary policies;
5. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
6. prevailing regional or global economic conditions; and
7. other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

44. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

45. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the

world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

46. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

47. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting

requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

48. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

49. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

50. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

51. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a

negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on December 14, 2024 , pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors held on [●]. The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "***Terms of the Issue***" beginning on page 171.

Particulars	Details of Equity Shares
Rights Equity Shares proposed to be issued	Up to [●] Equity Shares fully paid-up
Rights Entitlement	Up to [●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	[●]
Face Value per Equity Share	₹2
Issue Price per Rights Equity Shares	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	Up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹ [●] (including a premium of ₹ [●]) per Rights Equity Share aggregating up to ₹ 5,000 Lakhs[#] [#]*Assuming full subscription, to be adjusted as per the Rights Entitlement ratio*
Voting Rights & Dividend	The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company and such dividend as may be declared by our Board and our shareholders, as per applicable laws.
Equity Shares issued, subscribed and paid up prior to the Issue	8,15,70,630 Equity Shares. For details, please refer to "***Capital Structure***" beginning on page 44.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●][#] Equity Shares [#]*Assuming full subscription*
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Scrip Details	**ISIN:** INE01GN01025 **NSE:** IRISDOREME
ISIN for Rights Entitlements	[●]
Use of Issue Proceeds	For details, please refer to "***Objects of the Issue***" beginning on page 46.
Terms of the Issue	For details, please refer to "***Terms of the Issue***" beginning on page 171.
Terms of Payment	For details, please refer to "***Terms of the Issue***" beginning on page 171.

Please refer to the chapter titled "***Terms of the Issue***" on page 171.

GENERAL INFORMATION

Our Company was originally incorporated as "Iris Clothings Private Limited" under the Provisions of the Companies Act, 1956 on August 27, 2011 bearing Corporate Identification Number U18109WB2011PTC166895 issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted into a Public Limited Company and consequently name was changed to "Iris Clothings Limited" and Fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal on July 24, 2018

Registered Office of our Company
Iris Clothings Limited
103/24/1, Foreshore Road Shibpur,
Howrah – 711102, West Bengal, India
Telephone: +91 33 26373856
Website: www.irisclothings.in
E-mail: info@irisclothings.in
Corporate Identity Number: L18109WB2011PLC166895
Registration Number: 166895

Address of the Registrar of Companies
Our Company is registered with the RoC, Kolkata, which is situated at the following address:

Registrar of Companies, Kolkata
Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4,
A.J.C.B. Road, Kolkata - 700020, West Bengal
Telephone: 033-2287 7390
Email: roc.kolkata@mca.gov.in

Company Secretary and Compliance Officer
Mrs. Sweta Agarwal
103/24/1, Foreshore Road Shibpur,
Howrah – 711102, West Bengal, India
Telephone: +91 33 26373856 / 8100074062
E-mail: compliance@irisclothings.in

Statutory Auditors of our Company

M/s AMK & Associates.
Stesalit Tower, Room No. 303,
3rd Floor, Block EP & GP, Sector V, Salt Lake
Kolkata- 700091, West Bengal
Telephone: +91-033- 40630462, +91-9830070462
E-mail: caamkassociates@gmail.com
Peer review certificate no: 014017
Firm registration number: 327817E

Registrar to the Issue

Cameo Corporate Services Limited
"Subramanian Building", No. #1, Club House Road,
Chennai - 600 002
Tel: +91 -44-40020700, 28460129
E-mail: rights@cameoindia.com
Investor Grievance ID: wisdom.@cameoindia.com / investor@cameoindia.com
Website: https://rights.cameoindia.com/iris
Contact Person: Ms. K Sreepiya
Designation: Executive Vice President & Company Secretary
SEBI Registration No.: INR000003753

Banker(s) to the Company

Axis Bank Limited
1, Shakespeare Sarani, 3rd Floor, Kolkata – 700071
Contact Person: Jyoti Gupta
Designation: Service Relationship Manager
Contact No: 9874890786
Email: Jyoti1.Gupta@axisbank.com
Website: www.axisbank.com

Banker(s) to the Issue

[●]
[●]
[●]
Contact Person: [●]
Designation: [●]
Contact No: [●]
Email: [●]
Website: [●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Credit Rating:

This is an issue of Equity Shares; credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

Monitoring Agency

The Net Proceeds of the Issue will be less than ₹10,000 Lakhs. The SEBI ICDR Regulations does not mandate appointment of a monitoring agency for such issues. Our Company will, therefore, not appoint a monitoring agency.

Underwriting Agreement

Our Company may enter into an Underwriting Agreement with Underwriter(s) for underwriting the Rights Equity Shares. The details of such Underwriting Agreement, if entered into, shall be included in the Letter of Offer to be filed with the Stock Exchange pursuant to receipt of observations on this Draft Letter of Offer, if any. Our Company shall ensure and provided a declaration to the effect that the Underwriter(s) appointed shall have sufficient resources to enable them to discharge their underwriting obligations in full.

Investor Grievance

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For

details on the ASBA process, please see "***Terms of the Issue- Procedure for Application through the ASBA process***" on page 181.

Minimum Subscription

The objects of the Issue involve following (i) To augment the existing and incremental working capital requirement of our Company (ii) General Corporate Purposes

Our Promoter and Promoter Group may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company. Our Company must, therefore, ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees Ten lakhs to Rupees Five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with NSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●]. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.cameoindia.com Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "***Terms of the Issue - Procedure for Application***" beginning on page 180.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.cameoindia.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "***Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 174.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹, except shares data)

		Aggregate value at Face Value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	20,00,00,000 Equity Shares of ₹ 2 each	40,00,00,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	8,15,70,630 Equity Shares of ₹ 2 each	16,31,41,260	-
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER[(1)]**		
	Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e., at a price of ₹ [●] per Equity Share	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹ [●] each, fully paid up[# (1)]	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	2,12,602.85	
	After the Issue[(2)]	[●]	

[#] To be updated upon finalisation of the Issue Price.
[(1)] The Issue has been authorised by our Board pursuant to a resolution dated December 14 , 2024 pursuant to Section 62(1)(a) of the Companies Act. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at their meeting held on [●].
[(2)] Assuming full subscription for, and Allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

1. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

Our Promoter and Promoter Group may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company. Our Company must, therefore, ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. Thus, the rights issue price will be in accordance with Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations.

Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

2. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ [●] per Equity Share.

3. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**

(i) The shareholding pattern of our Company, as on September 30, 2024, may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

(ii) A statement as on September 30, 2024, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

(iii) A statement as on September 30, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

4. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

   The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern.

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. **Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer**

   Neither of our Promoters nor our Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

8. **Details of outstanding securities of our Company**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer

9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Rights Equity Shares, pursuant to this Issue shall fully paid up.

10. Our company does not have any employee stock option scheme (ESOS) or employee stock purchases scheme (ESPS)

    Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "***Terms of the Issue***" on page 171.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilized by our Company for the objects set out below ("**Objects**").

1. To augment the existing and incremental working capital requirement of our Company

2. General corporate purposes.

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the above-mentioned Objects.

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Details of objects of the Issue

The details of the objects of the Issue are set forth in the following table:

(₹ In lakhs)

Particulars	Estimated Amount
Gross Proceeds from the Issue*#	Up to 5,000
Less: Issue Related Expense**	[●]
Net Proceeds from the Issue	**[●]**

** Assuming full subscription and Allotment of the Rights Entitlement.*
*** See "**Estimated Issue Related Expenses**" on page [●]*
 # If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ In lakhs)

Sr. No.	Particulars	Estimated Amount
1.	To augment the existing and incremental working capital requirement of our Company	Upto 3,513.75
2.	General Corporate Purposes*	[●]
Net Proceeds from the Issue**		**[●]**

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

(₹ In lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY 2024-25	Estimated deployment of Net Proceeds for the FY 2025-26
1.	To augment the existing and incremental working capital requirement of our Company	3,513.75	2,000.00	3,513.75
2.	General Corporate Purposes[#]	[●]	[●]	[●]
Total Net Proceeds from the Issue[*]		**[●]**	**[●]**	**[●]**

[#]The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;
[*]Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company may also utilize any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. To augment the existing and incremental working capital requirement of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and availed working capital loan from banks and financial institutions. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Basis of estimation of working capital requirement and Details of Projected Working Capital Requirements*

The details of our Company's working capital as at March 31, 2023, March 31, 2024 and September 30, 2024 and source of funding of the same as tabled below. Further on the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, the details of our Company's expected working capital requirements, as approved by the management for the Fiscal 2025 and Fiscal 2026 and funding of the same are as provided in the table below:

Particulars		Fiscal 2023		Fiscal 2024		Period ended 30.09.2024		Fiscal 2025		Fiscal 2026	
		Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)
I	**Current Assets**										
1	Inventories	4,492.04	266	6,191.81	392	6,390.93	299	6,324.66	270	9,468.49	270

2	Financial Assets										
	i) Trade Receivables	3,125.22	101	3,629.08	109	4,634.38	116	4,602.74	105	6,616.44	105
	iii) Other Financial Assets	55.49		38.56		(20.05)		293.00		250.00	
	Total Current Assets (A)	**7,672.75**		**9,859.45**		**11,005.26**		**11,220.40**		**16,334.93**	
II	**Current Liabilities**										
1	Financial Liabilities										
	i) Trade Payables	1,672.24	99	1,928.19	122	2,321.56	108	2,558.22	90	3,806.16	90
2	Provisions	-		-		-		-			
3	Other Current Liabilities	53.77		59.93		58.32		50.00		50.00	
	Total Current Liabilities (B)	**1,726.01**		**1,988.12**		**2,379.88**		**2,608.22**		**3,856.16**	
III	**Total Working Capital Gap (A-B)**	**5,946.74**		**7,871.33**		**8,625.38**		**8,612.18**		**12,478.77**	
IV	**Funding Pattern**										
1	Working Capital Facilities from Bank	2,848.28		3,441.22		3,311.99		500.00		700.00	
2	Internal Accruals / Owned Funds	3,098.46		4,430.11		5,313.39		6,112.18		8,265.02	
3	From Right Issue Proceeds							2,000.00		3,513.75	
	Total	**5,946.74**		**7,871.33**		**8,625.38**		**8,612.18**		**12,478.77**	

Assumptions for Working Capital Requirements

Sr. No.	Particulars	Assumption
1.	Receivables	We had trade receivables of 101 days, 109 days and 116 days of total sales at the end of Fiscal 2023 and Fiscal 2024 and Half-year ended September 30, 2024respectively. We have assumed trade receivables of 105 days of total sales at the end of Fiscal 2025 and Fiscal 2026.
2.	Inventory	Inventory days were 266 days, 392 days, and 299 days of cost of goods sold for Fiscal 2023 and Fiscal 2024 respectively and Half-year ended 30th Sept,2024.We have assumed inventory to be 270 days of cost of goods sold in Fiscal 2025 and Fiscal 2026.
3.	Trade Payables	Trade payable days were 99 days, 122 days, and 108 days of total purchase for Fiscal 2023, Fiscal 2024, and the Half-Year ended 30 September 2024, respectively. We have assumed trade payables to be 90 days of total purchase in Fiscal 2025 and Fiscal 2026.
4.	Working capital Cycle	The working capital cycle of our Company was at 268 days, 378 days, and 306 days Fiscal 2023 Fiscal 2024 Half-year ended September 30, 2024respectively. Our Company expects the working capital cycle to be around 285 days in Fiscal 2025 and 285 days in Fiscal 2026.

The total working capital requirement for F.Y. 2024-25 as per the above working is estimated to be ₹ 8,612.18 lakhs which is to be funded through:

- Working Capital Facilities from Bank & Financial Institutions of ₹ 500 lakhs.
- Owned funds / Internal accruals of ₹ 6112.18 Lakhs.
- Balance additional working capital requirement ₹ 2,000.00 lakhs through proceeds of the proposed right issue.

The total working capital requirement for F.Y. 2025-26 as per the above working is estimated be ₹ 12,478.77 lakhs which is to be funded through:

- Working Capital Facilities from Bank & Financial Institutions of ₹ 700 lakhs.
- Owned funds / Internal accruals of ₹ 8,265.02 Lakhs.
- Balance additional working capital requirement ₹ 1,513.75 lakhs additional through proceeds of the proposed right issue.

**As Certified by Statutory Auditor vide Certificate dated December 13, 2024 bearing UDIN: 24059363BKAJBS3339*

2. General Corporate Purposes

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹**[●]** lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds may include, but are not restricted to, brand building and other marketing expenses, further capital expenditure, salaries and wages, rent, administration expenses, electricity bills of manufacturing plants, godown and offices, upgradation of information technology infrastructure, insurance related expenses, payment of taxes and duties, repair, maintenance, renovation and upgradation of our offices or branches, strategic initiatives, funding growth opportunities such as acquiring assets include furniture, fixtures and vehicles, leasehold improvements and intangibles, and similar other expenses incurred in the ordinary course of our business or towards any exigencies.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

Sr. No.	Particulars	Expenses*	As a % of total expenses*	As a % of Gross Issue size*
a.	Fees of the Bankers to the Issue, Registrar to the Issue, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
b.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
c.	Regulatory fees, filing fees, listing fees and other	[●]	[●]	[●]
Total estimated Issue expenses*		[●]	[●]	[●]

Note: Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

**Our Statutory auditors have provided a certificate dated [●]2024 confirming the amount of the Issue expenses incurred by our Company.*

Interim use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Appraising Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organizations.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter group, the directors, associates or key management personnel or group companies. There are no material existing or anticipated transactions.

Interest of Promoters, Promoter Group and directors, as applicable to the project or objects of the issue

None of our Promoters, members of the Promoter Group and Directors have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITOR OF THE COMPANY

To,
The Board of Directors
Iris Clothings Limited
103/24/1, Foreshore Road Shibpur,
Howrah – 711102, West Bengal, India

Sub: Statement of possible special direct tax benefits available to Iris Clothings Limited ("the Company") and its shareholder ("the statement")

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill..

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.
We do not express any opinion or provide any assurance as to whether:

i. the Company or its shareholders will continue to obtain these benefits in future; or

ii. the conditions prescribed for availing the benefits have been/would be met with.

iii. the revenue authorities will concur with the views expressed herein.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company**.**

Yours faithfully

For AMK & Associates
Chartered Accountants
Firm Reg No: 327817E

Sd/-
Bhupendra Kumar Bhutia
Partner
Membership No: 059363
Place: Kolkata
Date: December 13, 2024
UDIN: 24059363BKAJBS3339

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO IRIS CLOTHINGS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. **Special tax benefits available to the Company under the Act**

There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Act**

There are no special tax benefits available to the shareholders of the Company.

Notes:

- The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the financial year 2023-24.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO IRIS CLOTHINGS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. **The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act")** *(collectively referred to as "indirect tax")*

1. **Special tax benefits available to the Company under the Indirect Tax**

There are no special indirect tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

The list of applicable tax laws to the Company and its shareholders is as follows:

Sr. No.	APPLICABLE LAW	TAX BENEFITS
1	State Goods and Services Tax Act, 2017	NIL
2	Central Goods and Services Tax Act, 2017	NIL
3	The Union Territory Goods and Services Tax Act, 2017	NIL
4	Integrated Goods and Services Tax Act, 2017	NIL
5	Customs Act, 1962	NIL
6	Customs Tariff Act, 1975	NIL

Notes:

- The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information. Before deciding to invest, prospective investors should read the entire Draft Letter of Offer, including the information in the sections ***"Risk Factors"*** *and* ***"Financial Statements"*** *on page 19 and page 84.*

GLOBAL MACROECONOMIC SCENARIO

Global economy is witnessing unwinding of tight monetary conditions.

As per the International Monetary Fund (the "IMF") (World Economic Outlook –July 2024 update), global GDP growth prospects for calendar year CY 2024 and CY 2025 will hold steady at 3.2% and 3.3%, respectively. Major global economies showed resilience in the second quarter of 2024, despite a slight moderation experienced in some. The US and Japan performed better in the first quarter of 2024, while the UK and China saw growth moderation. The Euro area, meanwhile, held steady. The Bank of Japan turned hawkish and raised interest rates once again, while the weak US payroll data in July 2024 sparked fears of a rapidly cooling labour market and an imminent recession, resulting to a rate cut of 50 basis points in September 2024 by the Federal Reserve. The combination of these developments led to an unwinding of the global Yen carry trade and a rush of outflows from emerging markets to safe-haven assets with most emerging market currencies (and some developed market ones) seeing depreciation.

Heightened geopolitical tensions in the Middle East also added to the global volatility. While inflation has slowed down, the pace of inflation decline has decreased in CY 2024 on account of sticky inflation. As per IMF (World Economic Outlook –July 2024 update), global headline inflation is expected to be around 5.9% in CY 2024 and 4.5% in CY 2025.

Source:https://www.imf.org//media/Files/Publications/WEO/2024/Update/July/English/text.ashx

India Macro-Economic And Retail Market Opportunity

According to the International Monetary Fund (the "IMF"), India is predicted to become the fastest-growing major economy globally, driven by robust private consumption, rapid urbanization, demand democratization, and an increasing female workforce. The retail market is also expected to outpace GDP growth due to organized retail expansion and discretionary spending shift.

Favourable macro-economic conditions:

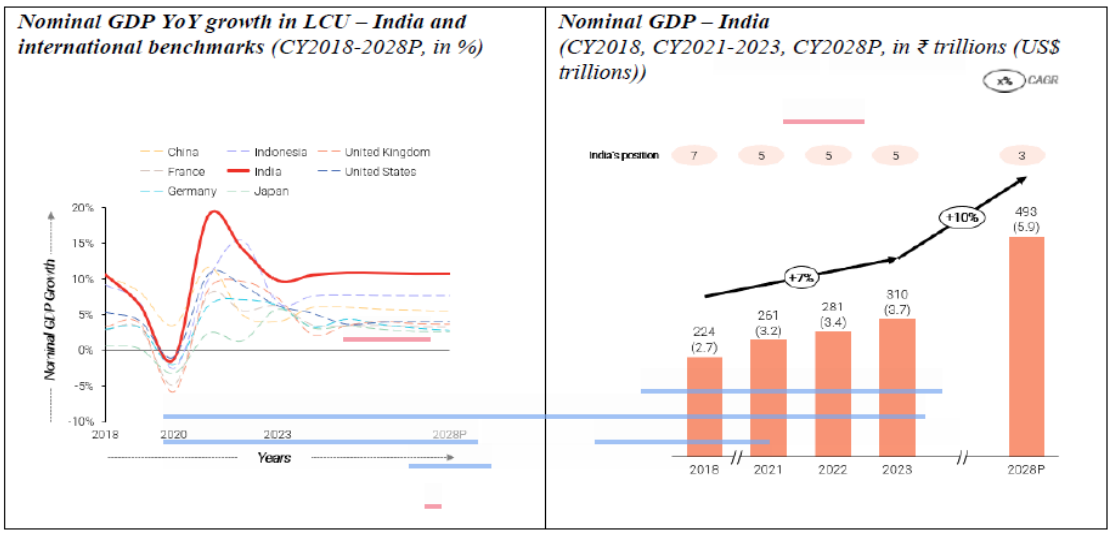
According to the International Monetary Fund (the "IMF"), by CY2028, India is projected to become a ~₹493 trillion (US$6 trillion) economy, supported by rapid infrastructure investments, a demographic dividend, improved ease of doing business, and increased global economic integration

India's GDP in CY2023, at ₹310 trillion, ranked as the fifth-largest global economy. Post-Covid-19, the country has delivered robust economic growth, driven by infrastructure investments, demographic dividends, business ease, and increased global integration.

As per the International Monetary Fund (the "IMF") , India's nominal GDP is projected to grow at a 10% annual rate between CY2023 and CY2028, reaching approximately ₹493 trillion (US$5.9 trillion) by CY2028, making it the third-largest global economy. India is expected to be the fastest-growing major economy, surpassing the USA and China's growth rates.

India's Gross National Income (GNI) per capita increased from 1.17% in 2016 to 1.48% in 2019, driven by a growing middle-class population and shift from agriculture to services. Despite a drop in 2020 due to COVID-19 lockdowns, the

per capita experienced a strong recovery in CY2021, with an additional 15% growth in CY2022. Economic growth is expected to be driven by rising private final consumption expenditure.



Source(s): International Monetary Fund (IMF); Note(s): Conversion rate: 1 US$ = ₹83

GDP Growth being outpaced by private consumption:

India's consumption-driven economy has seen a significant increase in Private Final Consumption Expenditure (PFCE) from 59% in FY2019 to 60% in FY2024, indicating a 10% growth rate compared to a GDP growth of 9%. In contrast, this ratio was 68% in a more developed economy like the United States as of CY2022, suggesting significant growth potential in India.

Middle-income segment to drive India's per capita GDP growth:

India's GDP per capita has seen significant growth, rising from ₹164,000 in 2018 to ₹217,000 in 2023, and is projected to reach ₹331,000 by 2028 at a CAGR of approximately 9%. This growth is driven by increased discretionary spending and higher consumer demand in categories like apparel, packaged food and beverage, and personal care.

***Growth driven by urbanization and changing aspirations of youth*:**

India has one of the largest urban populations globally, with approximately 508 million people living in urban areas as of CY2022. However, urbanization is low compared to global peers, with projections of an increase from 36% to 38% by CY2027. This growth is expected to drive infrastructure investments, job creation, modern consumer services, and increased consumption. India is also experiencing a rise in households due to economic factors and societal norms favouring nuclear families. This trend is expected to drive consumption as nuclear families purchase multiple products instead of sharing common household items.

***Among the youngest nations in the world*:**

India is among the youngest nations in the world, with a median age of ~28 years, as of CY2022, Population aged 0-12 years account for ~22% of the India's population making India home to the largest population of children in the world.

Rapid economic growth of Tier-2 cities and beyond is democratizing retail demand:

India's economic expansion is driven by the growth of Tier-2 cities and beyond, driven by decentralization of industries and technology. Businesses are expanding operations to capitalize on untapped market potential and a more distributed workforce. Government initiatives like the Smart Cities Mission enhance urban infrastructure and public services, making these regions attractive for new economic activities. The economic prospects in Tier-2 cities attract migrants from rural areas and encourage reverse migration from Tier-1 cities. Modernization is supported by an expanding middle-income segment, robust digital infrastructure, and greater smartphone access. This modernization fuels disproportionate retail consumption expansion in Tier-2 cities and beyond, especially in under-penetrated categories.

Rising female workforce is boosting household income and aspirations

The Ministry of Women and Child Development reports a 37% increase in female labour participation from 23% in FY2018 to 176 million in FY2023, driven by reduced barriers, higher education, and government and private sector initiatives. This has led to increased dual-income households and a preference for aspirational products.

Source: https://www.imf.org/en/Countries/IND

India's Retail Market

According to the Retailers Association of India (RAI) and Boston Consulting Group (BCG), the Indian retail market is expected to reach US$ 2 trillion by 2032.

Retail sales in June 2024 showed a growth of 5% as compared to the sales levels in June 2023, according to the survey by the Retailers Association of India (RAI).

As per Kearney Research, India's retail industry is projected to rise at a CAGR of 9% between 2019 and 2030, from US$ 779 billion in 2019 to US$ 1,407 billion by 2026 and more than US$ 1.8 trillion by 2030.

India is one of the most promising and developing marketplaces in the world. There is a great deal of desire among multinational corporations to take advantage of the consumer base in India and to enter the market first. Due to India's wealth of resources, availability of labour at relatively low costs, and special investment wages such tax breaks, etc., foreign corporations prefer to invest here.

India is the fifth largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability.

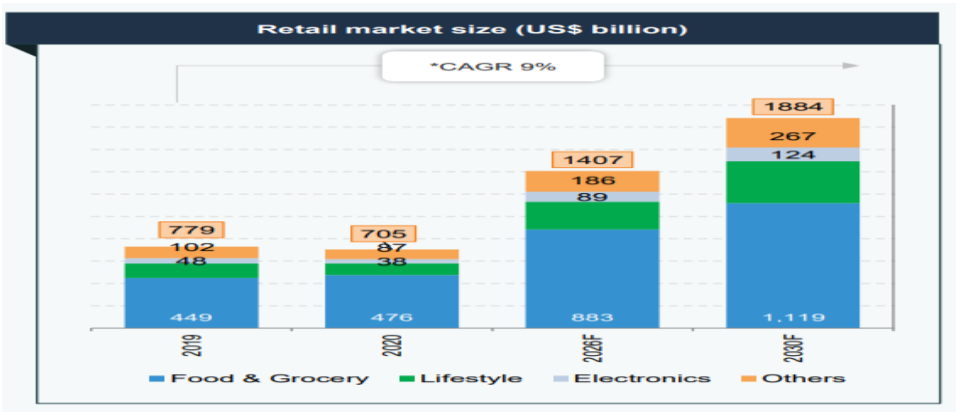
India's retail sector was experiencing exponential growth with retail development taking place not just in major cities and metros, but also in small cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanization, and changing consumer tastes and preferences have been some of the factors driving growth in the organized retail market in India.

India's high growth potential compared to global peers has made it a highly favourable destination. According to a study by Boston Consulting Group, India is expected to become the world's third largest consumer economy by reaching US$ 400 billion in consumption by 2025.

The Indian e-commerce industry is expected to cross US$ 350 billion mark by 2030, growing at a CAGR of 23%.

The organised retail market in India has 12% share of the total retail market and has a growth rate of 10% over 2021-32

Lulu Group, a UAE-based retail company, will invest Rs. 2,000 crore (US$ 240.96 million) to develop a shopping mall near Ahmedabad in Gujarat as part of its plans to expand business in India.



Source: https://www.ibef.org/industry/retail-india

Organised Retail

According to the IBEF, the Indian retail sector is highly fragmented with more than 90% of its business being run by the unorganized retailers like the traditional family run stores and corner stores. The organized retail however is at a very nascent stage.

In 2022, traditional retail, organised retail and E-commerce segments accounted for 81%, 12% and 8% of the market, respectively.

The Indian e-commerce industry is expected to cross US$ 350 billion mark by 2030, growing at a CAGR of 23%. The organised retail market in India has 12% share of the total retail market and has a growth rate of 10% over 2021-32.

Increasing demand for organized retail space has helped create a capacity of ~120 million square feet (MSF) in retail space across major Indian cities. Major Indian cities include Delhi (23.7 MSF) and Mumbai (16.7 MSF).

The unorganised retail sector in India has a huge untapped potential for adopting digital mode of payments as 63% of the retailers are interested in using digital payments like mobile and card payments.

Many fintech companies are competing for their presence in local stores. In May 2020, Paytm announced a US$ 1 billion loyalty programme and launched online ledger services for kirana stores in India. Other fintech companies such as PayNearby, Phonepe, BharatPe and Mswipe introduced different services for small shop owners, enabling better digital payments and delivery options at these stores.

For example, Amazon partnered with local stores to provide a platform for many small shops and merchants on its Amazon marketplace. While, Walmart has its own network of 28 'best-priced' stores serving local stores across the country.

Source: *https://www.ibef.org/industry/retail-india*

Rising Prominence of Online Retail

According to the IBEF, the e-commerce industry witnessed a phenomenal 36.8% YoY growth in terms of order volumes. As consumers prefer to shop online throughout the year, this fast-changing consumer preference towards online shopping reveals the mature status acquired by e-commerce brands in India.

The E-Commerce market is expected to touch US$ 350 billion in GMV by 2030. With consumers rapidly adopting online shopping and renewed thrust from leading consumer goods and retail players in the country, gross merchandise value (GMV) of India's e-tailers touched US$ 60 billion in FY2023.

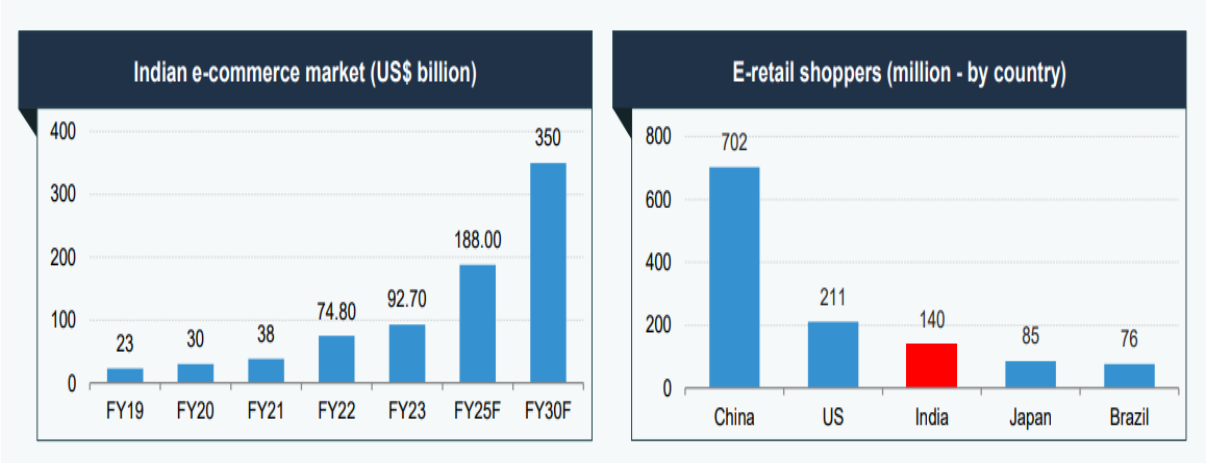
India's digital economy is expected to touch US$ 800 billion by 2030.

Online retailers deliver to 15,000-20,000 pin codes out of nearly 100,000 pin codes in the country.

During the festival period in 2020, Amazon, Flipkart and various vertical players sold goods worth US$ 9 billion despite the pandemic onslaught.

Online shoppers in India are expected to reach ~500 million in 2030 from +150 million in 2020.

As of December 2022, there were 7.8 billion daily e-commerce transactions. Online shoppers in India are expected to reach ~500 million in 2030 from +150 million in 2020.



Source: https://www.ibef.org/industry/retail-india

Growth Drivers For Retail In India

Favourable demographics

India's large and young population, Rising Middle Class, Urbanization, Changing Lifestyle and Consumption Patterns and favourable government initiatives prove to be a growth engine for the retail industry.

Rise in income and purchasing power

As of the most recent Purchasing Power Parity (PPP) calculations by the World Bank and the International Comparison Programme (ICP), India ranks 3rd in the world in terms of GDP by PPP. Along with improvements in general purchasing power of the middle class, and a low cost of living, India has also almost completely eradicated extreme poverty at the global PPP poverty level of US$ 1.9.

Change in consumer mindset

The transition from traditional retail to online platforms in India has spurred a shift in consumer mindset. This change is characterized by a prioritization of convenience, a wider product selection, increased price sensitivity, growing trust in online transactions, reliance on reviews and recommendations, evolving loyalty dynamics, a greater embrace of technology, and heightened expectations for fast delivery.

Brand consciousness

Brand consciousness in India is a multifaceted phenomenon shaped by economic, cultural, and technological factors. As consumer expectations continue to evolve, brands must remain agile and responsive to changing trends, ensuring that they deliver value, innovation, and authenticity to maintain their competitive edge in the market.

Easy consumer credit and increase in quality products

Share of unsecured retail loans grew to 25.2% from 22.9% in March 2021-2023, while secured loans eased from 77.1% to 74.8%. Banks' unsecured loan portfolio amounted to close to Rs. 12 lakh crore (US$ 144.58 billion) as of July 2023.

Consumer preference

India's per capita GDP increased to Rs. 2.12 lakh (US$ 2,548) from Rs. 196,983 (US$ 2,397.54) in FY23.

Indian consumers are now shifting more towards premium brands.

Increase in digital payment methods in retail

As per RBI digital payments in India grow from 162 crore transactions in FY2012-13 to over 14,726 crore transactions in 2023-24 (till February 2024).

India recorded about 131 billion Unified Payments Interface (UPI) transactions with a total value of Rs. 200 trillion (US$ 2,403.56 billion) in FY24.

Consumer finance opportunity

According to India Ratings and Research, domestic organised food and grocery retailers increased by 14-15% YoY in FY22, with organised retailers and e-commerce benefitting from the ongoing demand for essentials. As per Crisil, Organised food & grocery retailers topline will grow at 14-15% in FY25.

FDI approval

The retail sector of India is considered to be one of the most important emerging sectors, and therefore, Foreign Direct Investment (FDI) in the retail sector plays a very crucial role in the economic growth and development of the country.

At present, FDI in single-brand retailing is permitted up to 100%, whereas in multi-brand retailing, it is allowed up-till 51% only.

Hybrid retail model

Retail 4.0 in India puts the focus on personalization with an offline + online approach.

Retail 4.0 holds the promise of an agile, efficient, inclusive, and inter-dependent retail ecosystem with disruptive growth and benefits for the sector and nation at large.

Source: https://www.ibef.org/industry/retail-india

Indian Apparel Industry

According to the IBEF, the market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US$ 350 billion by 2030.

Global apparel market is expected to grow at a CAGR of around 8% to reach US$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US$ 1.2 trillion by 2030.

India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel.

The Indian textiles market is expected to be worth US$ 350 billion by 2030.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports.

The textile industry has around 45 million workers employed in the textiles sector, including 3.5 million handloom workers.

India is the world's 3rd largest exporter of Textiles and Apparel.

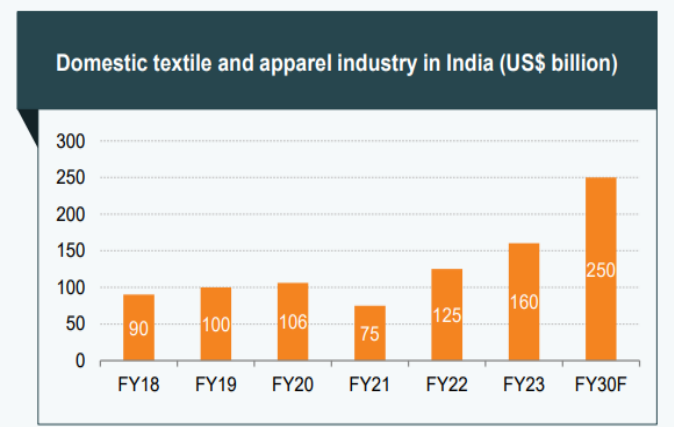
The textile sector is expected to play a significant role, with a target of US$ 100 billion in exports by FY30, up from US$ 34.43 billion in FY24.

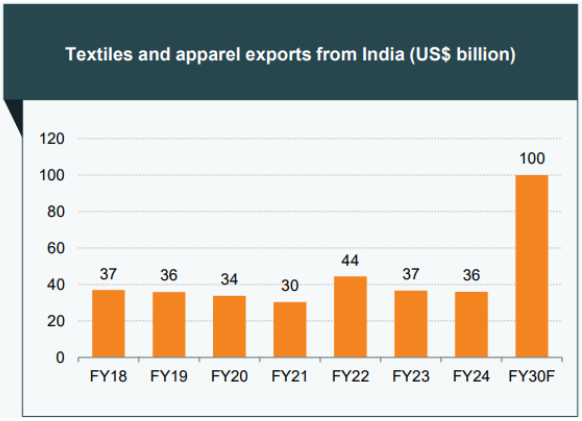
The amount of Rs. 10,683 crore (US$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.

India ranks among the top five global exporters in several textile categories, with exports expected to reach US$ 65 billion by FY 2026.

Source:*https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation*





Source: *Ministry of Textiles, Make in India, Technopak, Annual Report on Indian textile and Apparel industry - Wazir Advisors*

Advantage In India

Competitive Advantage

Abundant availability of raw materials such as cotton, wool, silk and jute .

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.

Policy Support

100 % FDI (automatic route) is allowed in the Indian textile sector .

Under Union Budget 2023 -24 , the total allocation for the textile sector was Rs. 4,389.24 crore (US$ 536.4 million).

The government is planning to set up 12 new industrial parks and 5 - 6 mega textile parks mentioned by Minister of Commerce and Industry Mr . Piyush Goyal announced . He also urged the private sector to capitalize on these initiatives .

In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75 ,000 beneficiaries has been allocated . 1,83,844 beneficiaries trained across 1,880 centres under Samarth.

Increasing Investments

In order to attract private equity (PE) and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

Total FDI inflows in the textiles sector stood at US $ 4.47 billion between April 2000 - March 2024.

Robust Demand

The Indian technical textiles market is expected to expand to US $ 23.3 billion by 2027 , driven by increased awareness of goods and higher disposable incomes.

Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030 , driven by increasing demand from consumers.

In FY25 (April-June), exports of readymade garments including accessories stood at US $ 2 ,244 million. It is expected to surpass US $ 30 billion by 2027 , with an estimated 4.6 - 4.9 % share globally.

Mr. Piyush Goyal discussed the roadmap to achieve the target of US $ 250 billion in textiles production and US $ 100 billion in exports by 2030.

Source:*https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation*

Export Have Posted Strong Growth Over The Years

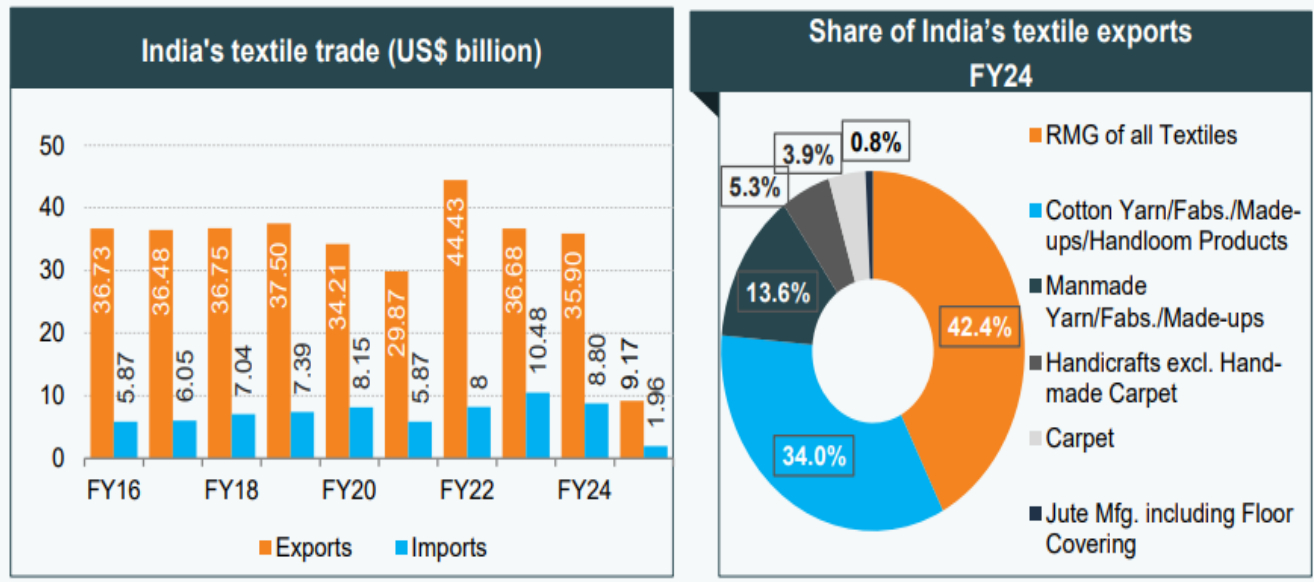
According to the IBEF, In FY25 (April- June) the total exports of textiles stood at US$ 9.17 billion.

Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 9.17 billion in FY25 (April-June).

India's ready-made garment (RMG) exports are likely to surpass US$ 30 billion by 2027, growing at a CAGR of 12-13%.

In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.

In August 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, said that steps need to be taken to boost production capacities of the handloom sector from existing Rs. 60,000 crore (US$ 8.06 billion) to 125,000 crore (US$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crore (US$ 335.92 million) to Rs. 10,000 crore (US$ 1.34 billion). He also announced that a committee would be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stakeholders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.



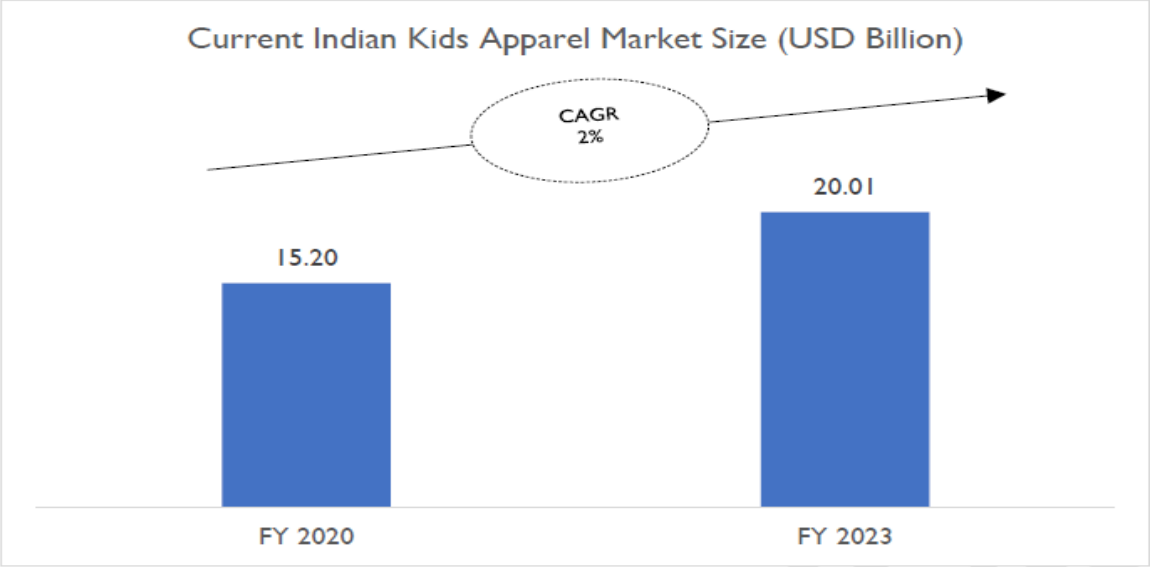
Source:*https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation*

Kids Garments Industry In India

The Indian kids wear market has experienced a 32% growth post-pandemic, reaching a size of USD 20.01 billion in FY 2023. This growth is attributed to India's demographic profile, high birth rate, rising disposable incomes, and growing fashion awareness among children.

The market's size surged from USD 15.20 billion in FY 2020 to USD 20.01 billion in FY 2023, indicating resilience and potential for continued expansion.

Urbanization and online retail channels have boosted the kids wear market, leading to increased demand for fashionable, easy-to-maintain clothing. The sector's recovery from the Covid-19 pandemic is solidifying, with promising prospects for sustained success and innovation in the coming years.



Source: Industry Articles, D&B Research Estimates

Young Population: A Continuously Replenishing Demand

India's young population, comprising 31% below 14, offers a unique advantage for the readymade kids wear market, resulting in a constantly replenishing demand for clothes.

Rapid Growth Spurt

Children's rapid growth cycle necessitates frequent wardrobe updates, creating a steady demand for new clothes in the kids wear market due to changing fashion preferences.

Seasonal Variations

Seasonal changes, such as summer and winter, dictate clothing needs, requiring multiple wardrobe changes, increasing demand for readymade kids wear due to the need for light, airy fabrics.

Evolving Fashion Trends

The fashion industry constantly evolves, with kids wear being a key focus. Parents constantly update their children's wardrobe with new trends, creating a dynamic market for fresh, trendy collections.

Multiple Occasions

Kids wear caters to special occasions like birthdays, festivals, and school functions, offering diverse, readymade garments to cater to these needs.

Increased Social Awareness

Social media influence is increasing children's fashion awareness and brand consciousness, leading to increased demand for trendy and diverse kids wear options.

India's young population presents both opportunities and challenges for the kids wear market. It offers a constantly growing customer base and demands a dynamic industry, making brands well-positioned to capitalize.

Increasing Urbanization: Exposure to Trends and Brand Consciousness

India's urbanization rate is accelerating, with 40% of the population expected to live in urban areas by 2030. This shift exposes families to diverse lifestyles and fashion trends, with brand-consciousness and preference for readymade garments.

Exposure to Trends

Urban living exposes families to media and social influences, leading to a desire for trendy clothing. Branded kids wear companies catering to these trends with innovative designs and seasonal collections will find favor.

Brand Consciousness

Urbanization increases brand awareness and influences purchase decisions, as families in urban areas associate specific brands with quality, design, and social status, making them more receptive to branded kids wear.

Convenience Factor

Urban families prefer readymade garments due to their convenience, wide variety, and consistent quality, compared to traditional home sewing methods.

Nuclear Families and Working Parents

Urban families are increasingly adopting nuclear and dual-income lifestyles, reducing time and energy for traditional clothing stitching, leading to the rise of readymade garments.

Shifting Priorities

Urban families prioritize comfort, design, and brand value in children's clothes, creating a market for premium brands catering to evolving needs due to higher disposable incomes.

In conclusion, Urbanization in India drives the branded kids wear market, attracting families to new trends and fostering brand consciousness. Brands that offer trendy designs, high-quality materials, and convenient shopping experiences are well-positioned to thrive in this growing market.

The E-commerce Boom: Transforming Kids Wear Shopping In India

The e-commerce boom has significantly transformed kids wear shopping, offering a wide range, convenience, and competitive pricing, catering to busy parents who appreciate the ease of home shopping and the ability to compare prices across brands.

Convenience at Your Fingertips

Online shopping offers flexibility for busy parents, allowing them to shop for kids wear from the comfort of their homes, even during late hours or nap times.

Vast Selection and Global Reach

Online platforms provide a vast array of kids wear brands, styles, and sizes, surpassing the limitations of physical stores and offering international options not available in local markets.

Competitive Pricing and Deals

Online retailers offer competitive pricing, attractive deals, and discount sales, allowing customers to compare prices across brands and stores, potentially saving money on purchases.

Detailed Product Information and Reviews

Online platforms offer comprehensive product information, enabling parents to make informed decisions without physical examination, and customer reviews provide valuable insights into product quality and fit.

Easy Returns and Exchange Policy

Online retailers provide convenient return and exchange policies, addressing concerns for parents buying clothes for children growing rapidly. This allows them to exchange or return items if not satisfied.

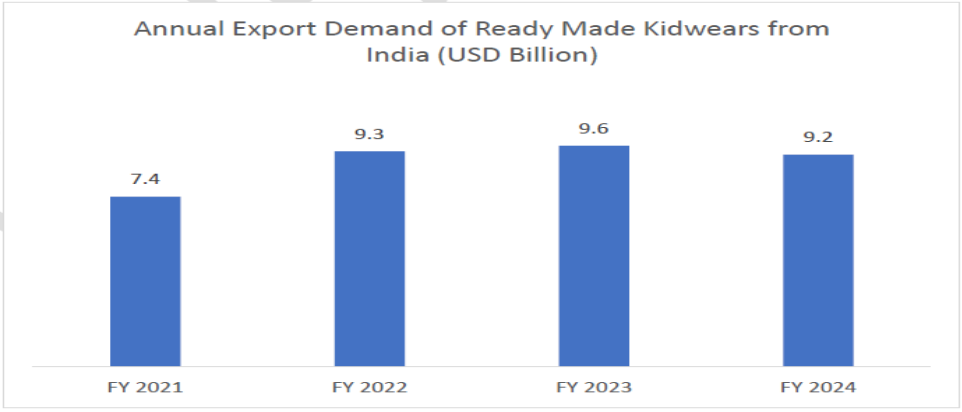
Time-Saving Features

Online shopping platforms provide filters and sorting options for parents to efficiently find items based on size, brand, price, and color, saving time and time.

In conclusion, Online shopping has revolutionized the kids wear market in India due to its convenience, vast selection, competitive pricing, and time-saving features. As e-commerce continues to grow, online platforms will play a significant role in shaping the future of kids wear shopping.

Export Demand Scenario

According to the Directorate general of Foreign Trade , India's readymade kids wear market is experiencing steady growth, with domestic demand increasing and international markets recognizing Indian manufacturers' value. Export demand rose from USD 7.4 Bn in FY 2021 to USD 9.6 Bn in FY 2023, indicating potential for further growth.



Source: Directorate General of Foreign Trade[3]

Indian readymade kids wear is popular in the US, Europe, and the Middle East due to high demand for quality and affordable options. Indian manufacturers, with a skilled workforce and readily available raw materials, offer competitive prices, solidifying their position in the global kids wear export market.

Competitive Production Costs

India's success in the global kids wear export market is largely due to its cost-effectiveness, skilled labour pool, and production of natural fibres, which eliminates dependence on expensive imports, making Indian manufacturers attractive to international buyers.

Skilled Workforce and High-Quality Standards

India's textile industry has a skilled workforce, resulting in efficient production processes and meeting international quality standards. This allows Indian manufacturers to deliver high-quality kids wear at competitive prices, solidifying their position in the global kids wear export market.

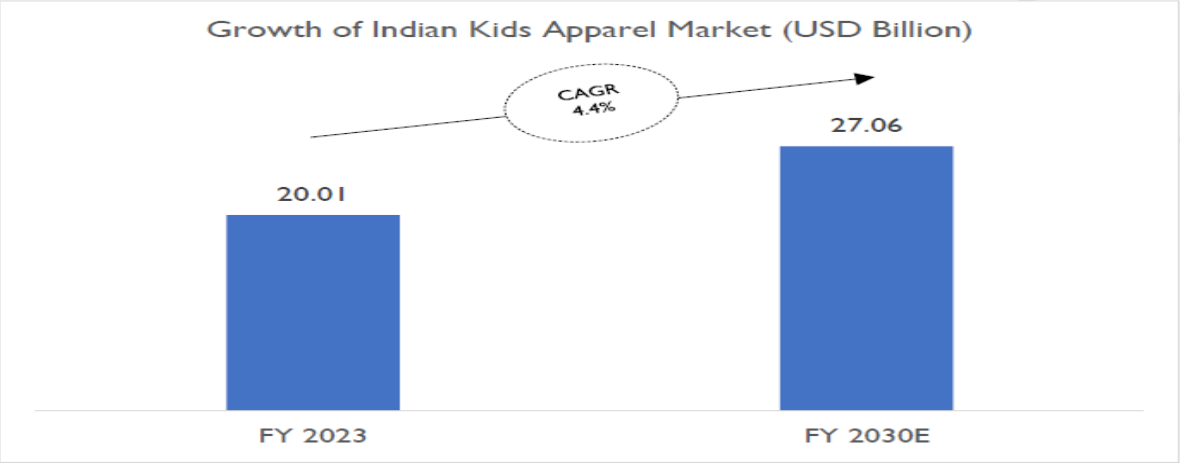
Government Support for Exporters:

The Indian government supports kids wear export growth through duty drawbacks and textile parks. These initiatives reduce production costs and simplify export procedures, empowering Indian manufacturers to compete globally. These initiatives provide essential infrastructure and resources for garment manufacturers.

Growth Forecast

The kids wear sector is projected to experience a CAGR of 4.4% between FY 2023 and 2030, reaching USD 27.06 Billion, driven by increasing disposable incomes, changing lifestyle trends, and a growing emphasis on children's fashion.

Western wear dominates the kids wear market, accounting for 88%. This trend is expected to persist, growing at an 8.7% CAGR between FY 2023 and FY 2030. The preference for western wear is driven by global influence on children's fashion, media portrayal of western styles, and parental aspirations.



Source: Industry Articles, D&B Research Estimates

The growing organized retail sector in kids wear is transforming consumer behavior, with parents preferring branded products for quality, design, and safety. The convenience and organized shopping experience contribute to this shift. The projected CAGR of 12.6% between FY 2023 and 2025 presents growth opportunities for retailers and brands, with strategies including expanding retail footprints, introducing innovative products, and leveraging digital platforms.

Source: https://purpleunited.in/media/wysiwyg/investor/DRHP.pdf

OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in "**Risk Factors"**, **"Management's Discussion and Analysis of Financial Condition and Results of Operations"** and **"Financial Statmenets"** on pages **19, 154 and 64** of this Draft Letter of Offer, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company's audited financial statements. Further, all references to 'Iris', 'the Company', 'our Company' and 'the Issuer' and the terms 'we', 'us' and 'our', are to Iris Clothings Limited.*

Unless stated otherwise, the financial data in this section is as per our audited and limited review financial statements prepared in accordance with Ind AS set forth elsewhere in this Draft Letter of Offer. In this section only, any reference to "we", "us" or "our" refers to Iris Clothings Limited.

OVERVIEW

Our Company was originally incorporated on 27th August, 2011 as Iris Clothings Private Limited Company under the provision of the Companies Act, 1956 with registration no. 166895 having our registered office situated at 103/24/1, Foreshore Road, Shibpur, Howrah- 711102. The Corporate Identification Number of our company on incorporation was U18109WB2011PTC166895. Further, pursuant to a special resolution passed by the shareholders of the company at the extra ordinary general meeting held on 09.07.2018, our company was converted from a private limited to public limited company vide fresh certificate of incorporation dated 24.07.2018 obtained from Registrar of Companies, West Bengal bearing Corporate Identification Number as L18109WB2011PLC166895.

The origins of our company trace back to the establishment of Iris Clothings in 2004, which initially functioned as a contract manufacturing firm producing apparel for 3rd party brands. Within a short period, our promoters identified an opportunity to establish an independent brand in the children's wear segment, leading to the launch of our brand, "DOREME" within the first year of operations. We commenced sales activities under our brand in 2005, through a distributor-retailer network based out of Mumbai. As we witnessed increase in consumer demand, we expanded the brand presence through new distributors and retailers, with an aim of steady growth within the Mumbai market. This foundation enabled a gradual expansion of distribution and manufacturing capabilities in additional markets across India. In 2012, through a formal sale agreement, Iris Clothings Proprietary Concern was fully acquired by the current corporate entity. This transaction involved the acquisition of Iris Clothings' assets, liabilities, and all operational activities, thereby consolidating the brand's distribution and manufacturing under one corporate structure.

Our company is engaged in the business of manufacturing, design conceptualizing , branding, and distribution of children's apparel and accessories under the DOREME® brand across India as well as export markets. The DOREME® brand is positioned within the kids' wear category, covering a range of clothing and related products/accessories designed for infants, junior boys and girls, catering to their needs indoor and outdoor apparel needs. The company's product portfolio includes a range of items across categories such as summer wear, winter wear, sportswear. The collection includes multiple designs of tops, t-shirts, pajamas, trousers, shorts, dresses, polyfil suits, sweatshirts, hoodies, joggers, dry-fit and accessories such as bags and bottles. The company's products prices range between ₹200 to ₹2,000 making the products accessible for a wide range of end users.

In November 2022, the company's manufacturing plant located in Ulluberia was granted the Facility and Merchandise Authorization (FAMA) license to manufacture and distribute products merchandise featuring Disney's intellectual property. The licensing agreement allows IRIS to design and sell kids apparel using Disney and Marvel movie characters. Capitalizing on this partnership, IRIS introduced a line of children's clothing under the Disney x DOREME brand within the premium category.

As on 30th September, we operate 4 manufacturing facilities located in West Bengal:

- **Foreshore Road, Howrah:** Our manufacturing unit at Foreshore Road, Howrah, is equipped with four automated stitching machines and finishing units. Additionally, the facility includes a dedicated dispatch unit to ensure efficient and timely delivery of products.
- **Pachla, Howrah:** At Pachla, Howrah, we have set up our first tech enable stitching and finishing unit which is well integrated through online processes. This strategic location serves us with a skilled labor force and abundant raw material availability.
- **Uluberia, Howrah:** Our manufacturing unit at Uluberia consolidates all production activities in one location, featuring automated cutting machinery, printing machinery, and modern stitching and finishing unit well integrated through online processes. This integration ensures superior efficiency and quality in our manufacturing operations. The unit has been granted the Facility and Merchandise Authorization (FAMA) license to manufacture and distribute products merchandise

featuring Disney's intellectual property.

- **Srijjan Industrial Park, Bombay Road:** At Srijjan Industrial Park, Bombay Road, we have set up our third modern stitching and finishing unit with online processes, along with a dedicated dispatch unit.

As on September 30, 2024, our company has a consolidated manufacturing capacity of 33,000 units per day. Our capacity utilization for the last 3 fiscal year and the 6 months ended September 30, 2024 stood as:

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
Installed Capacity	33,000	33,000	33,000	33,000
Utilized Capacity	22,500	24,000	25,000	26,000
Capacity Utilization (%)	68%	73%	76%	79%

Additionally, the company generates revenue from sales generated through trading. The sales of traded goods involve the distribution of raw materials and apparel sourced from external suppliers or manufacturers. These goods are typically sold in bulk through our sales channel. Effective marketing, quality assurance, and competitive pricing are crucial to driving demand for these particular products.

Below table sets out the sales turnover of our trading and manufacturing business. :

(in lakhs)

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024		H1FY 2024	
Manufacturing Sales	10,132.85	91%	9149.05	81%	9856.33	81%	6021.07	83%
Trading Sales	949.01	9%	2105.58	19%	2207.52	18%	1183.44	16%
Others	70.27	1%	45.51	0%	128.26	1%	64.89	1%
Total Sales	**11,152.13**	**100%**	**11,300.14**	**100%**	**12,192.11**	**100%**	**7,269.40**	**100%**

**As certified by M/s AMK .and Associates. Statutory Auditor, by certificate dated* December 13, 2024 *bearing UDIN:* 24059363BKAJBX4655

Initially structured around a distributor-retailer network, the company has expanded its reach to include multiple sales channels. In addition to its traditional network, the company now operates in the online marketplace through its own website http://www.irisclothings.in. Furthermore, the company has developed a direct retail presence by establishing its exclusive brand outlets (EBOs), enabling direct engagement with customers and enhanced brand visibility. The multi-channel presence allows the company to reach a broader audience while diversifying its revenue streams and adapting to changing consumer purchasing behaviours.

Currently, the company has a distribution network that includes 170+ distributors covering a wide geographic range of 26 states and 7 countries (exports), providing access to more than 10,000 retail touchpoints. The table below sets forth our revenue from operations across domestic and export markets, for the periods indicated:

(in lakhs)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
Domestic Sales	10,884.38	11,004.77	11,827.07	7,189.40
Export Sales	267.75	295.37	365.04	80.00
Total Sales**	**11,152.13**	**11,300.14**	**12,192.11**	**7,269.40**

**Total Sales include Sales of products + other operating revenue

**As certified by M/s AMK .and Associates. Statutory Auditor, by certificate dated* December 13, 2024 *bearing UDIN:* 24059363BKAJBX4655

Additionally, the company inaugurated its first EBO in September 2023 in Howrah and since then has increased its presence with an additional 6 EBOs in the Eastern part of the country. We operate on a cluster-based approach to opening and operating EBOs allowing us to pursue the Company Owned Company Operated (COCO) model which results in better operational control and greater store profitability. In our experience, retailing through EBOs creates brand recall and our EBOs are located in high streets, malls in our key markets.

The table below sets forth our revenue from operations generated from different sales channels including Distribution, EBOs, Website and trading sales for the periods indicated:

(Rs. in lakhs)

S.no	Particulars	% of Revenue from Operations							
		Fiscal 2022		Fiscal 2023		Fiscal 2024		H1FY 2024	
1.	Trading	949.01	8.50%	2,105.58	18.63%	2,207.52	18.10%	1,183.44	16.27%
2.	Distribution Channel	10,203.12	91.50%	9,189.29	81.32%	9,942.10	81.54%	6,024.94	82.88%
3.	EBOs	-	-	-	-	33.00	0.27%	58.11	0.79%
4.	Website	-	-	5.26	0.04%	9.48	0.07%	2.91	0.04%
	Total	**11,152.13**	**100%**	**11,300.14**	**100%**	**12,192.11**	**100%**	**7,269.40**	**100%**

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Our key financial performance indicator for the, Financial Year 2024, Financial Year 2023 and Financial Year 2022 and 6 months ended September 30, 2024 is detailed as below:

(in lakhs)

Particulars	FY22	FY23	FY24	H1FY24
Financial				
Revenue from Operations [(1)]	11,152.13	11,300.14	12,192.11	7,269.40
EBITDA [(2)]	2,155.93	1,950.55	2,642.75	1,402.63
EBITDA Margin [(3)] (in %)	19.33%	17.26%	21.68%	19.25%
Net Profit after tax [(4)]	1,014.70	825.89	1,221.19	626.62
Net Profit Margin [(5)] (in %)	9.10%	7.31%	10.02%	8.60%
Return on Net Worth [(6)] (in %)	20.84%	14.50%	17.66%	8.31%
Return on Capital Employed [(7)] (in %)	21.51%	16.62%	19.64%	9.70%
Net Debt/ EBITDA	1.18	1.46	1.30	2.36

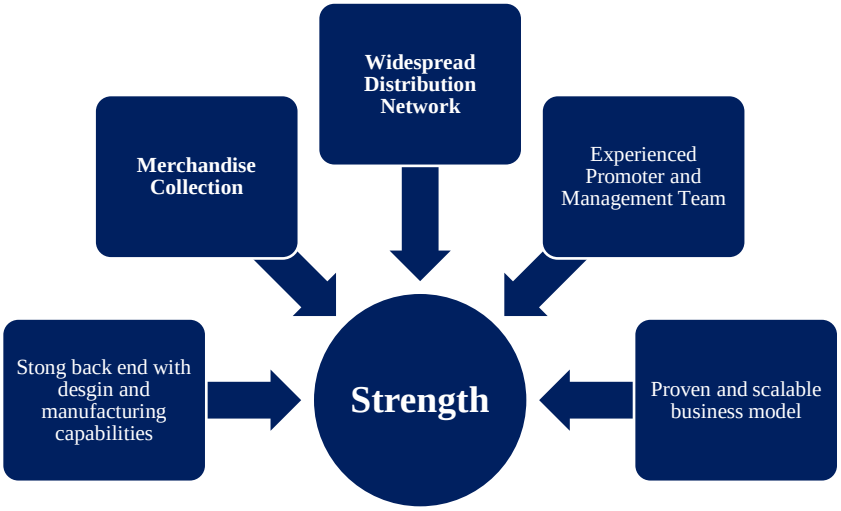
1. *Revenue from operations represents the revenue from sale of products including Excise Duty as recognized in the Financial information.*
2. *EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs (less-interest income), depreciation, and amortization expense.*
3. *EBITDA margin is calculated as EBITDA as a percentage of revenue from operations(gross)*
4. *Net Profit after tax represents the restated profits of the Company after deducting all expenses.*
5. *Net Profit margin is calculated as restated profit/ (loss) for the year/period divided by revenue from operations.*
6. *Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year divided by Net worth. Net worth means the aggregate value of its paid-up share capital and reserves and surplus at the end of the relevant financial year.*
7. *Return on capital employed calculated as Earnings before taxes and net finance charges divided by capital employed*

Explanation for the Key Performance Indicators:

KPIs	Explanations
Revenue from Operations (₹ lakhs)	Revenue from Operations is used by the management to track the revenue profile of Company's business and in turn helps assess the overall financial performance of the Company and size of the business.
EBITDA (₹ lakhs)	EBITDA provides information regarding the operational efficiency of Company's business.
EBITDA Margin (in %)	EBITDA Margin is an indicator of the operational profitability and financial performance of Company's business.
Net Profit after tax (₹ lakhs)	Net Profit after tax provides information regarding the overall profitability of Company's business.
Net Profit Margin (%)	Net Profit Margin is an indicator of the overall profitability and financial performance of Company's business.
Return on Net Worth (%)	Return on Net Worth provides how efficiently the Company generates profits from shareholders' funds.
Return on Capital Employed (%)	Return on Capital Employed provides how efficiently the Company generates earnings from the capital employed in Company's business

Net Debt/EBITDA	Net Debt to EBITDA is a measurement of leverage, calculated as a company's borrowings minus cash or cash equivalents, divided by its EBITDA.

OUR STRENGTH



Strong Back end with design and manufacturing capabilities

Our organization proudly maintained a robust in-house design and manufacturing infrastructure, supported by a talented and highly skilled team. This infrastructure allows us to design and develop products across all categories while ensuring they embody the essence and values of the DOREME brand. Our dedicated design team, consisting of experienced members plays a pivotal role in driving innovation and maintaining the brand's creative integrity.

To uphold the highest standards of excellence, we employ a meticulous screening and selection process for all new design samples. Each sample undergoes a thorough review that includes in-depth discussions, comprehensive analysis of prevailing market trends, and alignment checks to ensure it resonates with our brand's vision and philosophy. Only designs that meet these stringent criteria are approved for production.

Furthermore, our in-house manufacturing capabilities for apparel products provide us with end-to-end control over the production process. This oversight ensures consistency in quality and enables us to uphold rigorous product standards, further reinforcing our commitment to delivering superior products to our customers. By seamlessly integrating design and manufacturing, we strengthen our position as a brand synonymous with quality, creativity, and reliability.

Merchandise Collection

The company's core strength lies in its diverse merchandise collection, offering a wide range of products tailored to suit various customer preferences. This comprehensive portfolio ensures broad appeal and aligns with the tastes and needs of a diverse audience.

One of the company's standout advantages is its licensing agreement with Disney, which grants the rights to manufacture and sell kids' apparel featuring beloved Disney and Marvel characters. This partnership enhances the appeal and marketability of the company's products, creating a strong connection with young customers and their families.

The product range is thoughtfully curated to cater to the needs of infants, junior boys, and junior girls, offering options suitable for both indoor and outdoor activities. The collection includes an extensive variety of apparel and accessories, such as tops, T-shirts, dresses, winter sportswear, activewear, and more, all designed specifically for the kids' wear segment. By combining a rich product assortment, strategic licensing partnerships, and a focus on quality and style, the company continues to strengthen its position in the highly competitive kids' wear market.

Widespread distribution network

The company boasts a robust and well-established distribution network, with a particularly strong presence in the western region of the country, ensuring regional dominance and maximum customer reach. The DOREME brand has made significant strides in expanding its footprint, now reaching 26 states across India. This is supported by an extensive and

steadily growing network of over 170 distributors, showcasing remarkable growth from the pre-pandemic count of 85 distributors. The network has doubled in just two years, reflecting the effectiveness of the company's strategic initiatives. The table below sets forth **our top-5 state wise revenue from operations** for the periods indicated:

(Rs. in lakhs)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
West Bengal	2,644.65	4,182.85	4,851.03	2,493.75
Maharashtra	1,959.25	1,481.65	1,853.85	1,185.18
Gujarat	1,231.81	1,045.17	889.18	508.40
Rajasthan	895.36	944.70	878.80	470.51
Punjab	-	-	472.97	-
Assam	-	598.54	-	-
Haryana	-	-	-	508.03
Karnataka	665.05	-	-	-
Total Domestic Sales	**7,396.11**	**8,252.91**	**8,945.84**	**5,165.88**

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In alignment with its expansion strategy, the company further strengthened its distribution capabilities by adding 10 new distributors in H1FY25, with a notable focus on key markets such as Maharashtra, West Bengal, and other regions in the west. These additions, combined with its established presence, make the distribution suite a comprehensive and effective package that ensures efficient market penetration and customer accessibility.

Complementing its distribution network, the company has also expanded its direct-to-consumer presence. It now operates 7 exclusive brand outlets (EBOs) and caters to customers through its own website. This multi-channel approach ensures seamless access to DOREME products, driving engagement and strengthening its market presence both offline and online. By integrating traditional distribution channels with modern retail strategies, the company has built a complete and highly effective distribution framework.

Proven and scalable business model

The company's journey from its inception to becoming a prominent player in the industry highlights its proven and scalable business model. Established in 2004 as a contract manufacturer, the company took a significant leap in 2005 by launching its own brand, DOREME, which was successfully expanded through a robust distributor-retailer network (B2B). In 2012, the company embraced the digital transformation by establishing its own website. In 2024, the company adopted a Direct-to-Consumer (D2C) strategy with the launch of Exclusive Brand Outlets (EBOs) to enhance brand visibility and strengthen customer engagement.

The company has demonstrated remarkable growth in manufacturing capacity, scaling up from 8,000 pieces per day in 2004 to an impressive 33,000 pieces per day in 2024, reflecting its ability to meet increasing demand effectively. The distribution network has also expanded significantly, growing to over 170 distributors with a Pan-India presence, alongside a strong export footprint in seven countries.

Financially, the company has shown exceptional performance, with its revenue growing at a Compound Annual Growth Rate (CAGR) of 17.31%, rising from ₹24.7 Crore in FY14 to ₹121.9 Crore in FY24. Profitability has surged even more impressively, with the net profit achieving a CAGR of 33.08%, growing from ₹0.7 Crore in FY14 to ₹12.2 Crore in FY24. This track record of consistent growth, adaptability, and market expansion underscores the company's scalable business model, providing it with a base for sustained success in both domestic and international markets.

Experienced Promoter and Management Team

The company thrives under the seasoned leadership of its promoters, Mr. Santosh Ladha and Mrs. Geeta Ladha, whose combined expertise has been instrumental in shaping its success.

Mr. Santosh Ladha, the founder and promoter of the company brings over 27 years of experience in the textile industry. With an in-depth understanding of the domestic readymade apparel market, he has conceptualized and actualized the

company’s flagship brand, DOREME. A dynamic marketer, Mr. Ladha oversees the company’s operations directly, ensuring strong execution with the support of a second layer of management. His strategic foresight and operational acumen have been pivotal in driving the company’s growth since inception.

Mrs. Geeta Ladha complements the leadership team with her 20 years of experience in the industry. With a sense of creativity and innovative approach she has played a key role in updating and evolving the company’s product offerings to meet changing consumer demands. Since the company’s inception, her forward-thinking ideas and commitment have significantly contributed to the brand's identity.

Their leadership is further bolstered by an experienced management team, with expertise spanning domains such as sales, marketing, strategic planning, and finance. The team leverages the company’s market presence and applies their collective industry knowledge to ensure the execution of business strategies leading to growth and competitive advantage

OUR STRATEGY

Expanding Geographical Footprint

The DOREME brand has made significant progress in expanding its presence across India, now reaching over 26 states with a well-established and a growing network of 170+ distributors, a figure that has doubled from approximately 85 distributors prior to the pandemic. This rapid growth underscores the company's strategic focus on strengthening its distribution infrastructure and enhancing market presence. In line with its ambitious expansion strategy, DOREME added 10 new distributors in H1FY25, with a particular emphasis on consolidating its position in key regions such as Maharashtra, West Bengal, and other western territories, while also making strategic inroads into previously untapped markets like Nagaland in the Northeast. Looking ahead, the company aims to further expand its distributor network in FY26, targeting additional new markets to continue driving growth. This planned expansion reflects DOREME's commitment to increasing accessibility and strengthening its brand presence across India, positioning the company to capitalize on emerging opportunities through regional penetration, market diversification, and geographical expansion.

Strengthening Retail Presence

The company is strategically enhancing its retail footprint by opening Exclusive Brand Outlets (EBOs), having launched two stores in Kolkata in FY24, bringing the total number of operational EBOs to seven. In their next phase of growth, IRIS plans to increase focus on its retail presence by establishing new EBOs in its target markets and increasing its retail presence. With an aim to optimize brand visibility, the company is planning to adopt a Cluster model, focusing particularly on expanding its presence in the eastern regions, where its market footprint has been relatively limited. Company believes, the strategic partnership with Disney through the Disney x DOREME tie-up will further accelerate company’s retail expansion by facilitating entry into large-format stores (LFS) and multi-brand retail outlets in Tier 1 cities in the coming years. Additionally, given the growing interest from retailers in franchise opportunities, the company is evaluating the potential to launch a franchise model to broaden its retail network in the near future.

Expanding Capacity

The company is undertaking strategic steps to prepare itself for the next phase of growth through a planned capital expenditure focused on upgrading machinery and increasing production capacity utilization. The initiative is intended to enhance operational efficiency and expand production capabilities to meet future demand. Additionally, IRIS is evaluating the potential for a greenfield expansion to further strengthen its production capabilities to contemplate its strategic move to enter into the direct retail market. This expansion would support the company's long-term strategic objectives by improving its manufacturing capacity and allowing for greater control over distribution. These initiatives are central to reinforcing the company's backward-integrated manufacturing infrastructure. By optimizing production processes and maintaining control over quality, IRIS aims to ensure cost-efficiency and effective quality management. The combination of equipment upgrades, increased capacity, and potential new facilities will position the company to scale operations and maintain its competitiveness in the market.

Product Category Enhancement

The company's growth is expected to be driven by diversifying its product range. In FY24, IRIS witnessed attraction in its newly added infant wear category, which is anticipated to be a key driver of the company's growth moving forward. Building on this momentum, IRIS plans to further expand its product portfolio by entering the kid's undergarment segment and introducing a range of new offerings, including winter sportswear, jackets, and woven night suits for children. This strategic diversification is aimed at broadening the company's market reach, responding to evolving consumer demands, and positioning IRIS for sustained growth in the competitive children's apparel market.

Selective Expansion in International Markets

Building on our track record of nurturing and expanding the DOREME brand within India, and leveraging our initial presence in seven export markets, we are now positioning ourselves to strategically expand into additional international markets. As we continue to strengthen and grow our customer base in India, we will adopt a selective approach to exploring international expansion opportunities, with an emphasis on the organic development of our distribution network.
Our international expansion strategy will be driven by a thorough assessment of key market factors. The primary criteria for entering new international markets will include favourable demographics, market size, and growth potential, ensuring that the target markets align with our long-term business objectives. We will evaluate the competitive landscape within relevant product categories to ensure there is room for sustained growth and profitability. Additionally, we will also consider the scalability of our operations in these markets, ensuring that we can effectively adapt our business model to meet local demands and operational requirements.
Through this approach, we aim to capitalize on the growth potential in targeted international markets while ensuring that our expansion efforts align with our broader strategic objectives, providing a solid foundation for sustainable, long-term growth in new regions.

MANUFACTURING PROCESS

Designing

Design is a crucial aspect of our industry. At the outset, we prioritize finalizing the design before commencing further processes. Our company has an in-house design team of young and creative professionals who work on modern day technology tools like Coral and Photoshop for curating multiple design options ensuring that our products meet industry standards and reflect the latest trends. Once a design is prepared it undergoes multiple review before final approval. One the approval is in place; we proceed with the procurement of the raw materials necessary for manufacturing the desired product.

Fabric Procurement and Processing

The process begins with the identification of quality fabric and market trends. Once suitable fabric is identified, purchase orders are placed and material is procured.

Once the design and raw materials are finalized, the next step in our manufacturing cycle is processing. This stage involves converting raw materials into finished products through a series of steps. The fabric undergoes various treatments, including cutting, stitching, dyeing, and printing, adhering to the highest quality standards before DOREME logo is added to the article. Our in-house machinery and manpower ensure precision and efficiency at each stage. Quality checks are performed at multiple steps to detect and rectify defects, ensuring the final product meets quality requirements.

Value Addition

To enhance market acceptance and align with the trends, we incorporate various value additions into our garments. Most styles undergo enhancements such as embroidery, narrowing, hand embroidery, and other intricate processes. Through these efforts, we consistently seek to deliver unique, high-quality fashion items that resonate with latest trends.

Finishing and Inspection

Product finishing is a crucial stage in our manufacturing process, ensuring that each garment is market-ready. The finishing process includes removing loose and unwanted threads and performing proper and customized ironing. We prioritize the quality of our final products to ensure that each product meets the desired quality standards. The quality assurance and control team conducts checks on both process and product specifications. The control team inspects all finished goods, verifying that they are free from defects and adhere to specified measurements. Products with variations beyond acceptable limits are rejected.

Packaging and Dispatch

After finishing, the products are tagged and packed in various boxes and bags. Each item is segregated by size, design, and order details to ensure accurate fulfilment. These carefully prepared packages are then dispatched according to the shipping instructions of our customers, ensuring timely delivery to multiple locations. This systematic approach guarantees that our products reach their destinations in perfect condition, meeting the specific needs of our clients.

TOP CUSTOMERS AND SUPPLIERS

Percentage of our top customers to revenue from operations

Particulars	For Financial year ended on			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
% wise Top 5 of Total Sales	25.42%	37.30%	37.23%	44.71%
% wise Top 10 of Total Sales	35.71%	47.92%	46.01%	54.51%

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Percentage of our top suppliers to total purchases

Particulars	For Financial year ended on			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	H1FY 2024
% wise Top 5 of Total Purchases	83.28 %	71.22%	62.59%	65.73%
% wise Top 10 of Total Purchases	86.47%	74.26%	65.16%	68.75%

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QUALITY CONTROL AND QUALITY ASSURANCE

We believe that we are committed to maintaining high-quality standards throughout our sourcing and manufacturing cycles and have established comprehensive quality control measures across various stages of our supply chain, including raw material and finished product inspections, quality audits, and product quality tracking. Our quality control process begins at the first fit/prototype sample stage. Based on the nature of the raw material, we manage the size and fit of the product, ensuring that the prototype sample (first sample) is produced with the correct bulk quality, allowing us to finalize the fit with the right material in a single iteration.

During production, our quality team randomly selects samples from production lots to inspect for defects. All products undergo lab testing to ensure durability, support, and safety. We manufacture products under controlled conditions, providing a suitable working environment and maintaining hygienic conditions in our manufacturing facilities to ensure the highest standards of product quality.

Our company is dedicated to delivering high-quality products to our customers, aiming to provide products in a timely manner and at competitive prices. We have adopted standard operating procedures with an aim to ensure product quality and customer satisfaction, focusing on compliance with applicable standards, meeting customer requirements, and continually improving the performance and effectiveness of our quality management system. Quality checks are conducted at various stages, including incoming material inspection, in-process checks, and final inspection.

As on September 30, 2024, we employ a dedicated team of 53 professionals responsible for managing and overseeing the quality management system, ensuring that all products consistently meet our stringent quality standards.

SALES AND MARKETING

Distributor Engagement Strategy:

Our distribution initiatives begin with identification of key distributor in specific target geography and select distributors with an aim of complete territorial coverage and reduced competition among distributors. Additionally, we also engage with new distributors by participating in tradeshows, exhibitions, events and through referrals from agents.

Marketing and Digital Presence:

We utilize social media as a platform for showcasing products and engaging with potential distributors and creating direct brand awareness among customers by focusing on organic content and direct outreach.

OUR MAJOR EQUIPMENTS

List of major equipments owned by the Company at our manufacturing facility

Particulars/Details of Machinery	Quantity
Lock, Overlock, flat Lock Stitching Machines	897
Iron & Steam Machines	102
M&R Oval & round Printing Machines	8
Morgan Spreader	4
CINC Morgan Cutter	3
Sublimation Printing Machine - EPSON	1
Total	**1,015**

INVENTORY MANAGEMENT

Inventory management is crucial for the company to optimize production and reduce costs. It involves tracking raw materials, work-in-progress, and finished goods to meet market demands efficiently. Key strategies include demand forecasting, just-in-time inventory, and utilizing technology like ERP systems. Effective management minimizes overstock, reduces wastage, and ensures timely order fulfilment.

HUMAN RESOURCE

As on September 30, 2024, we have 1,405 employees with our Company. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with assurance of quality. Department wise bifurcation of our employees is as under: -

Department	No. of Employees
Accounts/Finance	13
Admin	1
Ebo Store Management	23
House Keeping	6
Human Resource	4
Logistics	7
Others	19
Production	1,252
Quality Control	53

Sales & Marketing	24
Senior Management	2
Technology	1
Total No. of employees	**1,405**

Apart from the above we also hire a few contractual employees that vary from time to time depending on requirement of the business.

UTILITIES AND INFRASTRUCTURE FACILITIES

Power: The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through the state electricity board i.e. West Bengal State Electricity Distribution Company Limited and private electricity distributor i.e. CESC Limited. Our company has also installed a diesel generator set for backup power supply. Our back-up diesel generators are crucial to our operations in case of power failures.

Water: Water requirement for the manufacturing and allied processes is minimal and the same is procured locally by way of existing water supply network in that area.

Internet: Internet requirement for the stores, corporate office and manufacturing unit is met by connections from BSNL and other local internet service providers.

INSURANCE

Our business is exposed to risks related to the storage and transportation of materials and products, including floods, theft, fires, earthquakes, natural disasters, terrorism, and other force majeure events. Such incidents could result in significant damage to products or raw materials, inventory loss, or destruction of property. To mitigate these risks, the company maintains comprehensive insurance coverage for its assets.

Details of the insurance is as below:

Policy No.	Name of Policy	Policy Period	Coverage	Policy issuer	Total Sum Insured
OG-24-2495-1801-00006569	Private Car Package Policy)	15-11-2024 To 14-11-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	7,11,000.00
OG-24-2495-1801-00009460	Private Car Package Policy	24-01-2024 To 23-01-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	4,25,000.00
OG-24-2495-1870-00001034	Standalone Damage Cover For Private Cover	27-01-2024 To 26-01-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	56,00,000.00
OG-25-2495-1870-00000152	Standalone Own Damage Cover For Private Car Policy	30-05-2024 To 29-05-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	10,80,000.00
OG-25-2495-1871-00000745	Standalone Own Damage Cover For Two Wheeler	09-06-2024 To 08-06-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	1,08,000.00
OG-25-2495-4057-00000007	Bharat Laghu Udyam Suraksha	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	29,70,00,000 .00
OG-25-2495-4057-00000006	Bharat Laghu Udyam Suraksha Policy	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	35,49,99,979 .00
OG-25-2495-4056-00000062	Bharat Sookshma Udyam Suraksha	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	30,00,000.00
OG-25-2495-4057-00000008	Bharat Laghu Udyam Suraksha	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	20,00,00,000 .00
OG-25-2495-4010-00000042	Burglary Insurance Policy Policy	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	22,99,99,979 .00

OG-25-2495-4010-00000043	Burglary Insurance Policy Policy	22-04-2024 To 21-04-2025	Factory Insurance	Bajaj Allianz General Insurance Co Ltd	50,00,00,000.00
865084565-41-00	Marine Cargo Open Policy	07-08-2024 To 06-08-2025	Export Sales Insurance	Tata AIG General Insurance Co Ltd	5,00,00,000.00
OG-25-2495-1005-00000048	Marine Cargo Open Policy	16-08-2024 To 15-08-2025	Goods In-Transit Insurance	Bajaj Allianz General Insurance Co Ltd	1,00,00,00,000.00
OG-25-2495-1803-00003720	Commercial Vehicle Package Policy Certificate Cum Policy	11-09-2024 To 10-09-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	2,43,000.00
OG-25-2495-1803-00004047	Commercial Vehicle Package Policy	25-09-2024 To 24-09-2025	Vehicle Insurance	Bajaj Allianz General Insurance Co Ltd	10,12,500.00

Property

Intellectual Property

Sr. No	Particulars		Registration name, Address, and ID	Date of Validity
1	Trade Mark		3757842	18-02-2028
2	Trade Mark		6298945	Applied
3	Trade Mark		6298946	Applied
4	Trade Mark		6298947	Applied
5	Trade Mark		6298949	Applied
6	Trade Mark		6298950	Applied
7	Copy Right		A-153421/2024	-
8	Copy Right		A-150020/2023	-
9	Trade Mark		5529531	13-07-2032
10	Trade Mark		5529530	13-07-2032
11	Trade Mark		5529529	13-07-2032
12	Trade Mark		5529528	13-07-2032

13	Trade Mark		5529527	13-07-2032
14	Trade Mark		5529526	13-07-2032
15	Trade Mark		5529525	13-07-2032
16	Trade Mark		5529524	13-07-2032
17	Trade Mark		5529523	13-07-2032
18	Trade Mark		5529522	13-07-2032
19	Trade Mark		3912244	08-08-2028
20	Trade Mark		2968415	19-05-2025
21	Trade Mark		3912245	08-08-2028
22	Trade Mark		3912243	08-08-2028

Immovable Property

Sr. No	Location	Owned/Rented	Size	Description of Use
1	M J Industrial Park,Raghudevpur, Panchla	Owned	13013 Sq Feet Each Consisting Of 5 Floors	Factory
2	Srijan Industrial Logistics Park	Owned	12930 Sq Feet	Warehouse
3	Fortune Industrial Park, Panchla	Rented	50219 Sq Feet	Factory
4	Srijan Industrial Logistics Park Unit 4, Part A, Block B	Rented	10516 Sq Feet	Factory
5	Srijan Industrial Logistics Park Ground Floor, Block A, Part B	Rented	15744 Sq Feet	Warehouse
6	First Floor, 103/24/1, Foreshore Road, Howrah - 711102	Rented	362.46 Sq. Mtrs.	Factory
7	103/24/1, Foreshore Road, Howrah - 711102	Rented	738.58 Sq. Mtrs.	Registered Office
8	44, Foreshore Road, Howrah -711102	Rented	1607.32 Sq. Mtrs.	Factory
9	62/2, Rose Marry Lane, Unit No. 123a, Raghav Plaza, Howrah -711101	Rented	506 Sq Feet	Retail Store
10	74/Mall/1, Jessor Road, Madhyamgram, Kolkata - 700129	Rented	1160 Sq Feet	Retail Store
11	Cosmos Mall, 2nd Mile Sevoke Road, Siliguri - 734001	Rented	954 Sq Feet	Retail Store
12	Vega Circle Mall. Silliguri, Wb - 734008	Rented	655 Sq Feet	Retail Store
13	Forum Rangoli Mall, Ground Floor, Su 020, Howrah	Rented	820 Sq Feet	Retail Store
14	Bank More, Shop No. Ug 30, Ground Floor, Dhanbad, Jharkhand -826001	Rented	922 Sq Feet	Retail Store
15	432, Diamond Harbour Road, Behala, Mkolkata - 70034	Rented	370 Sf Feet	Retail Store

OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association.

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on date of filing of this Draft Letter of Offer, we have six (6) Directors on our Board, comprising of two (2) executive directors including one (1) woman director, four (4) non-executive directors including three (3) independent directors out which one (1) is woman director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

BOARD OF DIRECTORS

The following table provides details regarding the Board of Directors of our Company as of the date of this Draft Letter of Offer:

Sr. No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
1.	**Mr. Santosh Ladha** ***Address:*** 37B, Flat No-8A, Alipore Road, Kolkata 700027 West Bengal, India. ***DIN:*** 03585561 ***Date of Birth:*** 13/12/1977 ***Age:*** 47 years ***Term:*** From July 30, 2023 to July 29, 2026. Liable to retire by rotation ***Period of Directorship:*** *Since July 27,2018* ***Nationality***: Indian ***Occupation:*** Business	Managing Director	• Iris Fashions Private Limited • Iris Apparels Private Limited
2.	**Mrs. Geeta Ladha** ***Address:*** 37B, Flat No-8A, Alipore Road, Kolkata 700027 West Bengal, India. ***DIN:*** 03585488 ***Date of Birth:*** 07/06/1979 ***Age:*** 45 years ***Term:*** From July 30, 2023 to July 29, 2026. Liable to retire by rotation ***Period of Directorship:*** *Since August 27, 2011*	Whole-Time Director	• Iris Fashions Private Limited • Foreshore Enterprises LLP

Sr. No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
	Nationality: Indian ***Occupation:*** Business		
3.	**Mrs. Baldev Das Ladha** ***Address:*** 37B, Flat No-8A, Alipore Road, Kolkata 700027 West Bengal, India. ***DIN:*** 03585566 ***Date of Birth:*** 08/03/1943 ***Age:*** 81 years ***Term:*** Liable to retire by rotation. ***Period of Directorship:*** *Since August 27, 2011* ***Nationality***: Indian ***Occupation:*** Business	Non – Executive Director	• NIL
4.	**Mr. Nikhil Saraf** ***Address:*** CJ-54, SALTLAKE, Tank-9' Sector-2, Bidhannaga(M), North 24 Parganas, Sech Bhawan, Kolkata 700091West Bengal, India. ***DIN:*** 00611163 ***Date of Birth:*** 11/09/1977 ***Age:*** 47 years ***Term:*** From August 31, 2022 to August 30, 2027 ***Period of Directorship:*** *Since April 22, 2019* ***Nationality***: Indian ***Occupation:*** Professional	Independent Director	• Neev Credit Limited • Jas Fintech Private Limited • Veeyu Hr Solutions Private Limited • SSA Shared Services Private Limited • SSA Human Consulting Private Limited • SSA Corporate Services Private Limited • SSA Credlab Private Limited
5.	**Mr. Manoj Tulsyan** ***Address:*** 66, Bangur Avenue, North 24 Parganas, Kolkata 700055 West Bengal, India. ***DIN:*** 08919887 ***Date of Birth:*** 02/05/1976 ***Age:*** 48 years	Independent Director	• G J Marketing Private Limited

Sr. No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
	Term: From December 16, 2020 to December 15, 2026 ***Period of Directorship:*** *Since October 10, 2020* ***Nationality***: Indian ***Occupation:*** Professional		
6.	**Mrs. Vranda Manish Rathi** ***Address:*** B/2 Sargam Flat, P.O. Navjivan, Navarangpura Nr Ishwar Bhavan, Ahmedabad 380014, Gujarat, India. ***DIN:*** 02759920 ***Date of Birth:*** 09/12/1976 ***Age:*** 48 years ***Term:*** From December 08, 2022 to December 07, 2027 ***Period of Directorship:*** *Since December 8, 2022.* ***Nationality***: Indian ***Occupation:*** Professional	Independent Director	• Mahagauri Commotrade Private Limited

Confirmations

1. Neither our Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the ten years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

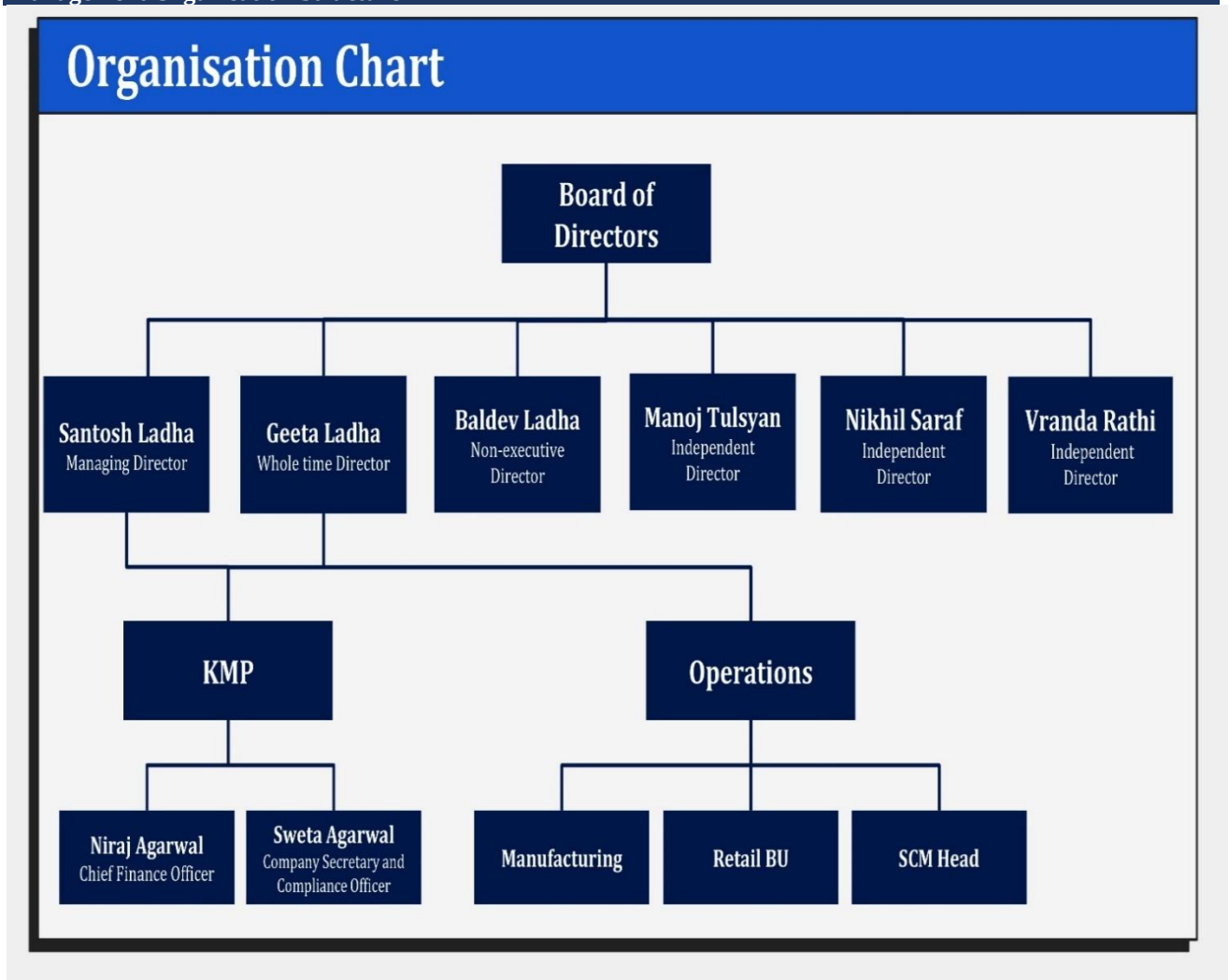
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Details of Key Managerial Personnel and Senior Management

Sr. No.	Name of Key Managerial Personnel/Senior Management	Designation	Date of joining Company
	Key Managerial Personnel		
1.	Mr. Santosh Ladha	Managing Director	July 27, 2018
2.	Mrs. Geeta Ladha	Whole-time Director	August 27, 2011
3.	Mr. Niraj Agarwal	Chief Financial Officer	July 27, 2018
4.	Mrs. Sweta Agarwal	Company Secretary & Compliance Officer	August 20, 2018

Management Organisation Structure



DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, capital expenditure, profitable growth, cash flow and liquidity position, accumulated reserves, earnings stability, etc. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. Our Company has not declared any dividend in last three financials years and has also not declared any interim dividend during the six-month period ended September 30, 2024.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "***Risk Factors – Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.***" on page 31.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Audited Financial Statements as at and for the year ended March 31, 2024	85
2.	The Limited Reviewed Financial Results for the six month period ended September 30, 2024	146

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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 2024, 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, 2024, 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.

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

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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 an adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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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.

(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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

i. The Company has 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 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

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

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

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended on 31st March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For AMK & Associates
Chartered Accountants
FRN: 327817E

AMK & ASSOCIATES Chartered Accountants

MAgarwal

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN: 24064475BKCU008369

Place: Kolkata
Date: 13th May 2024

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Annexure "A" to the Independent Auditors' Report

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

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

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

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

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

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

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

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

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

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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, or security the provisions of sections 185 and 186 of the Act are not applicable. Therefore, reporting under clause (iv) of the Order is not applicable to the Company.

(v) 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 determining whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

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

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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 2024 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 2024 on account of disputes are given below:

Name of the Statue	Nature of Dues	Amount (Rs. In Lakhs) (Net of Deposit)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	135.68	A.Y. 2013-14	C.I.T.(Appeal)

However, the final order has come in our favour in FY:24-25, but the final intimation is yet to be received.

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

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

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

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

d) On an overall examination of the financial statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

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

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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 an 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 have been no whistleblower complaints received by the company during the year.

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

(xiii) All transactions with the related parties are in compliance with section177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

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

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

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(xvi) 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

AMK & ASSOCIATES Chartered Accountants

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN:24064475BKCU008369

Place: Kolkata
Date: 13th May 2024

AMK & ASSOCIATES
Chartered Accountants

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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, 2024, 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 reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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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, 2024, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For AMK & Associates
Chartered Accountants
FRN: 327817E

AMK & ASSOCIATES Chartered Accountants

Manish Kumar Agarwal
Partner
Membership No. 064475
UDIN: 24064475BKCU008369

Place: Kolkata
Date: 13th May 2024

Notes
Overview and Notes to the Financial Statements as at and for the year ended on 31st March 2024

Note-1 -Overview

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 and trading of Readymade Garments and allied products

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

The financial statements were approved and adopted by the board of directors of the Company in their meeting held on 13th May 2024.

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 from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

3. **Basis of Preparation of financial statements**

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of supply of goods/services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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.

4. **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.

5. **Use of Estimates and Judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates can change from period to period. Actual results could differ from those judgments. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements. The Company uses the following critical accounting Judgments, estimate and assumptions in preparation for its financial statements:

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

(a) Income taxes

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

(b) Contingencies

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

(c) Defined Benefit Plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in Note 35.

(d) Insurance Claims

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

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

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

(f) Leases

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing

whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

6. **Current versus non-current classification**

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

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

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

(B) A liability is current when:

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

7. **Reclassification of financial assets and liabilities**

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

8. **Summary of Material Accounting Policies Information**

a) **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.

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

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

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.

c) **Intangible Assets**

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

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IRIS CLOTHINGS LIMITED

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.

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

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

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

Recoverable amount is determined:

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

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

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

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

(other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

e) **Inventories**

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

f) **Employee Benefits**

i) Short Term Employee Benefits

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

ii) Post-employment benefits:

a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.
Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss.

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

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

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

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

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

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

g) **Leases**

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

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.

h) **Financial Instruments**

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at

FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

1) **Financial Assets**

a) **Financial assets at amortised cost**

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

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

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

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;

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TRIS CLOTHINGS LIMITED

- 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.

i) Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This

is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

j) **Impairment**

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

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

Credit-impaired financial assets

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt 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 unlikeliness 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.

k) **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.

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.

l) 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.

m) Fair value financial instruments

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

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

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

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

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

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

n) 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.

o) 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.

p) Borrowing costs:

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

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

q) 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.

r) 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.

s) 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.

t) 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.

u) 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.

v) 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.

w) 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.

x) 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.

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

IRIS Clothings Limited

Balance Sheet as at 31ST March, 2024

('Rs. in Lakhs)

	Particulars	Note No.	As on 31.03.2024	As on 31.03.2023
I	**ASSETS :**			
1	**Non-current Assets**			
	Property, Plant & Equipment	2	1,981.68	2,184.72
	Right of Use Assets	2	793.73	503.81
	Other Intangible Assets	2	2.17	2.45
	Financial Assets			
	Other Financial Assets	3	118.60	110.03
	Deferred Tax Assets (Net)	4	122.10	85.29
			3,018.29	**2,886.30**
2	**Current Assets**			
	Inventories	5	6,191.81	4,492.04
	Financial Assets			
	Trade receivables	6	3,629.08	3,125.22
	Cash & cash equivalents	7	4.19	1.78
	Other Bank balances	8	153.61	145.43
	Loans	9	4.71	4.23
	Current Tax Assets (Net)		33.85	51.26
	Other Current Assets	10	288.28	224.62
			10,305.53	**8,044.58**
	TOTAL ASSETS		**13,323.82**	**10,930.88**
II	**EQUITY AND LIABILITIES:**			
1	**Equity**			
	Equity Share capital	11	1,631.41	1,631.41
	Other Equity	12	5,284.75	4,063.56
			6,916.17	**5,694.97**
2	**Non-current Liabilities :**			
	Financial Liabilities			
	Lease Liabilities	13	877.71	582.56
			877.71	**582.56**
3	**Current Liabilities**			
	Financial Liabilities			
	Borrowings	14	3,441.22	2,848.28
	Lease Liabilities	15	100.61	79.06
	Trade Payables	16		
	(A) total outstanding dues of micro enterprises and small enterprises;		1,433.41	30.37
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		494.78	1,641.86
	Other financial liabilities	17	8.63	4.28
	Other current liabilities	18	51.30	49.49
	Current Tax Liabilities (net)		-	-
			5,529.95	**4,653.35**
	TOTAL EQUITY AND LIABILITIES		**13,323.82**	**10,930.88**
	Accounting Polices	1		

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
M. No. 064475
Place: Kolkata
Date: 13-05-2024

Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

IRIS Clothings Limited

Statement of Profit & Loss for the year ended 31st March, 2024

('Rs. in Lakhs)

Sl No	Particulars	Note No.	For the period ended 31.03.2024	For the period ended 31.03.2023
I	**Revenue From operations**	19	12,192.11	11,300.14
II	**Other Income**	20	9.70	10.68
III	**Total Income (I +II)**		**12,201.81**	**11,310.82**
IV	**EXPENSES**			
	Cost of Materials Consumed	21	5,434.40	5,236.66
	Purchases of Stock-in-Trade	22	1,887.08	1,966.37
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	(1,550.26)	(1,028.77)
	Employee benefit expense	24	2,153.15	1,825.73
	Finance costs	25	384.30	299.81
	Depreciation and amortization expense	26	609.07	530.27
	Other expenses	27	1,634.69	**1,360.28**
	Total expenses (IV)		**10,552.43**	**10,190.35**
V	**Profit(loss) before exceptional items and tax(III-IV)**		**1,649.38**	**1,120.47**
VI	**Exceptional items**		-	-
VII	**Profit/ (loss) before tax (V-VI)**		**1,649.38**	**1,120.47**
VIII	**Tax Expenses**	28		
	a) Current Tax		465.00	310.00
	b) Income tax related to earlier years		-	1.56
	c) MAT Credit Entitlement		-	-
	c) Deferred Tax		**(36.81)**	(16.98)
			428.19	294.58
VII	**Profit/ (Loss) for the period from continuing operations (V-VI)**		**1,221.19**	825.89
X	**Profit (Loss) from discontinued operations**		-	-
XI	**Tax expense of discontinued operations**		-	-
XII	**Profit/(loss) from discontinued operations (after tax)**		-	-
IX	**Profit/(loss) for the period (VII-VIII)**		**1,221.19**	**825.89**
X	**Other Comprehensive Income**	29		
	(a) Items that will not be reclassified to profit or loss		-	-
	(b)Income tax relating to items that will not be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period (IX+X)**		**1,221.19**	**825.89**
XII	**Earnings per equity share**	30		
[	1) Basic		**1.50**	**1.01**
	2) Diluted		**1.50**	**1.01**
	Accounting Polices	1		

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
M. No. 064475
Place: Kolkata
Date: 13-05-2024

Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

IRIS Clothings Limited

Statement of Cash Flow for the Year Ended 31st March,2024

('Rs. in Lakhs)

	PARTICULARS	Year ended 31-03-2024	Year ended 31-03-2023
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax and Extra-ordinary Items	**1,649.38**	**1,120.47**
	Adjustments for:		
	-Depreciation	**609.07**	530.27
	-Sundry Balances Written Off	**-**	0.04
	-Finance Cost	**384.30**	299.81
	-Interest Income	**(9.69)**	(9.03)
	Operating Profit Before Working Capital Changes	**2,633.06**	**1,941.56**
	Adjustments for:		
	-Trade Payables	**262.12**	511.45
	-Trade and other Receivables	**(576.58)**	(784.78)
	-Inventories	**(1,699.77)**	(1,117.74)
	Cash Generated from Operations :	**618.83**	**550.48**
	-Direct Taxes Paid	**(447.59)**	(381.46)
	Net Cash generated from Operating Activities	**171.24**	**169.02**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipments (Net)	**(273.10)**	(104.59)
	Term Deposit other than cash equivalents	**(8.18)**	(7.37)
	Interest Received	**9.69**	9.03
	Net Cash used in Investing Activities	**(271.59)**	**(102.93)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Short Term Borrowings	**592.94**	298.17
	Payment of Lease Liabilities	**(186.40)**	(135.99)
	Interest Paid	**(303.78)**	(230.53)
	Net Cash generated/(used) in Financing Activities	**102.76**	**(68.36)**
	Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	**2.41**	**(2.27)**
	Opening Cash and Cash Equivalents	**1.78**	4.05
	Closing Cash and Cash Equivalents	**4.19**	1.78

In terms of our report on even date

For AMK & Associates
Chartered Accountants
FRN: 327817E

Manish Kumar Agarwal
M. No. 064475
Place: Kolkata
Date: 13-05-2024

AMK & ASSOCIATES Chartered Accountants

Santosh Ladha, Director
(Din: 03585561)

Geeta Ladha, Director
(Din: 03585488)

Sweta Agarwal
Company Secretary

Niraj Agarwal
CFO

IRIS Clothings Limited

a Equity Share Capital

Rs. In Lakhs

Particulars	No. of Equity Shares of Rs. 2 each fully paid up	Balance at the beginning of the reporting period 01.04.2023	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 31.03.2024
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 01.04.2022	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 31.03.2023
Equity Share	1,63,14,126	1,631.41	-	1,631.41	-	1,631.41

b Other Equity

Rs. In Lakhs

Particulars	Reserve and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period (01.04.2022)	**12.92**	**3,224.74**	**3,237.66**
Changes in accounting policy/ prior period expenses	-	-	-
Restated Balance at the beginning of the reporting year	**12.92**	**3,224.74**	**3,237.66**
Profit for the year	-	825.89	**825.89**
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
Balance at the end of the reporting period (31.03.2023)	**12.92**	**4,050.63**	**4,063.55**
Restated Balance at the beginning of the reporting year 31.03.2024	**12.92**	**4,050.63**	**4,063.55**
Profit for the year	-	1,221.20	1,221.20
OCI Components of Remeasurements of the net defined benefit Plans	-	-	-
Balance at the end of the reporting period (31.03.2024)	**12.92**	**5,271.83**	**5,284.75**

Rs. In Lakhs

Note No. 2 Property, Plant & Equipment

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.23 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2024 (Rs.)	Up to 01.04.23 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2024 (Rs.)	As at 31.03.2024 (Rs.)	As at 31.03.2023 (Rs.)
CWIP	-	14.84	-	14.84	-	-	-	-	14.84	-
Land	18.35	-	-	18.35	-	-	-	-	18.35	18.35
Building	1,023.76	-	-	1,023.76	402.03	65.26	-	467.29	556.46	621.73
Plant & Machinery	2,728.73	122.60	-	2,851.34	1,590.22	266.24	-	1,856.46	994.87	1,138.51
Electrical Installation	269.18	9.16	-	278.34	155.67	25.41	-	181.08	97.26	113.51
Office Equipments	74.30	7.31	-	81.61	60.57	7.42	-	67.99	13.62	13.73
Furniture Fittings	524.24	119.46	-	643.70	331.67	82.17	-	413.84	229.86	192.57
Vehicles	167.26	-	-	167.26	80.93	29.91	-	110.84	56.41	86.33
Total	**4,805.81**	**273.38**	**-**	**5,079.19**	**2,621.10**	**476.41**	**-**	**3,097.51**	**1,981.68**	**2,184.72**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.22 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2023 (Rs.)	Up to 01.04.22 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2023 (Rs.)	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
For 2022-23	**4,700.61**	**133.92**	**28.71**	**4,805.81**	**2,187.35**	**436.18**	**1.22**	**2,622.30**	**2,184.72**	**2,513.26**

Note No. 2 Right of Use Assets

Rs. In Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.23 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2024 (Rs.)	Up to 01.04.23 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2024 (Rs.)	As at 31.03.2024 (Rs.)	As at 31.03.2023 (Rs.)
Land & Building	827.54	421.00		1,248.54	323.73	131.08		454.81	793.73	503.81
Total	**827.54**	**421.00**	**-**	**1,248.54**	**323.73**	**131.08**	**-**	**454.81**	**793.73**	**503.81**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.22 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2023 (Rs.)	Up to 01.04.22 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2023 (Rs.)	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
For 2022-23	**827.54**	**-**	**-**	**827.54**	**230.25**	**93.48**	**-**	**323.73**	**503.81**	**597.29**

Note No. 2 Other Intangible Assets

Rs. In Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.23 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2024 (Rs.)	Up to 01.04.23 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2024 (Rs.)	As at 31.03.2024 (Rs.)	As at 31.03.2023 (Rs.)
Computer Software	15.93	1.30	-	17.23	13.48	1.58	-	15.05	2.17	2.45
Total	**15.93**	**1.30**	**-**	**17.23**	**13.48**	**1.58**	**-**	**15.05**	**2.17**	**2.45**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 01.04.22 (Rs.)	Addition during the year (Rs.)	Sales/Adjust-ments during the year (Rs.)	Total Cost as at 31.03.2023 (Rs.)	Up to 01.04.22 (Rs.)	For the Period (Rs.)	Adjustment (Rs.)	Up to 31.03.2023 (Rs.)	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
For 2022-23	**15.93**	**-**	**-**	**15.93**	**11.65**	**1.83**	**-**	**13.48**	**2.45**	**4.28**

IRIS Clothings Limited

Notes to Financial Statements

Note	Particulars	Rs. In Lakhs As on 31.03.2024	Rs. In Lakhs As on 31.03.2023
Note 3	**Other Financial Assets**		
	Security Deposits	118.60	110.03
		118.60	**110.03**
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	122.10	85.29
	Total Deferred Tax Assets	**122.10**	**85.29**
	Deferred Tax Liabilities		
	Difference in WDV of PPE as per the Companies Act, 2013 and Income Tax Act, 1961	-	-
	Total Deferred Tax Liabilities	-	-
		122.10	**85.29**
Note 5	**Inventories**		
	Raw Materials	558.41	413.41
	Work in Progress	3,358.16	1,190.05
	Finished Goods	2,190.35	2,808.20
	Stores and Spares	84.89	80.38
		6,191.81	**4,492.04**
Note 6	**Trade Receivables**		
	Unsecured, considered good	3,629.08	3,125.22
		3,629.08	**3,125.22**
	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	**3,001.54**	**3,097.20**
	6 months - 1 year	**623.79**	**3.55**
	1-2 years	**2.30**	**18.53**
	2-3 years	**1.44**	**5.58**
	More than 3 years	-	**0.36**
	Total	**3,629.08**	**3,125.22**
Note 7	**Cash and cash equivalents**		
	Balances with banks		
	- In current accounts	1.50	0.64
	Cash on hand	2.68	1.14
		4.19	**1.78**

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED

Note	Particulars	Rs. In Lakhs As on 31.03.2024	Rs. In Lakhs As on 31.03.2023
Note 8	**Other Bank Balances**		
	Special Term Deposit / Balance with banks held as Margin Money	**153.61**	**145.43**
		153.61	**145.43**
Note 9	**Loans**		
	To Employee	4.71	4.23
		4.71	**4.23**
Note 10	**Other Current Assets**		
	Security Deposits to others	0.25	0.25
	Other advances		
	Advance to Parties	51.11	57.59
	Other Advances	0.50	0.50
	Others		
	Prepaid Expenses	9.09	6.94
	Balances with Government Dept	227.33	159.34
		288.28	**224.62**
Note 11	**Equity Share Capital**		
	Authorised		
	Equity Share of Rs. 2/- par value:-		
	20,00,00,000 Equity Share (*)	**4,000.00**	**1,650.00**
		4,000.00	**1,650.00**
	Issued, Subscribed and Paid-up Capital		
	Equity Share of Rs. 2/- par value		
	8,15,70,630 Equity Share of Rs 2/- par value fully paid up (**)	1,631.41	1,631.41
		-	-
		1,631.41	**1,631.41**

(*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2

(**) The Company has increased its number of Authorised Equity shares from 8,25,00,000 (1,65,00,000*5) shares of ₹2 per share to 20,00,00,000 shares of ₹2 per share at the Extra Ordinary - General Meeting dated 27th July,2023

Notes:

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

2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.However,no such preferential amounts exist currently.The distribution will be in proportion to the number of shares held by the shareholders.

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

	As on 31.03.2024		As on 31.03.2023	
Name of Shareholder	**No. of Shares**	**% to Total Shares**	No. of Shares	**% to Total Shares**
Geeta Ladha	3,88,14,570	47.58	77,62,914	47.58
Santosh Ladha	65,82,295	8.07	13,16,459	8.07

(*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2

5. The reconciliation of the number of shares outstanding:

Particulars	As on 31.03.2024		As on 31.03.2023	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Number of shares at the begnning(*)	8,15,70,630	16,31,41,260	1,63,14,126	16,31,41,260
Addition during the Year	-	-	-	-
Number of shares at the closing	**8,15,70,630**	**16,31,41,260**	**1,63,14,126**	**16,31,41,260**

(*) The Company has Split its Equity Share having Face Value of ₹10 per share into 5 fully paid Equity Share having face value of ₹2

6. Shares held by promoters at the end of the year 31st March, 2024

Sl. No.	Promoter name	No. of Shares	% of total shares**	% Change
1.	Geeta Ladha	3,88,14,570	47.58	-
2.	Santosh Ladha	65,82,295	8.07	-
3.	Baldev Das Ladha	33,32,585	4.09	-
4.	Kamala Devi Ladha	21,89,530	2.68	-
5.	Baldev Das Ladha (HUF)	36,40,000	4.46	-
6.	Santosh Ladha (HUF)	32,61,440	4.00	-
6.	Shruti Ladha	45,000	0.06	-
	Total	**5,78,65,420.00**	**70.94**	-

Note	Particulars	Rs. In Lakhs As on 31.03.2024	Rs. In Lakhs As on 31.03.2023
Note 12	**Other Equity**		
	Securities Premium		
	Balance as per last Account	12.92	12.92
		12.92	**12.92**
	Retained Earnings		
	Surplus at the beginning of the year	4,050.64	3,224.74
	Add : Profit for the year	1,221.19	825.90
		5,271.83	**4,050.64**
	Total	**5,284.75**	**4,063.56**

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	877.71	582.56
		877.71	**582.56**
Note 14	**Borrowings**		
	Loans repayable on demand		
	Secured		
	From Banks		
	Cash Credit	3,441.22	2,848.28
		3,441.22	**2,848.28**

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**	100.61	79.06
		100.61	**79.06**
Note 16	**Trade payables**		
	Dues to Micro and Small Enterprises	1,433.41	30.37
	Others		
	For Goods	193.38	1,428.60
	For Capital Goods	16.62	17.72
	For Others	284.78	195.54
		494.78	**1,641.86**
		1,928.19	**1,672.23**
	Trade Payables ageing schedule of payment		
	MSME- other than disputed dues		
	Less than1 year	1,433.41	30.37
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
	Total	**1,433.41**	**30.37**
	Other than MSME- other than disputed dues		
	Less than1 year	478.82	1,624.75
	1-2 years	-	1.15
	2-3 years	15.96	15.96
	More than 3 years	-	-
	Total	**494.78**	**1,641.86**
Note 17	**Other financial liabilities**		
	Others		
	Liabilities for Expenses	9.01	4.67
	Gratuity Payable	(0.39)	(0.39)
		8.63	**4.28**
Note 18	**Other current liabilities**		
	Advances from Customers	0.96	7.96
	Others		
	TDS and other taxes payable	44.80	41.53
	Security Deposits	5.54	-
		51.30	**49.49**

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED

IRIS Clothings Limited
Notes to Financial Statements

Note	Particulars	Rs. In Lakhs For the period ended 31.03.2024	Rs. In Lakhs For the period ended 31.03.2023
Note 19	**Revenue From operations**		
(a)	Sale of products		
	- Traded goods	**2,207.52**	2,105.58
	- Raw Material	**42.43**	2.36
	- Manufactured good & Others	**9,856.33**	9,149.05
		12,106.28	11,256.99
(b)	**Other operating revenues**	**85.83**	43.15
		12,192.11	11,300.13
	Notes:-		
	Trade Receivables	3629.08	3125.22
	Contract Assets	-	-
	Contract Liabilities	-	-

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

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

Note 20	**Other Income**		
(a)	**Interest Income**		
	From Bank	**9.05**	8.39
	From Others	**0.65**	0.64
(b)	**Other non-operating income**		
	Discount Received	**0.00**	0.12
	Insurance Claim Received	-	1.53
		9.70	10.68
Note 21	**Cost of Materials Consumed**		
	Opening Stock of Raw Materials	**413.41**	324.10
	Add: Raw materials Purchased	**5,579.37**	5,325.97
		5,992.78	5,650.07
	Less: Closing Stock of Raw Materials	**558.41**	413.41
		5,434.37	5,236.66
Note 22	**Purchase of Stock-in-Trade (Readymade Garments & Accessories)**	**1,887.08**	1,966.37
Note 23	**Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress**		
	Opening Stock		
	Finished Goods	**2,706.34**	1,683.60
	Stock in Trade	**101.86**	164.36
	Work-in-Progress	**1,190.05**	1,121.52
		3,998.25	2,969.48
	Less : Closing Stock		
	Finished Goods	**2,114.57**	2,706.34
	Stock in Trade	**75.78**	101.86
	Work-in-Progress	**3,358.16**	1,190.05
		5,548.51	3,998.25
	Increase / Decrease in Stock	**(1,550.26)**	(1,028.77)
Note 24	**Employee benefit expenses**		
	Salaries ,Wages and Bonus	**1,952.68**	1,657.35
	Contribution to provident and other funds	**125.23**	107.46
	Staff Welfare Expenses	**75.24**	60.92
		2,153.15	1,825.73

Notes-
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Note	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Note 25	**Finance Costs**		
	Interest		
	Banks	**293.50**	222.26
	Others	**80.52**	69.27
	Other Borrowing Costs	**10.28**	8.27
		384.30	299.80
Note 26	**Depreciation and Amortization Expense**		
	Depreciation	**476.41**	434.96
	Amortisation	**132.66**	95.31
		609.07	530.27
Note 27	**Other Expenses**		
	Consumption of stores and spares part	**413.92**	417.04
	Power and Fuel	**197.49**	195.82
	Rent	**46.61**	36.27
	Repairs to buildings	**-**	7.95
	Repairs to machinery	**109.39**	78.54
	Repairs to others	**28.57**	25.49
	Insurance	**8.94**	9.74
	Rates and Taxes excluding taxes on Income	**20.61**	3.39
	Stiching, Printing, Embroidery and Other Expenses	**57.95**	33.76
	Carriage Outward	**102.08**	83.98
	Commission Paid	**99.87**	85.57
	Sales Promotion Expenses	**149.27**	78.71
	Director's Sitting Fees	**1.20**	0.98
	Payments to the Auditor		
	As Auditor	**2.50**	1.50
	For Tax Audit	**0.25**	0.25
	For Fees for Other Services (incl for issuing various certificates)	**0.25**	1.25
	For Reimbursement of out of poket expenses	**-**	-
	Donation	**0.11**	2.93
	CSR Expenses	**22.53**	18.52
	Discount Allowed	**153.57**	136.59
	Professional Charges	**90.76**	52.13
	Travelling and Conveyance	**56.49**	25.20
	Security Guard Charges	**10.28**	8.10
	Miscellaneous Expenses	**64.94**	61.70
	Sundry Debit Balance Adjusted	**(0.02)**	0.04
	Net (gain)/loss on foreign currency transaction	**(2.87)**	(5.18)
		1,634.69	1,360.25

Items that will not be reclassified to profit or loss	
Changes in revaluation surplus	
Remeasurements of the defmed benefit plans	
Equity Instruments through Other Comprehensive Income	
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;	
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	
Others (specify nature).	

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED

NOTES ON ACCOUNTS

28. Tax Expense

The components of income tax expense for the years ended 31 March 2024 and 2023 are:

(Rs. In Lakhs)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Current Tax	465.00	310.00
Income Tax for earlier years	-	1.56
Deferred Tax	(36.81)	(16.98)
Total Tax Charge	**428.19**	**294.58**
Current Tax	465.00	310.00
Deferred Tax	(36.81)	(16.98)

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's corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 2023 is, as follows:

(Rs. In Lakhs)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Accounting profit before tax	1,649.38	1,120.47
Applicable tax rate	25.17%	25.17%
Computed tax expense	**415.15**	**282.02**
Tax effect of:		
Exempted Income	-	-
Non-deductible items	10.23	2.47
Timing difference	39.82	41.92
Effects of Expenses Incurred in Earlier Year but allowed in Current Year	-	-
Others	(0.20)	(16.41)
Tax expenses recognised in the statement of profit and loss	**465.00**	**310.00**
Effective tax rate	**28.19%**	**27.67%**

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Note 28.2: Deferred Tax

(Rs. In Lakhs)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**85.29**	**68.31**
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	36.81	16.98
At the end of year DTA / (DTL) (net)	**122.10**	**85.29**

29. Other Comprehensive Income

(Rs. In Lakhs)

	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Items that will not be reclassified to profit or loss		
Re-measurements of the deferred benefit plans	-	-
	-	-
Items that will be reclassified to profit or loss	-	-
	-	-

30. Earnings per share

(Rs. In Lakhs)

		For the period ended 31.03.2024	For the period ended 31.03.2023
Particulars	**Calculation**		
a) Basic Earnings per share	Net Profit attributable to Equity Shareholders	1,221.19	825.89
	Weighted Average Number of Equity Shares outstanding	81570630	81570630
	Basic Earnings Per Share of Rs. 2/- each fully paid up	1.50	1.01
b) Diluted Earnings per share	Net Profit attributable to Equity Shareholders	1,221.19	825.89
	Weighted Average Number of Equity Shares outstanding	81570630	81570630
	Diluted Earnings Per Share of Rs. 2/- each fully paid up	1.50	1.01

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	**31st March, 2024**	**31st March, 2023**
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. 23.95/-(in Lakhs) against the demand order. However, the final order has come in our Favour in FY:24-25, but the final intimation is yet to be received.		

2. Guarantees

(Rs. In Lakhs)

Particulars	**31st March, 2024**	**31st March, 2023**
Guarantees	74.64	74.64

3. Commitment

(Rs. In Lakhs)

	Particulars	**31st March, 2024**	**31st March, 2023**
a.	Estimated Capital Commitments (Net of advances)	NIL	NIL
b.	Other Commitments-i) Export Obligations against import of capital goods under EPCG Scheme	**1,193.91**	**1,354.61**

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

(Rs. In Lakhs)

The amounts expended are as follows:	**Year Ended 31st March, 2024**	**Year Ended 31st March, 2023**
(a) amount required to be spent by the company during the year	**22.39**	**18.39**
(b) amount of expenditure incurred	**22.53**	**18.52**
(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	**22.53**	**18.52**
(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	**31st March, 2024**	**31st March, 2023**
(a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due thereon	**1,433.41** Nil	**30.37** 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	**31st March, 2024**	**31st March, 2023**
a.	Contribution to Superannuation fund	-	-
b.	Contribution to Provident fund (Government)	125.23	107.46
c.	Others	-	-

(b) Defined Benefits Plan:

Defined Benefit Plans (Gratuity) as per actuarial valuation on 31st March 2024

(Rs. In Lakhs)

	Particulars	Gratuity (Funded)	
		31st March, 2024	**31st March, 2023**
I	**Reconciliation of Defined Benefit Obligations (DBO) during the year ended**		
	1 Present value of DBO at the beginning of period	147.58	119.35
	2 Current service cost	38.32	34.17
	3 Interest cost	10.92	8.47
	4 Past Service Cost	-	-
	5 Actuarial (Gains)/Losses	(5.11)	(14.41)
	6 Benefits paid	-	-
	7 Benefit Payments from Plan Assets	(0.31)	-
	8 Present value of DBO at the end of period	**191.40**	**147.58**

II	**Reconciliation of Fair Value of plan assets during the year ended**	**31st March, 2024**	**31st March, 2023**
	1 Plan assets at the beginning of period	204.46	140.10
	2 Expected returns on plan assets	15.12	11.90
	3 Actuarial Gains/(Losses)	0.56	(2.54)
	4 Company contribution	-	55.00
	5 Benefits paid	-	-
	6 Benefit Payments from Plan Assets	(0.31)	-
	7 Plan assets at the end of period	**219.83**	**204.46**

III	**Reconciliation of fair value of assets and obligation as at**	**31st March, 2024**	**31st March, 2023**
	1 Present value of Defined Benefit Obligation	191.40	147.58
	2 Fair value on plan assets	219.83	204.46
	3 Status [(Surplus)/Deficit]	(28.43)	(56.88)
	4 Effect of Asset Ceiling / Onerous Liability	-	-
	5 Net (assets) /liability recognised in the Balance Sheet	**(28.43)**	**(56.88)**

IV	**Expenses recognised during the year**	**31st March, 2024**	**31st March, 2023**
	1 Current service cost	38.32	34.17
	2 Net Interest cost	(4.20)	(3.43)
	3 Expected Return on Plan Assets	-	-
	4 Past Service Cost	-	-
	5 Total expenses recognised in the Statement of Profit & Loss	**34.12**	**30.74**

V	**Other Comprehensive Income**		
	Re measurements of the net defined benefit liability/(assets)	**31st March, 2024**	**31st March, 2023**
	Actuarial (gain)/loss for the year on DBO	(5.11)	(14.41)
	Actuarial (gain)/loss for the year on Asset		
	Return on Plan Assets (excluding Interest Income)	(0.56)	2.54
	Total Re-measurement in OCI	**5.67**	**11.87**

VI	**Major category of plan assets as a % of the total plan assets**	**31st March, 2024**	**31st March, 2023**
	Fund Managed By LIC	100%	100%
	Total	**100%**	**100%**

VII	**Actuarial assumptions**	**31st March, 2024**	**31st March, 2023**
	1 Discount rate (%)	7.10%	7.40%
	2 Expected Rate of Return on Assets	**7.10%**	**7.40%**
	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. 191.40 lakhs

Particulars	Change in Assumptions	31st March, 2024	31st March, 2023
Discount Rate	1.00 % increase	173.55	133.67
	1.00 % decrease	213.75	164.98
Change in salary increase	1.00 % increase	211.92	163.98
	1.00 % decrease	174.88	134.38

Maturity Profile of Defined Benefit Obligations

Year	Amount (Rs. In Lakhs)
April 2024 – March 2025	17.97
April 2025 – March 2026	3.35
April 2026 – March 2027	4.82
April 2027 – March 2028	1.89
April 2028 Onwards	6.22

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, 2024, and March 31, 2023

(Rs. In Lakhs)

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Current Lease Liabilities	100.61	79.06
Non- Current Lease Liabilities	877.71	582.56
Total	**978.32**	**661.62**

36.2 The following is the movement in lease liabilities during the year ended March 31, 2024 & March 31, 2023

(Rs. In Lakhs)

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Balance at the Beginning	**661.62**	**726.51**
Additions	421.00	-
Finance cost accrued during the period	79.92	68.67
Deletion	-	-
Payment of lease liabilities	184.22	133.56
Balance at the End	**978.32**	**661.62**

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36.3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 & March 31, 2023, on an undiscounted basis:

(Rs. In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than one year	100.61	79.06
One to five years	622.33	442.88
More than five years	255.38	139.68
Total	**978.32**	**661.62**

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 31,2024 the expense recognized in the statement of profit and loss includes:

(i) Rental Expenses recorded for Short-term lease ₹ 46,60,788 for the year ended 31 March 2024 (Previous Year: ₹ 36,27,000)

(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. Manoj Tuslyan	KMP Of the Entity
Mr. Nikhil Saraf	KMP Of the Entity
Mrs. Vranda Manish Rathi	KMP Of the Entity
Iris Clothings limited Employees Gratuity Fund	Gratuity Trust
Mr. Niraj Agarwal	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary

(b) Relative of the Key Managerial Personnel

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

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

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

II. Transaction with related parties

During the Financial year ended 2023-24

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	7.81
2	Iris Apparels Pvt. Ltd.	Control of KMP	Machine Hire charges	5.40
3	Mr. Santosh Ladha	Managing Director	Remuneration	140.00
4	Mrs. Geeta Ladha	Whole Time Director	Remuneration	140.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.15
6	Mr. Manoj Tuslyan	KMP Of the Entity	Director Sitting Fees	0.35
7	Mr. Nikhil Saraf	KMP Of the Entity	Director Sitting Fees	0.35
8	Mrs. Vranda Manish Rathi	KMP Of the Entity	Director Sitting Fees	0.35
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	2.41
10	Mr. Niraj Agarwal	CFO	Remuneration	6.85
11	Mrs. Sweta Agarwal	Company Secretary	Remuneration	3.96

During the Financial year ended 2022-23

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	125.00
4	Mrs. Geeta Ladha	Managing Director	Director Remuneration	125.00
5	Mr. Baldev Das Ladha	Relative of KMP	Director Sitting Fees	0.18
6	Mr. Manoj Tulsyan	KMP of Entity	Director Sitting Fees	0.33
7	Mr. Nikhil Saraf	KMP of Entity	Director Sitting Fees	0.33
8	Mrs. Vranda Manish Rathi	KMP of Entity	Director Sitting Fees	0.05
9	Iris Clothings Limited Employees Gratuity Fund	Gratuity Trust	Contribution to Gratuity Fund	55.00
10	Mr. Niraj Agarwal	CFO	Remuneration	6.64
11	Mrs Sweta Agarwal	Company Secretary	Remuneration	3.96

III Outstanding balance as on: 31.03.2024

(Rs. In Lakhs)

Sl.	Name of the party	31 March 2024	31 March, 2023
1	Iris Fashions Pvt. Ltd.	2.26	2.26
2	Iris Apparels Pvt. Ltd.	1.57	1.57
3	Mr. Santosh Ladha	14.25	-
4	Mrs. Geeta Ladha	7.13	-
5	Mr. Baldev Das Ladha	-	-
6	Mr. Manoj Tulsyan	-	-
7	Mr. Nikhil Saraf	-	-
8	Mrs. Vranda Manish Rathi	-	-
9	Iris Clothings Limited Employees Gratuity Fund	0.50	0.50
10	Mrs. Sweta Agarwal	0.33	0.33
11	Mr. Niraj Agarwal	0.60	0.54

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

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38. Financial Instruments

Financial Instruments by category (Rs. In Lakhs)

Particulars	31st March, 2024		31st March, 2023	
	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	**4.19**	-	**1.78**	-
Bank balances other than above	**153.61**	-	**145.43**	-
Investment	-	-	-	-
Trade and Other Receivables	**3,629.08**	-	**3,125.22**	-
Loan	**118.60**	-	**110.03**	-
Financial Liabilities designated at fair value through profit or loss				
Financial Liabilities designated at amortised cost				
Borrowings	**3,441.22**	-	**2,848.28**	-
Lease Liabilities	**978.32**	-	**661.62**	-
Trade and Other payables	**1,928.19**	-	**1,672.23**	-
Other Financial Liabilities	**8.63**	-	**4.28**	-

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, 2024:

(Rs. In Lakhs)

Particulars	As of 31st March, 2024	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, 2023:

(Rs. In Lakhs)

Particulars	As of 31st March, 2023	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 31st March, 2024					
Secured	-	-	-	-	-
Unsecured	-	3,001.54	623.79	3.75	**3,629.08**
Total	-	**3,001.54**	**623.79**	**3.75**	**3,629.08**
As at 31st March, 2023					
Secured	-				-
Unsecured	-	3,097.20	3.55	24.47	**3,125.22**
Total	-	**3,097.20**	**3.55**	**24.47**	**3,125.22**

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	6-10 year	Above 10 years
As at 31st March, 2024					
Borrowings	3,441.22	3,441.22	-	-	-
Lease Liabilities	978.32	100.61	622.33	255.38	-
Trade Payables	1928.19	1912.23	15.96	-	
Other financial liabilities	8.63	8.63	-	-	-
Total	**6,356.36**	**5,462.69**	**638.29**	**255.38**	-
As at 31st March, 2023					
Borrowings	2,848.28	2,848.28	-	-	-
Lease Liabilities	661.62	79.06	442.88	139.68	-
Trade Payables	1,672.23	1,655.12	17.11	-	
Other financial liabilities	4.28	4.28	-	-	-
Total	**5,186.41**	**4,586.74**	**459.99**	**139.68**	-

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 2023-24 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, 2024.

42. Events after the reporting period

There have 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 2023-24.

d. The Company has taken borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective 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 2024.

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 31st March, 2024	As on 31st March, 2023	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.86	1.73	7.80%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.65	0.63	3.97%	NA
Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Service	0.60	0.56	7.60%	NA
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.20	0.16	24.10%	NA
Inventory turnover ratio	Net Sales	Average Inventory	2.28	2.87	-20.56%	NA
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivables	3.61	4.11	-12.18%	NA
Trade payables turnover ratio	Net Credit Purchase/ Cost of Goods Sold	Average Trade Payables	3.21	4.49	-28.66%	Due to Increase in Trade Payables.
Net capital turnover ratio	Net Sales	Average Working Capital	2.99	4.01	-25.57%	Due to Increase in Working Capital
Net profit ratio	Net Profit	Net Sales	0.20	0.16	24.10%	Na
Return on Capital employed	EBIT	Average Capital Employed	0.33	0.27	20.18%	NA
Return on investment	Profit After Tax	Average total Assets less DTA (Net)	0.10	0.08	23.81%	NA

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 13th May 2024.

As per our Report of even date

For AMK & Associates
Chartered Accountants
FRN 327817E

Santosh Ladha
Managing Director
DIN: 03585561

Geeta Ladha
Whole Time Director
DIN: 03585488

Manish Kumar Agarwal
Partner
Membership No. 064475

Sweta Agarwal
Company Secretary

Niraj Agarwal
Chief Financial Office

Kolkata
13th May 2024

AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower, Room No. 303
3rd floor, Block EP & GP
Sector-V, Salt Lake, Kolkata- 700091
Ph- 91 (33) 4063 0462

Sunshine Tower, 7th Floor, Unit No.: 716,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400013
Ph-91 (22)- 4005 4744

Limited Review Report

To
The Board of Directors
IRIS Clothings Limited

1. We have reviewed the accompanying statement of unaudited financial results of IRIS Clothings Limited for the quarter and half year ended 30th September 2024 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2.This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

3.We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4.Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 28/10/2024
Place: Kolkata

For AMK & Associates
Chartered Accountants
FRN NO.: 327817E

Bhupendra Kumar Bhutia
Partner
Membership Number: 059363
UDIN: 24059363BKAIJS9933

IRIS CLOTHINGS LIMITED

Registered Office : 103/24/1, FORESHORE ROAD, HOWRAH - 711 102

CIN : L18109WB2011PLC166895

Statement of Unaudited Financial Results For The Quarter and Half Year Ended 30th September, 2024

(Rupees in lakhs)

Sl No	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-Sep-24 (Unaudited)	30-Jun-24 (Unaudited)	30-Sep-23 (Unaudited)	30-Sep-24 (Unaudited)	30-Sep-23 (Unaudited)	31-Mar-24 (Audited)
1	**Revenue**						
	(a) Revenue from Operations	4,126.43	3,142.97	3,215.85	7,269.40	5,632.28	12,192.11
	(b) Other income	12.65	3.56	2.71	16.21	4.78	9.70
	Total Income	**4,139.08**	**3,146.53**	**3,218.56**	**7,285.61**	**5,637.06**	**12,201.81**
2	**Expenses**						
	Cost of materials consumed	1,553.05	1,222.34	1,453.80	2,775.39	2,570.53	5,434.40
	Purchases of Stock-in-Trade	579.55	495.91	432.46	1,075.46	799.68	1,887.08
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	170.12	(114.34)	(356.38)	55.78	(831.31)	(1,550.26)
	Employee benefit expense	603.84	571.27	536.35	1,175.11	1,000.29	2,153.15
	Finance costs	104.16	97.81	102.50	201.97	185.02	384.30
	Depreciation and amortization expense	178.59	170.66	148.32	349.25	288.44	609.07
	Other expenses	426.41	374.83	396.70	801.24	706.85	1,634.69
	Total expenses	**3,615.72**	**2,818.48**	**2,713.75**	**6,434.20**	**4,719.51**	**10,552.43**
3	**Profit before Exceptional Items and Tax (1 - 2)**	**523.36**	**328.05**	**504.80**	**851.41**	**917.55**	**1,649.38**
4	Exceptional Items	-	-	-	-	-	-
5	**Profit Before Tax (3 - 4)**	**523.36**	**328.05**	**504.80**	**851.41**	**917.55**	**1,649.38**
6	Tax Expense	139.22	85.57	138.96	224.79	243.52	428.19
7	**Profit for the year (5-6)**	**384.14**	**242.48**	**365.84**	**626.62**	**674.04**	**1,221.19**
8	**Other Comprehensive Income (net of tax)**	-	-	-	-	-	-
9	**Total Comprehensive Income for the year (7+8)**	**384.14**	**242.48**	**365.84**	**626.62**	**674.04**	**1,221.19**
10	**Paid-up equity share capital (Face Value of the Share Rs.2/-**	**1,631.41**	**1,631.41**	**1,631.41**	**1,631.41**	**1,631.41**	**1,631.41**
11	**Earnings per share (of Rs. 2/- each) :**						
	(a) Basic	0.47	0.30	0.45	0.77	0.83	1.50
	(b) Diluted	0.47	0.30	0.45	0.77	0.83	1.50

Notes:

1	The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meetings held on 28th October,2024.
2	The above results have been reviewed by the Statutory Auditors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3	The financial results of the Company has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standard) Rules, 2015.
4	The Company operates only on a single segments which predominantly are manufacturing and trading of garments as envisaged in Ind AS 108- Segment Reporting notified under Companies (Indian Accounting Standards) Rules 2015.
5	As the Company have no Subsidiary, Associates or Joint Venture as on 30th September 2024, it is not required to prepare and present consolidated financial statements.
6	Figures for the previous periods have been regrouped wherever necessary.

For and on behalf of the Board of Directors

IRIS CLOTHINGS LIMITED

Managing Director

(Santosh Ladha, Managing Director)

DIN - 03585561

Place : Howrah

Date: 28.10.2024

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED
Registered Office : 103/24/1, FORESHORE ROAD, HOWRAH - 711 102
CIN : L18109WB2011PLC166895
Statement of Assets and Liabilities as at 30th September, 2024

(Rupees in lakhs)

Particulars	As at 30.09.2024 Unaudited	As at 31.03.2024 Audited
ASSETS :		
Non-current Assets		
Property, Plant & Equipment	1,778.63	1,981.68
Right of Use Assets	1,158.70	793.73
Other Intangible Assets	1.26	2.17
Financial Assets		
Loans	133.92	118.60
Deferred Tax Assets (Net)	147.31	122.10
	3,219.82	**3,018.29**
Current Assets		
Inventories	6,390.93	6,191.81
Financial Assets		
Trade receivables	4,634.38	3,629.08
Cash & cash equivalents	4.75	4.19
Other Bank balances	81.96	153.61
Loans	5.21	4.71
Current Tax Assets (Net)	(25.26)	33.85
Other Current Assets	289.44	288.28
	11,381.41	**10,305.53**
TOTAL ASSETS	**14,601.24**	**13,323.83**
EQUITY AND LIABILITIES:		
Equity		
Equity Share capital	1,631.41	1,631.41
Other Equity	5,911.37	5,284.76
	7,542.78	**6,916.17**
Non-current Liabilities :		
Financial Liabilities		
Lease Liabilities	1,208.39	877.71
	1,208.39	**877.71**
Current Liabilities		
Borrowings	3,311.99	3,441.22
Lease Liabilities	158.19	100.61
Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises;	1,885.44	1,433.41
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	436.12	494.78
Other financial liabilities	(0.39)	8.63
Other current liabilities	58.71	51.30
Current Tax Liabilities (net)	-	-
	5,850.06	**5,529.95**
	-	-
TOTAL EQUITY AND LIABILITIES	**14,601.24**	**13,323.83**

For and on behalf of the Board of Directors
IRIS CLOTHINGS LIMITED

Managing Director
(Santosh Ladha, Managing Director)
DIN - 03585561

Place : Howrah
Date: 28.10.2024

AMK & ASSOCIATES Chartered Accountants

IRIS CLOTHINGS LIMITED
Registered Office : 103/24/1, FORESHORE ROAD, HOWRAH - 711 102
CIN : L18109WB2011PLC166895

Statement of Cash Flow for the Half Year Ended 30th September, 2024

(Rupees in lakhs)

PARTICULARS	Year ended 30-09-2024	Year ended 30-09-2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	**851.41**	917.55
Adjustments for:		
-Depreciation	349.25	288.44
-Sundry Balances Written Off	-	-
-Loss on Sale of PPE	-	-
-Finance Cost	201.97	185.02
-Lease Rent	-	(78.12)
-OCI Defined Benefit Scheme	-	-
-Interest Income	(16.21)	(4.78)
Operating Profit Before Working Capital Changes	**1,386.42**	**1,308.12**
Adjustments for:		
-Trade Payables	391.77	325.01
-Trade and other Receivables	(1,022.27)	(846.60)
-Inventories	(199.12)	(864.41)
Cash Generated from Operations :	556.80	(77.88)
-Direct Taxes Paid	(190.89)	(133.09)
Net Cash generated from Operating Activities	**365.90**	**(210.97)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments (Net)	(53.12)	(138.36)
Term Deposit other than cash equivalents	71.65	(63.47)
Interest Received	16.21	4.78
	34.74	**(197.05)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	(129.23)	560.77
Lease Rent Paid	(124.24)	-
Interest Paid	(146.61)	(151.43)
	(400.09)	**409.34**
Net Increase/(Decrease) in Cash and Cash Equivalents	0.56	1.33
Opening Cash and Cash Equivalents	4.19	1.79
Closing Cash and Cash Equivalents	4.75	3.12

For and on behalf of the Board of Directors

IRIS CLOTHINGS LIMITED

Managing Director

Place : Howrah
Date: 28.10.2024

(Santosh Ladha, Managing Director)
DIN - 03585561

AMK & ASSOCIATES Chartered Accountants

STATEMENT OF FINANCIAL INDEBTNESS

The Company on a consolidated level has availed borrowings in the ordinary course of business. Set forth below is a brief summary of our aggregate outstanding borrowings as on September 30, 2024:

(In lakhs)

Nature of Borrowing	Amount
Secured Borrowings	3311.99
Unsecured Borrowings	-
Total	**3311.99**

Details of Secured Borrowings:

(In lakhs)

Sr. No.	Category of Borrowing	Date of Sanction / Renewal	Amount Sanctioned (₹ In Lakhs)	Interest Rate and Security	Amount outstanding as on 30th Sept,2024 (₹ In Lakhs)
(i)	**Cash Credit**				
	- Axis Bank	13-11-2024	3,500	8.85%	3,311.99
	Total		**3,500**	**-**	**3,311.99**

**As certified by M/s AMK .and Associates. Statutory Auditor, by certificate dated* December 13, 2024 *bearing UDIN:* 24059363BKAJBT2859

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Reviewed Unaudited Financial Results and Audited Financial Statements.

Accounting Ratios

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31,2024	March 31,2023
Earning per Equity Share		
a. Basic earnings per Equity Share	1.50	1.01
a. Diluted earnings per Equity Share	1.50	1.01
Return on Net worth	17.97%	14.72%
Net Asset Value per Equity Share	8.33	6.88
EBITDA	**2,633.05**	**1,939.87**

Particulars	As at and for	
	September 30, 2024 Half Yearly)	September 30, 2023 (Half Yearly)
Earning per Equity Share		
a. Basic earnings per Equity Share	0.77	0.83
a. Diluted earnings per Equity Share	0.77	0.83
EBITDA	**1,386.42**	**1,386.23**

The ratios have been computed as below:

Ratios	Computation
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Profit before tax + depreciation and amortization expenses and finance cost +share of profit from associates-other income

Calculation of earning per equity share

(₹ in lakhs except per share data)

Particulars	As at and for	
	March 31, 2024	March 31, 2023
Profit attributed for Equity Shareholders* (A)	1221.19	825.89
Weighted average number of equity shares outstanding at the end of the period (B)	8,15,70,630	8,15,70,630
Basic and Diluted EPS (A)/(B)	**1.50**	**1.01**

* *Profit after tax before other comprehensive Income*

Particulars	As at and for	
	September 30, 2024 (Half Yearly)	September 30, 2023 (Half Yearly)
Profit attributed for Equity Shareholders* (A)	626.62	674.04
Weighted average number of equity shares outstanding at the end of the period (B)	8,15,70,630	8,15,70,630
Basic and Diluted EPS (A)/(B)	**0.77**	**0.83**

* *Profit after tax before other comprehensive Income*

Calculation of Return on Net Worth

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31,2024	March 31,2023
Profit / (Loss) after tax (A)	1,221.19	825.89
Networth (B)	6,794.07	5,609.68
Return on Net-Worth (A/B)	**17.97%**	**14.72%**

Particulars	As at and for	
	September 30, 2024 (Half Yearly)	September 30, 2023 (Half Yearly)
Profit / (Loss) after tax (A)	626.62	674.04
Networth (B)	7,395.47	6,274.23
Return on Net-Worth (A/B)	**8.47%**	**10.74%**

Calculation of Net Worth and Net Asset Value per Equity Share

(₹ in lakhs except per share data)

Particulars	As at and for	
	March 31,2024	March 31,2023
Equity Share Capital (A)	1,631.41	1,631.41
Other Equity (B)	5,284.76	4,063.56
Deferred Tax (Net) (C)	122.10	85.29
Net Worth (D) = (A+B-C)	6,794.07	5,609.68
No. of shares at the end of the relevant period (E)	8,15,70,630	8,15,70,630
Net Asset Value Per Share ((D*10^5)/E)	**8.33**	**6.88**

Particulars	As at and for	
	September 30, 2024 (Half Yearly)	September 30, 2023 (Half Yearly)
Equity Share Capital (A)	1,631.41	1,631.41
Other Equity (B)	5,911.37	4,744.59
Deferred tax (Net) (C)	147.31	101.77
Net Worth (D) = (A+B-C)	7,395.47	6,274.23
No. of shares at the end of the relevant period (E)	8,15,70,630	8,15,70,630
Net Asset Value Per Share ((D*10^5)/E)	**9.07**	**7.69**

Calculation of EBITDA

(₹ in lakhs)

Particulars	As at and for	
	March 31, 2024	March 31,2023
Profit Before Tax	1,649.38	1,120.47
Depreciation & Amortization	609.07	530.27
Finance Cost	384.30	299.81
Less: Other Income	9.70	10.68
EBITDA	**2,633.05**	**1,939.87**

Particulars	As at and for	
	September 30, 2024 (Half Yearly)	September 30, 2023 (Half Yearly)
Profit Before Tax	851.41	917.55
Depreciation & Amortization	349.25	288.44
Finance Cost	201.97	185.02
Less: Other Income	16.21	4.78
EBITDA	**1,386.42**	**1,386.23**

**As certified by M/s AMK .and Associates. Statutory Auditor, by certificate dated* December 13, 2024 *bearing UDIN:* 24059363BKAJBU3277

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2024 and March 31, 2023 and our limited review unaudited financial results for the 6 months ended September 30, 2024 and September 30, 2023, included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2024 and Fiscal 2023, and our limited review unaudited financial results for the 6 months ended September 30, 2024 and September 30, 2023 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the audited financial statements and limited review unaudited financial results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward - looking statements as a result of certain factors such as those set forth in the sections titled ***"Risk Factors"*** *and* ***"Forward - Looking Statements"*** *on pages 19 and 15 respectively.*

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Iris Clothing's Limited. Neither we, nor the LMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information.

OVERVIEW OF OUR BUSINESS

The company, Iris Clothings Private Limited Company, was incorporated in 2011 and converted from a private limited to public limited company in 2018. It began as a contract manufacturing firm producing apparel for third-party brands. In 2004, the company launched its own brand, "DOREME," within the first year of operations. Sales activities began in 2005 through a distributor-retailer network in Mumbai. As consumer demand increased, the company expanded its presence through new distributors and retailers. In 2012, Iris Clothings was fully acquired by the current corporate entity, consolidating the brand's distribution and manufacturing under one structure.

The company manufactures, designs, conceptualizes, brands, and distributes children's apparel and accessories under the DOREME® brand across India and export markets. The DOREME® brand covers a range of clothing and related products designed for infants, junior boys, and girls, catering to their indoor and outdoor apparel needs. The company's product portfolio includes summer wear, winter wear, sportswear, and swimwear, with prices ranging between ₹200/- to ₹2,000/-.

Initially structured around a distributor-retailer network, the company has expanded its reach to include multiple sales channels. In addition to its traditional distributor network, the company now operates in the online marketplace through its own website and listing on third-party e-commerce platforms. Furthermore, the company has developed a direct retail presence by establishing its exclusive brand outlets (EBOs), enabling direct engagement with customers and enhanced brand visibility. Currently, the company has a distribution network that includes 170+ distributors covering a wide geographic range of 26 states and 7 countries (exports), providing access to more than 10,000 retail touchpoints.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024

To our knowledge and belief, no circumstances other than those disclosed in this letter of offer have arisen since the date of the last financial statements contained in this letter of offer which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- Geo political factor across the globe.
- Factors affecting the retail industry;
- Factors affecting Apparels industry;

- Increasing competition in the sector;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Supply Chain risk, inability to manufacture and supply products on time
- Customer Preferences.
- Expansion of our store network.
- High Inventory Days: Risk of liquidity, if sales projections are not met

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2024, as required by Ind AS 1 and other applicable standards, see section titled "***Financial Statements"*** on page 84.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter ***"Financial Information"*** on page 84, there has been no change in accounting policies during the 6 months ended September 30, 2024 and during the Fiscal 2024.

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth certain information with respect to our results of operations for the periods indicated

(Rs in lakhs)

Particulars	Six months ended on September 30, 2024		Six months ended on September 30, 2023	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	7,269.40	99.8%	5,632.28	99.9%
Other Income	16.21	0.2%	4.78	0.1%
Total Revenue	**7,285.61**	**100.0%**	**5,637.06**	**100.0%**
Expenses				
Cost of Goods Sold	3,906.63	53.6%	2,538.90	45.0%
Employee Benefit Expenses	1,175.11	16.1%	1,000.29	17.7%
Finance Costs	201.97	2.8%	185.02	3.3%
Depreciation and Amortization Expenses	349.25	4.8%	288.44	5.1%
Other Expenses	801.24	11.0%	706.85	12.5%
Total Expenses	**6,434.20**	**88.3%**	**4,719.50**	**83.7%**
Profit/(Loss) before tax & Exceptional Items	851.41	11.7%	917.56	16.3%
Less: Exceptional Items	-	-	-	-
Less/Add: Share of Profit/Loss of Associate (Net of Tax)	-	-	-	-
Profit/(Loss) before tax (After Exceptional items, Share of Profit/Loss of Associate)	**851.41**	**11.7%**	**917.56**	**16.3%**
Net Tax Expenses	224.79	3.1%	243.52	4.3%
Profit/(Loss) after tax	**626.62**	**8.6%**	**674.04**	**12.0%**

OVERVIEW OF RESULTS OF OPERATION

For 6 months ended September 30, 2024, compared to 6 months ended September 30, 2023.

Total Revenue

Our total revenue for the 6 months ended September 30, 2024, was ₹ 7,285.61 lakhs as compared to ₹5,637.06 lakhs for the 6 months ended September 30, 2023, representing a increase of 29.24 %. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 6 months ended September 30, 2024, was ₹7269.40 lakhs as compared to ₹5,632.28 lakhs for the 6 months ended September 30, 2023, representing an increase of 29.07%. This increase was primarily driven by a rise in demand and improvements in market conditions.

Other Income

Other income for the 6 months ended September 30, 2024, was ₹16.21 lakhs as compared to ₹4.78 lakhs for the 6 months ended September 30, 2023, representing a increase of 239.12 %. This increase was primarily attributed to the interest income received on the income tax refund.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2024, was ₹6,434.20 lakhs as compared to ₹4,719.50 lakhs for the 6 months ended September 30, 2023, representing an increase of 36.33 %. Total expenditure comprises of:

Cost of Goods Sold

The Cost of Goods sold for the 6 months ended September 30, 2024, was ₹ 3,906.63 lakhs as compared to ₹ 2,538.90 lakhs for the 6 months ended September 30, 2023, representing an increase of 53.87%. This increase was primarily due to the rise in raw material prices, mainly fabric and packaging.

Employee Benefit Expenses

Employee benefit expense for the 6 months ended September 30, 2024, was ₹ 1,175.11 Lakhs as compared to ₹ 1000.29 Lakhs for the 6 months ended September 30, 2023, representing an increase of 17.7%.The main reason for this increase was the rise in production workers due to the increase in installed capacity, primarily leading to higher payroll and a 10% increment in the new financial year..

Finance Cost

Finance costs for the 6 months ended September 30, 2024, was ₹ 201.97 Lakhs as compared to ₹ 185.02 Lakhs for the 6 months ended September 30, 2023, representing an increase of 9.16 %. The increase in the finance cost was due to working capital borrowing.

Depreciation and Amortization Expense

Depreciation and amortization expense for the 6 months ended September 30, 2024, was ₹ 349.25 Lakhs as compared to ₹ 288.44 Lakhs for the 6 months ended September 30, 2023, representing an increase of 21.08 %. The increase in was on account of increase in Right of use Assets.

Other Expenses

The other expenses for the 6 months ended September 30, 2024, was ₹ 801.24 Lakhs as compared to ₹ 706.85 Lakhs for the 6 months ended September 30, 2023, representing an increase of 13.35%.This increase is primarily attributable to increased expenditures on sales promotion, travel and conveyance, professional charges, stitching, printing, embroidery, and other expenses.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 6 months ended September 30, 2024, was ₹ 851.41 Lakhs as compared to ₹ 917.56 for the 6 months ended September 30, 2023, representing an Decrease of 7.21 %. The previously mentioned reasons accounted for Decrease in profit.

Tax Expenses

Tax expense for the 6 months ended September 30, 2024, was ₹ 224.79 Lakhs as compared to ₹ 243.52 Lakhs for the 6 months ended September 30, 2023, representing a decrease of 7.69%. The decrease in the tax expenses was on account of decrease in business profit.

Profit/(Loss) After Tax

The profit/(loss) after tax for the 6 months ended September 30, 2024, was ₹ 626.62 Lakhs as compared to ₹ 674.04 Lakhs for the 6 months ended September 30, 2023, representing an Decrease of 7.04% The profits decreased on account of various reasons discussed above.

Fiscal 2024 compared to Fiscal 2023

in lakhs

Particulars	Fiscal 2024		Fiscal 2023	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	12,192.11	99.9%	11,300.14	99.9%
Other Income	9.70	0.1%	10.68	0.1%
Total Revenue	**12,201.81**	**100.0%**	**11,310.82**	**100.0%**
Expenses				
Cost of Goods Sold	5,771.22	47.3%	6,174.26	54.6%
Employee Benefit Expenses	2,153.15	17.6%	1,825.73	16.1%
Finance Costs	384.30	3.1%	299.81	2.7%
Depreciation and Amortization Expenses	609.07	5.0%	530.27	4.7%
Other Expenses	1,634.69	13.4%	1,360.28	12.0%
Total Expenses	**10,552.43**	**86.5%**	**10,190.35**	**90.1%**
Profit/(Loss) before tax & Exceptional Items	1,649.38	13.5%	1,120.47	9.9%
Less: Exceptional Items	-	0.0%	-	0.0%
Profit/(Loss) before tax (After Exceptional items)	**1,649.38**	**13.5%**	**1,120.47**	**9.9%**
Net Tax Expenses	428.19	3.5%	294.58	2.6%
Profit/(Loss) after tax	**1,221.19**	**10.0%**	**825.89**	**7.3%**

OVERVIEW OF RESULTS OF OPERATION

For the Fiscal 2024, compared to Fiscal 2023

Total Revenue

Our total revenue for the Fiscal 2024, was ₹ 12,201.81 lakhs as compared to ₹ 11,310.82 lakhs for the Fiscal 2023, representing a increase of 7.88%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2024, was ₹ 12,192.11 Lakhs as compared to ₹ 11,300.14 Lakhs for the Fiscal 2023, representing a increase of 7.89%. This increase was primarily driven by a rise in demand and improvements in market conditions.

Other Income

Other income for the Fiscal 2024, was ₹ 9.70 Lakhs as compared to ₹ 10.68 Lakhs for the Fiscal 2023, representing an decrease of 9.18 %. This increase was primarily attributed to the interest income received on the income tax refund.

Total Expenses

Our total expenditure for the Fiscal 2024, was ₹ 10,552.43 Lakhs as compared to ₹ 10,190.35 Lakhs for the Fiscal 2023, representing an increase of 3.55%. Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2024, was ₹ 5,771.22 Lakhs as compared to ₹ 6,174.26 Lakhs for the Fiscal 2023, representing decrease of 6.53 %. This decrease was primarily due to the decline in raw material prices, mainly fabric and packaging.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2024 was ₹ 2,153.15 Lakhs as compared to ₹ 1,825.73 Lakhs for the Fiscal 2023, representing an increase of 17.93 The main reason for this increase was the increase in production workers due to rise in installed capacity, primarily leading to higher payroll and a 10% increment in the new financial year.

Finance Cost

Finance costs for the Fiscal 2024, was ₹ 384.30 Lakhs as compared to ₹ 299.81 Lakhs for the Fiscal 2023, representing an increase of 28.18. The increase in the finance cost was due to working capital borrowing.

Depreciation and Amortization Expense
Depreciation and amortization expense for the Fiscal 2024, was ₹ 609.07 Lakhs as compared to ₹ 530.27 Lakhs for the Fiscal 2023, representing an increase of 14.86%. The increase in depreciation was on account of increase in Tangible Assets and Right of use Assets.

Other Expenses

Other expenses for the Fiscal 2024, was ₹ 1,634.69 Lakhs as compared to ₹ 1,360.28 Lakhs for the Fiscal 2023, representing an increase of 20.17%. This increase is primarily attributable to increased expenditures on sales promotion, travel and conveyance, professional charges, stitching, printing, embroidery, and other expenses.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2024, was ₹ 1,649.38 Lakhs as compared to ₹ 1,120.47 Lakhs for the Fiscal 2023 representing a increase of 47.20 %. The above mentioned variables were the main reasons of increase in profts.

Tax Expenses
Tax expenses for the Fiscal 2024, was ₹ 428.19 Lakhs as compared to ₹ 294.58 Lakhs for the Fiscal 2024, representing a increase of 45.36%.The increase in the tax expenses was on account of increase in business profit for the year.

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2024, was ₹ 1,221.19 Lakhs as compared to ₹ 825.89 Lakhs for the Fiscal 2023, representing a increase of 47.86%. The profits increased on account of various reasons discussed above.

Fiscal 2023 compared to Fiscal 2022

in lakhs

Particulars	Fiscal 2023		Fiscal 2022	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	11,300.14	99.9%	11,152.13	99.8%
Other Income	10.68	0.1%	24.62	0.2%
Total Revenue	**11,310.82**	**100.0%**	**11,176.75**	**100.0%**
Expenses:				
Cost of Goods Sold	6,174.26	54.6%	5,784.63	51.8%
Employee Benefit Expenses	1,825.73	16.1%	1,674.98	15.0%
Finance Costs	299.81	2.7%	238.50	2.1%
Depreciation and Amortization Expenses	530.27	4.7%	559.95	5.0%
Other Expenses	1,360.28	12.0%	1,561.21	14.0%
Total Expenses	**10,190.35**	**90.1%**	**9,819.27**	**87.9%**
Profit/(Loss) before tax & Exceptional Items	1,120.47	9.9%	1,357.48	12.1%
Less: Exceptional Items				
Profit/(Loss) before tax (After Exceptional items)	**1,120.47**	**9.9%**	**1,357.48**	**12.1%**
Net Tax Expenses	294.58	2.6%	342.78	3.1%
Profit/(Loss) after tax	**825.89**	**7.3%**	**1,014.70**	**9.1%**

OVERVIEW OF RESULTS OF OPERATION

For the Fiscal 2023, compared to Fiscal 2022.

Total Revenue

Our total revenue for the Fiscal 2023, was ₹ 11,310.82 lakhs as compared to ₹ 11,176.75 lakhs for the Fiscal 2022, representing a increase of 1.20%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2023, was ₹ 11,300.14 Lakhs as compared to ₹ 11,152.13 Lakhs for the Fiscal 2022, representing a increase of 1.33%. This increase was mainly due to a slight rise in demand.

Other Income

Other income for the Fiscal 2023, was ₹ 10.68 Lakhs as compared to ₹ 24.62 Lakhs for the Fiscal 2022, representing an decrease of 56.62%.The decline was primarily attributed to the government grant received in fiscal year 2022.

Total Expenses

Our total expenditure for the Fiscal 2023, was ₹ 10,190.35 Lakhs as compared to ₹ 9,819.27 Lakhs for the Fiscal 2022, representing an increase of 3.78%. Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2023, was ₹ 6,174.26 Lakhs as compared to ₹ 5,784.63 Lakhs for the Fiscal 2022, representing increase of 6.74 %. The increase was primarily attributed to the rise in the purchase of stock in trade.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2023 was ₹ 1,825.73 Lakhs as compared to ₹ 1,674.89 Lakhs for the Fiscal 2022,

representing an increase of 9%.The primary reason for this increase was the 10% increment in the new financial year.

Finance Cost

Finance costs for the Fiscal 2023, was ₹ 299.81 Lakhs as compared to ₹ 238.50 Lakhs for the Fiscal 2022, representing an increase of 25.17%. The increase in the finance cost was due to working capital borrowing.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2023, was ₹ 530.27 Lakhs as compared to ₹ 559.95 Lakhs for the Fiscal 2022, representing an decrease of 5.30%.The decrease in depreciation was a result of the minor sale of tangible assets.

Other Expenses

Other expenses for the Fiscal 2023, was ₹ 1,360.28 Lakhs as compared to ₹ 1,561.21 Lakhs for the Fiscal 2022, representing an decrease of 12.87%. This decrease is mainly due to reduced spending on the consumption of stores and spare parts, stitching, printing, embroidery, and other expenses.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2023, was ₹ 1,120.47 Lakhs as compared to ₹1357.48 Lakhs for the Fiscal 2022 representing a decrease of 17.46 %. The above mentioned variables were the main reasons of decrease in profts.

Tax Expenses
Tax expenses for the Fiscal 2023, was ₹ 294.58 Lakhs as compared to ₹ 342.78 Lakhs for the Fiscal 2022, representing a decrease of 14.06%. The decrease in the tax expenses was on account of decrease in business profit for the year.

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2023, was ₹ 825.89 Lakhs as compared to ₹ 1014.70 Lakhs for the Fiscal 2022, representing a decrease of 18.61%. The profits decreased on account of various reasons discussed above.

MATERIAL DEVELOPMENTS

Other than as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 154, there have not arisen, since the date of the Limited Reviewed Financial Results disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, civil suits, and petitions pending before various authorities.

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount exceeding 10 % of Profit after Tax as per latest audited financial statement ("**Materiality Threshold**"), and/or (ii) is otherwise determined to be material in terms of the Materiality Policy.*

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial/ arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

i. Criminal Litigations initiated against our Company:

Nil

B. Matters involving material violations of statutory regulations by our Company

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

C. Economic offences where proceedings have been initiated against our Company

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

i. Civil Litigations initiated against our Company:

Mayank Tradecomm Private Limited v/s Iris Clothing's Private Limited-*Tittle Suite No. 1774 of 2022*

Mayank Tradecomm Private Limited ("**Plaintiff**") has filed the suit bearing no. Tittle Suite No. 1774 of 2022 against IRIS Clothings Limited ("**Defendant**") for a decree for declaration and Injunction. That the Plaintiff contends that the Defendant are trying to encroach the common passage and the Plaintiff's right of way. Aggrieved by the Same the Plaintiff has filed current suit for injunction. The next date of hearing is January 06, 2025.

The Board of Trustees for Port of Kolkata, now known as Syama Prasad Mookerjee Port, Kolkata v/s. Iris Clothing's Limited and Ors. SLP 873 of 20222

The Board of Trustees for Port of Kolkata, now known as Syama Prasad Mookerjee Port, Kolkata ("**Petitioner**") Have filed a Spleacial Leavle Petition bearing No. 873 of 2022("**SLP**") against Iris Clothing's Limited and Ors ("**Respondents**"). The Petitioner has filed a SLP against the Order dated September 16, 2022 passed by the Hon'ble division of the Hon'ble Kolkata in APOT No. 182 of 2021. The Petitioner contends that Binani Metals Limited("**Binani**") was allotted land parcels admeasuring 19,850.95 for long term lease of 10 years with no renewal option commencing from Aril 1, 1980. Thereafter, the lease deed was canceled and Binani started defaulting on the Occupation charges and there was no renewal of lease granted to Binani, however Binani was occupying the premises unauthorizedly and had also inducted other unorganized entities on the property. The Petitioner filed for suit for eviction which was passed in their favour and no appeal was made to that effect. However, Petitioner contends that the Respondents have taken the shelter of the circular dated August 20, 2014 for eligibility as first right of refusal which was upheld by single bench and Division bench of Hon'ble Kolkata High court. Aggrieved by the Same the Petitioner has filed the current SLP. The next date of hearing is December 17, 2024.

ii. Civil Litigations initiated by our Company:

Nil

E. Tax Proceedings initiated against our Company

(*₹in lakhs*)

Particulars	No. of cases	Amount involved
Direct Tax	2[#]	0.07
Indirect Tax	1[*]	12.49
Total	**3**	**12.56**

[*]*Office of the Commissioner of Central Tax (Audit) Kolkata-II Commissionerate has issued spot memo bearing no. 01/IRIS/2024-25.-Reg. dated November 26, 2024 amounting to ₹12,48,532.*

[#] *Includes TDS demands amounting to ₹ 5420 for the Financial Year 2023-24 and 1400 for the Financial Year 2012-13*

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations for carrying on its present business activities. Further, our obligation to obtain and renew such licenses, registrations, permits and approvals may arise periodically and applications for such approvals are made/will be made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the Objects.

For further details, please see "***Objects of the Issue***" on page 46.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by our Board pursuant to resolution dated December 14, 2024, pursuant Section 62(1)(a) and other applicable provisions of Companies Act, 2013.

The Board of Directors has at its meeting held on [●], determined the Issue Price as ₹ [●]/- per Rights Equity Share, and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

The Company has been allotted ISIN – [●] for the Rights Entitlement to be credited to the respective demat account of Equity Shareholders of the Company.

Our Company has received in-principle approval from NSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant to issue, vide a letter bearing reference number [●] from NSE dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None our Directors or Promoters are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Our Company, Promoters or Directors have neither been declared as wilful defaulters nor declared as Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association with Securities Market

We confirm that none of our Director(s) is associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Directors, our Promoters and members of Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on NSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. NSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the BSE in compliance with the Listing Agreement and/ or the provisions of the Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.

2. The reports, statements and information referred to in point (1) above are available on the website of NSE.

3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of powers by our Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is not more than ₹5000 lakhs. However, the same shall be submitted to SEBI as a matter of record**.**

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company has no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Jaipur, India only.

The Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended), including Indian nationals resident in India, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI

permission), systemically important non-banking financial companies or trusts registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is NSE

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

Selling Restrictions

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, the Letter of Offer, the Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this

Draft Letter of Offer or Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange. In those circumstances, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Draft Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time, subsequent to this date or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, our Company will not be making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER

MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Bankers/ Lenders to our Company, Bankers to the Issue, Statutory Auditors and the Registrar to the Issue have been obtained and such consents shall not be withdrawn up to the date of this Draft Letter of Offer.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since, the size of this Issue falls below the stipulated threshold, the Draft Letter of Offer was filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Listing

The Rights Equity Shares offered through the Letter of Offer are proposed to be listed on NSE. Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Cameo Corporate Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 171. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Cameo Corporate Services Limited
"Subramanian Building", No. #1, Club House Road,
Chennai - 600 002
Tel: +91 -44-40020700
Fax: +91-44-28460129
E-mail: rights@cameoindia.com
Investor Grievance ID: wisdom.@cameoindia.com / investor@cameoindia.com
Website: https://rights.cameoindia.com/iris
Contact Person: Ms. K Sreepiya- Executive Vice President & Company Secretary
SEBI Registration No.: INR000003753
Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Sweta Agarwal is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Telephone: +91 33 26373856 / 8100074062
E-mail: itsladha@irisclothings.in

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make an independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI ICDR Master Circular, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the NSE and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue Materials

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.irisclothings.in
- the Registrar to the Issue at https://rights.cameoindia.com/iris
- the Stock Exchange at www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.cameoindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.cameoindia.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at www.irisclothings.in

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer, the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE

STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 174.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for***

Application through the ASBA process" beginning on page 181.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, " IRIS CLOTHINGS LIMITED RIGHTS ISSUE ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://rights.cameoindia.com/iris).. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI ICDR Master Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) *Application for Additional Equity Shares*:

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in

"***Basis of Allotment***" beginning on page 194.

Eligible Equity Shareholders who renounce their Rights Entitlements part or fully cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 181.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.cameoindia.com/iris
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Cameo Corporate Services Limited : https://rights.cameoindia.com/iris
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable https://rights.cameoindia.com/iris ; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders with Cameo Corporate Services Limited : priya@cameoindia.com

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated December 14, 2024 have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by our Board pursuant to its resolution dated December 14, 2024. The Board has in their meeting held on [●] determined the Issue Price at [●] per Equity Share (including a premium of ₹[●] per Equity Share), the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●]. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. Our Company will also make applications to NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "***Terms of the Issue***" beginning on page 171 of this Draft Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (https://rights.cameoindia.com/iris) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: www.irisclothings.in

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[●] per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. ***Application Forms with zero entitlement will be non-negotiable/non-renounceable.***

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI ICDR Master Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE01GN01025** on NSE (Scrip Code: **IRISDOREME**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the NSE. Our Company has received in-principle approval from NSE through letter dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the NSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by NSE, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "***Terms of Payment***" beginning on page 171.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 44.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in

dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and MCA General Circular No. 21/2020, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a regional language daily newspaper in the place where our Registered Office is located.

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted

with the NSE for making the same available on its websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 174.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 200 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.
In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "*Grounds for Technical Rejection*" beginning on page 192 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "***Applications on Plain Paper under ASBA process***" beginning on page 184 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at https://rights.cameoindia.com/iris and link of the same would also be available on the website of our Company at (www.irisclothings.in) Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
v. renounce its Rights Entitlements in full.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 200.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 184.

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the NSE in the manner prescribed under the section titled "***Terms of the Issue***" beginning on page 171. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "***Basis of Allotment***" beginning on page 194.

Eligible Equity Shareholders who renounce their Rights Entitlements part or fully cannot apply for Additional Rights Equity Shares.

INVESTORS TO KINDLY NOTE THAT AFTER PURCHASING THE RIGHTS ENTITLEMENTS THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, AN APPLICATION HAS TO BE MADE FOR SUBSCRIBING TO THE RIGHTS EQUITY SHARES. IF NO SUCH APPLICATION IS MADE BY THE RENOUNCEE ON OR BEFORE ISSUE CLOSING DATE, THEN SUCH RIGHTS ENTITLEMENTS WILL GET LAPSED AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE AND NO RIGHTS EQUITY SHARES FOR SUCH LAPSED RIGHTS ENTITLEMENTS WILL BE CREDITED. FOR PROCEDURE OF APPLICATION BY SHAREHOLDERS WHO HAVE PURCHASED THE RIGHT ENTITLEMENT THROUGH ON MARKET RENUNCIATION / OFF MARKET RENUNCIATION, PLEASE REFER TO THE HEADING TITLED "PROCESS OF MAKING AN APPLICATION IN THE ISSUE" ON PAGE … OF THIS DRAFT LETTER OF OFFER.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off–market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat
account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be
settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue and NSE to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Iris Clothings Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"*I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the* type *subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We hereby make representations, warranties and agreements set forth herein.

I/We acknowledge that the Company will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.cameoindia.com/iris

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
(c) The remaining procedure for Application shall be same as set out in "**- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 200.
(d) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

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Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "***Terms of the Issue - Basis of Allotment***" beginning on page 194 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.
The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, or any other governmental authority in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application and send it to the Registrar. It will be the sole

responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

  Note:

  In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Draft Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

  Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE

REFER TO "*ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS*" BEGINNING ON PAGE 195 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
b) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
c) Please read the instructions on the Application Form sent to you.
d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
e) Application should be made only through the ASBA facility.
f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 184.
h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the NSE.
k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity

Shares under applicable securities laws are eligible to participate.

s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Applications on Plain Paper under ASBA process***" beginning on page 184 of this Draft Letter of Offer.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

i) Do not pay the Application Money in cash, by money order, pay order or postal order.

j) Do not submit multiple Applications.

k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
c. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
h. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts:

a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction. (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b. Do not send your physical Application to the Lead Manager, the Registrar, the Banker to the Issue, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
d. Do not submit Application Form using third party ASBA account.
e. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
f. Do not submit multiple Applications.
g. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground. 255
h. Do not pay the Application Money in cash, by money order, pay order or postal order.

Do's for Investors applying through ASBA:

a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
c) Sending an Application to our Company andthe Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders. Account holder not signing the Application or declaration mentioned therein.
f) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; .
p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
q) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
r) Applicants not having the requisite approvals to make application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

s) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors

applying under this Issue should carefully fill in their Depository Account details in the Application.

t) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

u) The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

v) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

w) Application forms supported by the amount blocked from a third party bank account.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "***Investment by Mutual Funds***" beginning on page 199 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such

Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 44 of this Draft Letter of Offer.

Underwriting

Our Company may enter into an Underwriting Agreement with Underwriter(s) for underwriting the Rights Equity Shares. The details of such Underwriting Agreement, if entered into, shall be included in the Letter of Offer to be filed with the Stock Exchange pursuant to receipt of observations on this Draft Letter of Offer, if any. Our Company shall ensure and provided a declaration to the effect that the Underwriter(s) appointed shall have sufficient resources to enable them to discharge their underwriting obligations in full.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]

Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

b. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c. Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

d. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.

e. Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

f. After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

a. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
b. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
c. The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

a. **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility**.**

b. **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

c. **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior

to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

d. **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e. **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

g. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated August 16, 2018.
b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 16, 2018.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 200 of this Draft Letter of Offer.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is

issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.
Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("***Press Note***") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

i. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
ii. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
iii. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.* "

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than

six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or beforeT+1 day (T being the date of finalisation of Basis of Allotment)In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of the Issue shall be transferred to a separate bank account;
b) Details of all monies utilized out of the Issue referred to in clause (a) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
c) Details of all unutilized monies out of the Issue referred to in clause (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

a. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
b. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
c. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
d. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
e. No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
f. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
g. Adequate arrangements shall be made to collect all ASBA Applications.
h. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
i. As on date our Company does not have any convertible debt instruments.
j. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
k. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in

this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve (i) To augment the existing and incremental working capital requirement of our Company; (ii) General corporate purposes

Our Promoter and Promoter Group may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course. Therefore, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company. Our Company must, therefore, ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with NSE and submitted with SEBI.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "***Risk Factors***" beginning on page 16 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Iris Clothings Limited- Rights Issue" on the envelope to the Registrar at the following address:

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building", No. #1, Club House Road,
Chennai - 600 002
Tel: +91 -44-40020700
Fax: +91-44-28460129
E-mail: rights@cameoindia.com
Investor Grievance ID: wisdom.@cameoindia.com /investor@cameoindia.com
Website: https://rights.cameoindia.com/iris
Contact Person: Ms. K Sreepiya- Executive Vice President & Company Secretary
SEBI Registration No.: INR000003753
Validity of Registration: Permanent

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is faced by the investors.

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions are available on the website of the Registrar (https://rights.cameoindia.com/iris) or call helpline numbers (+91-44-40020700 (5 Lines)) and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors:
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Cameo Corporate Services Limited : https://rights.cameoindia.com/iris
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: https://rights.cameoindia.com/iris ; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: https://rights.cameoindia.com/iris .

The Issue will remain open for minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non- institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date or the material contracts shall be made available for inspection through online means. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to info@irisclothings.in

I. Material Contracts for the Issue

i. Registrar Agreement dated December 13, 2024, entered into amongst our Company and the Registrar to the Issue.
ii. Banker to the Issue Agreement dated [●] 2024 between our Company, the Registrar to the Issue and Banker(s) to the Issue.

II. Material Documents

i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
ii. Certificate of incorporation dated August 27, 2011.
iii. Fresh certificate of incorporation consequent to conversion of our Company from private limited to public limited and the change in its name from 'Iris Clothings Private Limited' to 'Iris Clothings Limited' dated July 24, 2018.
iv. Annual Reports of the Company for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022.
v. Resolution of the Board of Directors dated December 14 , 2024 in relation to the Issue.
vi. Resolution of the Board of Directors dated December 14, 2024 approving and adopting this Draft Letter of Offer.
vii. Resolution of the Board of Directors dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.
viii. The Audited Financial Statements and the audit reports issued by our Statutory Auditors thereon, dated May 13, 2024.
ix. The Limited Reviewed Financial Results dated October 28, 2024 for the six-month period ended September 30, 2024, included in this Draft Letter of Offer.
x. Consent of our Directors, Compliance Officer, Statutory Auditor, the Registrar to the Issue, Banker(s) to the Company, and Banker to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.
xi. Statement of Tax Benefits dated December 13, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
xii. Consent letter dated December 13, 2024 from the Statutory Auditor for inclusion of their name as expert, as defined under Section 2(38) of the Companies Act, in this Draft Letter of Offer.
xiii. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 16, 2018.
xiv. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated August 16, 2018.
xv. In-principle listing approvals dated [●], from the NSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mr. Santosh Ladha
(Managing Director)

Date: December 14, 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mrs. Geeta Ladha
(Whole-Time Director)

Date: December 14, 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mr. Baldev Das Ladha
(Non-Executive Director)

Date: December 14 , 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mr. Nikhil Saraf
(Independent Director)

Date: December 14 , 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mr. Manoj Tulsyan
(Independent Director)

Date: December 14, 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Mrs. Vranda Manish Rathi
(Independent Director)

Date: December 14, 2024
Place: Ahmedabad

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Sd/-

_____

Mrs. Sweta Agarwal
(Company Secretary & Compliance Officer)

Date: December 14, 2024
Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

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Mr. Niraj Agarwal
(Chief Financial Officer)

Date: December 14, 2024
Place: Kolkata