



VIP Clothing Ltd.

ANNUAL
REPORT
2023-24

REFUELLED FOR GROWTH

54

*Years
of
Legacy*

Taking
*Expertise
Beyond*
Innerwear

HOUSE OF BRANDS



Frenchie



LEADER



RIVOLTA

www.vipinners.com



VIP Clothing Ltd.

VISION

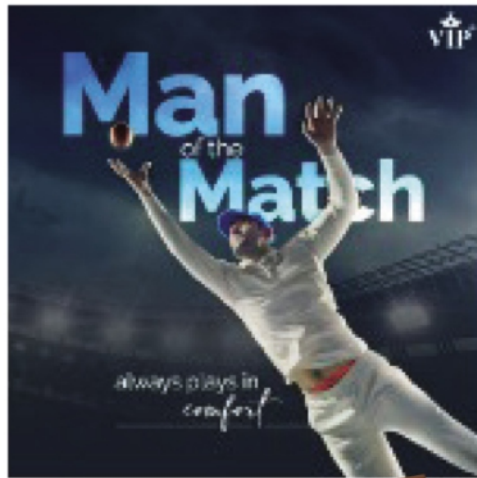
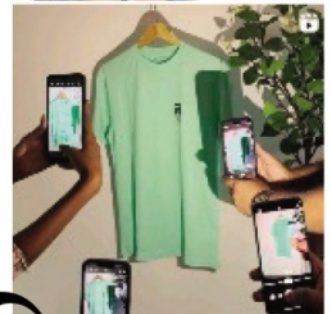
To be in every Indian's
Wardrobe and Go Global.

MISSION

Join hands together to become an
International Symbol of Excellence through
continuous Customer Satisfaction,
Innovations Manpower Development,
Productivity Improvement, Quality
Improvement, Cost Reduction and Time
Management.



Building A

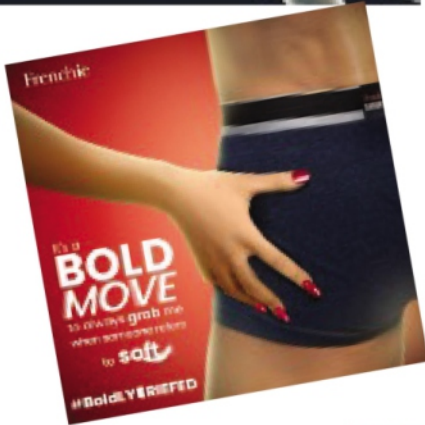


During the years 2019-20 when staying indoors became the norm, VIP Clothing Ltd. took the opportunity to enhance its digital presence through www.vipinners.com. This website has become a central hub for our consumers, offering an effortless and comprehensive shopping experience for all VIP products.

Our targeted social media campaigns and strategic digital outreach have not only boosted engagement but also significantly increased our follower base across various platforms. The result? A thriving online community and a surge in website traffic.

Here's a look at some of our standout social media campaigns and a snapshot of our growing community across different platforms.

Digital Hub



#VIPHOKYA

OUR ♀ BACKBONE WOMEN

Since its inception, VIP Clothing Ltd. has steadfastly upheld values of inclusivity, reflecting them in every facet of our workforce. At our state-of-the-art Tamil Nadu plant, the gender ratio stands at an impressive 17:3 Female to Male Ratio.



A Workforce... Where Women Thrive

At VIP Clothing, we believe in the power of diversity and the potential it unlocks. Our approach to empowering women within our workforce goes beyond mere numbers. It's about creating an environment where women can flourish, supported by robust initiatives tailored to their needs. Our female employees receive comprehensive skill training, ensuring they have the expertise to excel in their roles. We also provide accommodation, nutritious meals, and healthcare benefits, addressing both their professional and personal well-being.

Health Check-Ups, Food, and Living Facilities for Women Employees at VIP Clothing Ltd.

We are deeply committed to the well-being of our employees. Recognizing that a supportive and nurturing environment is essential for their success, we have implemented a range of initiatives that prioritize their health, nutrition, and living conditions at no additional cost.

Comprehensive Health Check-Ups

Ensuring the health of our employees is a top priority. We provide regular, comprehensive health check-ups at our factory, conducted by qualified medical professionals who are available 24x7 at the factory premises. These check-ups cover a wide range of health aspects, including routine examinations, preventive screenings, and personalized medical advice. By offering these services, we aim to promote early detection of potential health issues and ensure that our employees receive the care they need to stay healthy and productive.

Nutritious Food Facilities

Nutrition is key to maintaining good health and high energy levels, especially in a demanding work environment. At VIP Clothing Ltd., we provide our employees with nutritious and well-balanced meals. Our in-house cafeteria offers a variety of healthy options, catering to diverse dietary needs and preferences. The meals are prepared with high-quality ingredients, ensuring that our employees have access to food that supports their overall well-being and sustains them throughout their workday.

A Day in the Life of Geeta Kumari



Understanding the importance of a safe and comfortable living environment, we offer accommodation facilities for our employees. These living arrangements are designed to provide a home-like atmosphere, with amenities that ensure hygiene, comfort and security. Our accommodation facilities include clean and well-maintained living spaces, with access to recreational areas and essential services. By providing these facilities, we aim to create a supportive community where our employees can thrive both professionally and personally.



Comfortable Living Arrangements

Seasoned and skilled factory worker who has been with us for over a decade. Every day, she begins her shift by meticulously assembling innerwear products—briefs, vests, trunks, and socks—garments that will eventually find their way to stores across the country.



Geeta's hands move with practiced efficiency, stitching each piece of fabric with precision. Every item she handles is a reflection of her years of experience. She takes immense pride in her work, knowing that her careful craftsmanship ensures the comfort and durability of the products that customers will rely on.

As the day progresses, Geeta transitions from stitching to inspecting the quality of finished products. Her sharp eye detects even the smallest flaws, ensuring that only the highest-quality pieces make it to the packaging stage. Her dedication to excellence is well recognized, and her supervisors often turn to her to mentor newer workers, passing on the techniques and insights she has honed over the years. Geeta Kumari is not just a skilled worker; she is a source of inspiration and

empowerment for the women around her. With her years of experience and dedication, she takes it upon herself to mentor and uplift her female colleagues, especially those who are new to the industry. Through patient guidance and the sharing of her expertise, Geeta helps these women build confidence in their abilities and encourages them to take pride in their work. She fosters a sense of community, reminding them that they are all vital contributors to the success of the factory. By empowering other women, Geeta creates a ripple effect, fostering a supportive environment where women can thrive, advance in their careers, and realize their full potential. Her life is one of resilience and dedication, a reflection of the countless workers who form the backbone of the manufacturing industry.

Championing Inclusivity Through Action



Our dedication to inclusivity and empowerment is evident not just in our policies but in our actions. "At VIP Clothing, we don't just talk about diversity; we live it," says Mr. Pramod Reddy, Deputy General Manager. "Our efforts to foster an inclusive workplace set a standard within the industry."

We believe that actions speak louder than words, and our initiatives to support our female workforce are a testament to this commitment."

Frenchie X

MAKES A BIG IMPRESSION







BASIC T-SHIRTS

Wardrobe Essentials

RIVOLTA

DRESS CODE DECODED




VIP®

**BRO
AD
SHOULDER
VEST**

FAB



**100% COTTON FABRIC
FOR EXCELLENT COMFORT**



**ROUND NECK STYLING
WITH BROAD SHOULDER**



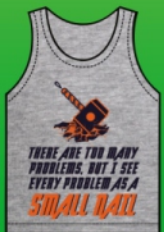
**SLEEVELESS VEST
WITH CONTOURED ARM-OPENING**

The actual colour, print and design on the garment could vary from the image.



Brat

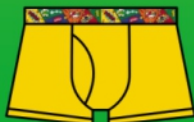
BRIEF | TRUNK | VEST



VEST



BRIEF



TRUNK

The image on the packaging is representative of the style. The actual colour, print and design on the garment could vary from the image.

VERSATILE

VIP[®] ARRAY
VEST

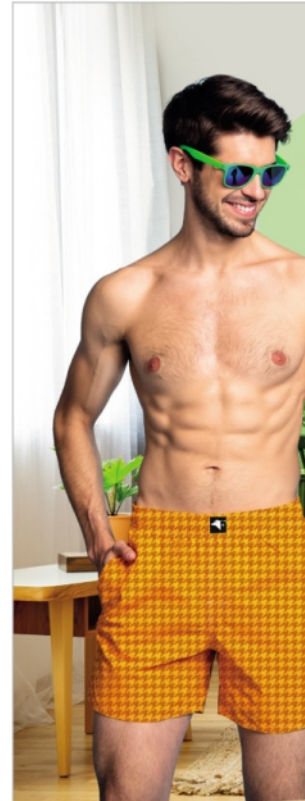
- IDEAL FOR DAILY USE
- CONTOURED ARM-OPENING FOR EASE OF MOVEMENT
- ACTIVE SWEAT ABSORPTION

The actual color, print and design on the garment could vary from the image.

LEADER ALIGN
VEST

- CONTOURED ARM-OPENING FOR EASE OF MOVEMENT
- ACTIVE SWEAT ABSORPTION

The actual color, print and design on the garment could vary from the image.



RIVOLTA
DRESS CODE DECODED

ACTIVE ENERGY JOGGERS

- COTTON RICH
- COMFORT FIT
- ZIPPER POCKET

₹ 849.00
vipinners.com

OWN NAVY SLICE CHARCOAL MELANGE

RIVOLTA
DRESS CODE DECODED

FEEL THE DRIP
100% COTTON SHORTS

- COMFORT FIT
- ZIPPER POCKET

₹ 699.00
vipinners.com

LIGHT NAVY BLACK DARK NAVY

Frenchie
SOCKS

WARDROBE

GREAT FITS SUPER *Styles*

Frenchie

BOKS | RELAXWEAR

The brand name, logo and design of the garment created only for the design.

VIP

Frenchie

DESIGNER

100% COTTON FABRIC

TRENDY PRINTS

BRIEF

Frenchie

U19 BRIEF | TRUNK | VEST FOR TEENAGE BOYS

#ThoughtWeCaught

Frenchie U-19 was launched with the idea to solve the most common size issues faced by the parents of boys aged from 13 to 19 years old. It is India's first teen underwear range that has helped in simplifying the choice of parents when it comes to buying perfect-fitted size underwear for their child.

The design of the brand was built by keeping in mind the trends and forecasts for youth who will hang on to the designs and colors that will make them look more cool, comfortable, and stylish.

PREMIUM COTTON

BREATHABLE

SUPERIOR COMFORT

The brand name, logo and design of the garment created only for the design.

VIP

bella

NEW Range PANTIES

hipster

misty

hipster

feelinq

vipinners.com
Feelings Official
feelingsinnerwear

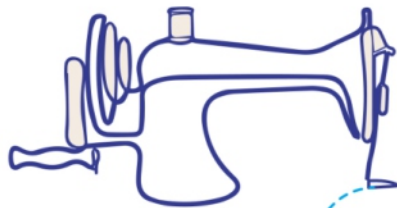
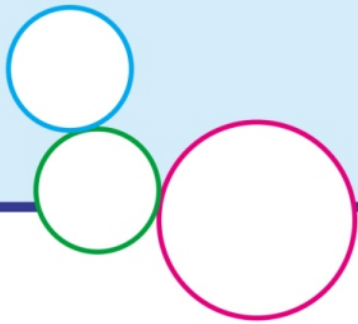
The brand name, logo and design of the garment created only for the design.

VIP

feelinq

EVERYDAY COMFORT

your COMFORT zone FASHION



1981

The Launch of Petals Lycra and moulded cups



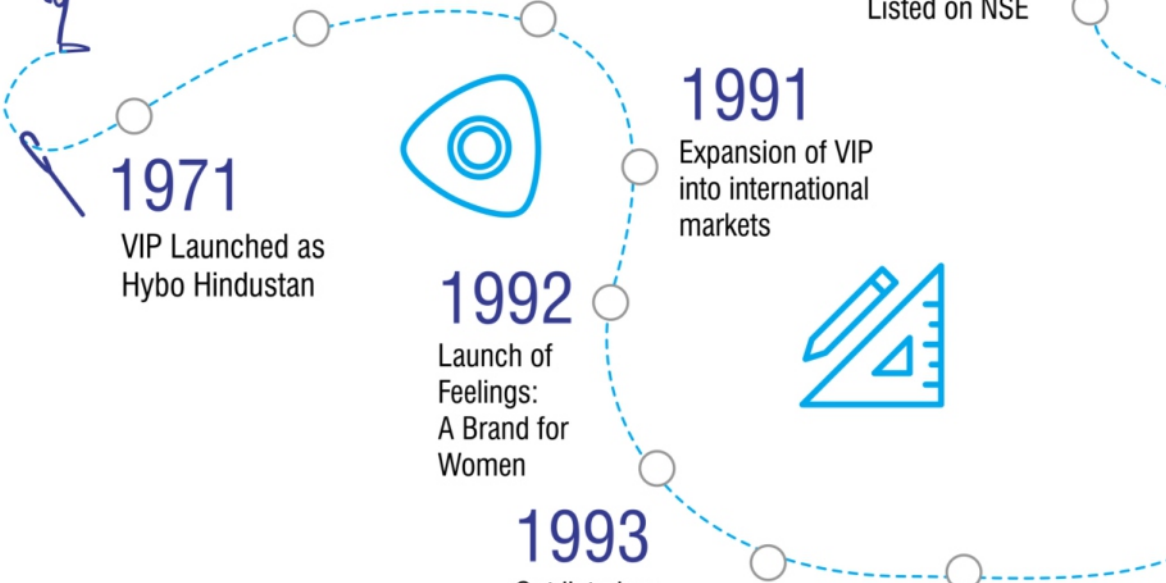
1982

Launch of Frenchie



2007

Setup Operations at Thingalur Factory
Listed on NSE



1971

VIP Launched as Hybo Hindustan



1991

Expansion of VIP into international markets

1992

Launch of Feelings:
A Brand for Women



1993

Got listed on OTC Stock Exchange.
Establishment of our TTC Plant

1994

Renaming to Maxwell Industries Ltd

1996

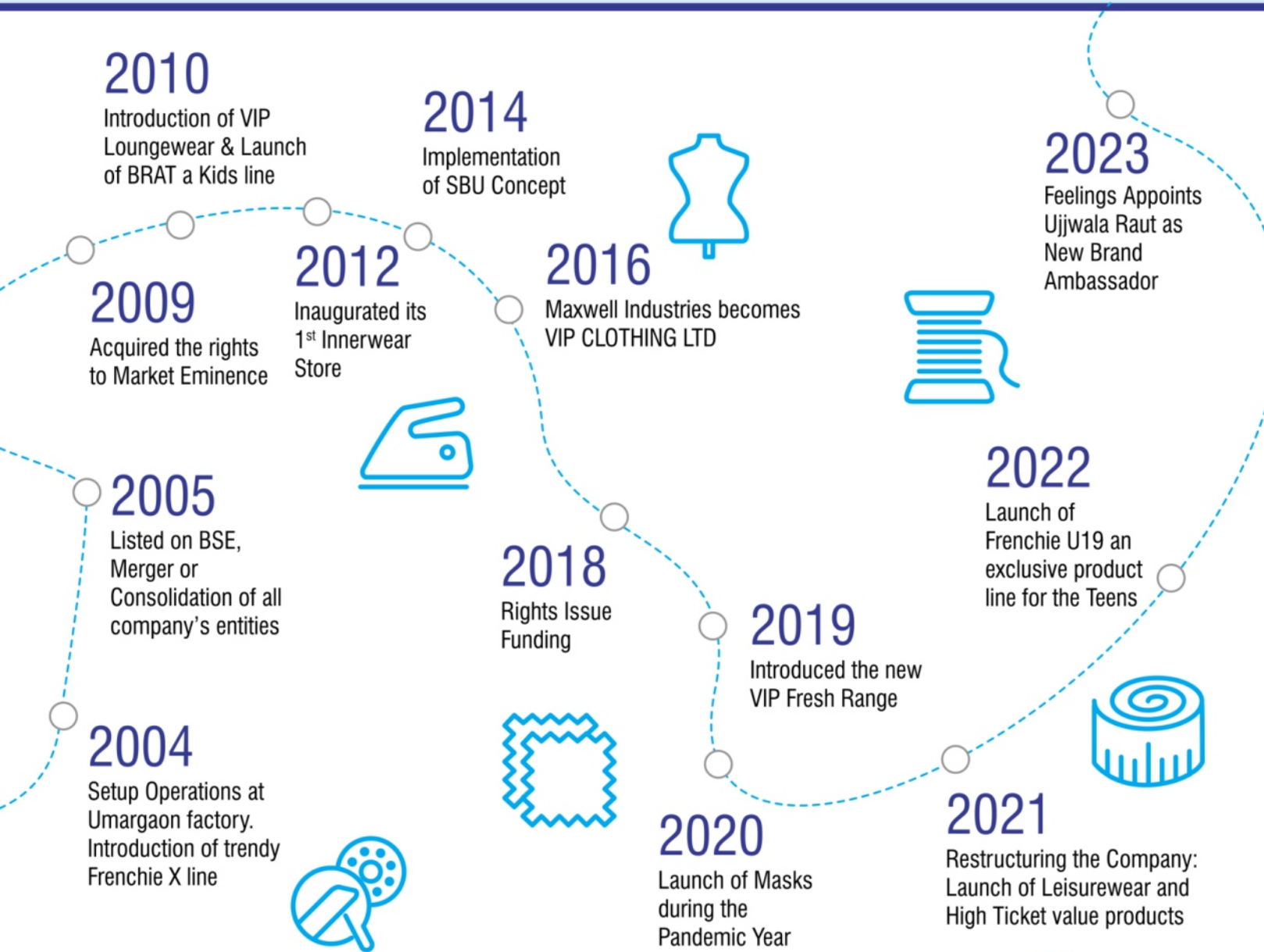
Founded a new Brand Rivilta

A TIMELINE
WORTH TRAVELLING

DID YOU KNOW!



54 YEARS OF INNERWEAR EXPERTISE



THE STIRRING JOURNEY OF 54 YEARS FROM WARDROBES TO HEARTS

TODAY VIP IS AN EMOTION FELT BY THE NATION

OUR LEADERSHIP BOARD OF DIRECTORS

AS ON MARCH 31, 2024



MR. SUNIL J. PATHARE
Chairman & Managing Director

Experienced Managing Director with a demonstrated history of working in the Apparel and Fashion industry.

A business-minded individual with an ambitious mission to form an innerwear empire in India, as well as experienced in marketing, manufacturing operations, revenue growth, financial management and advertising.



MR. KAPIL J. PATHARE
Whole-time Director

Entrepreneur that evaluates table-turning decisions and an author who pens revolutionary words in his books.

Passionate about various aspects of Manufacturing with an emphasis on quality and customer service. His enthusiasm coupled with his international business acumen has resulted in significant impacts in both Manufacturing and Marketing operations.



INDEPENDENT DIRECTORS

UPTO MARCH 31, 2024



MR. ROBIN BANERJEE

Mr. Banerjee is a board member since 2006. He has served in several Indian and multinational organisations including Hindustan Unilever, Arcelor Mittal Germany (erstwhile Ispat Germany GmbH), Thomas Cook, Essar Steel, Suzlon Energy. Have over 40 years of experience in business management, finance, accounts, audit, taxation and others.



MR. GOPAL SEHJPAL

Mr. Sehjpal is on Board since 2002. He is certified as Leadership & Team Coach by Marshall Goldsmith and as Coach and Mentor by International Coach Federation.

He has served in Multinational companies for 32 Years. Currently practicing as Corporate Trainer, Executive Coach Leadership Coach and Mentor for past 25 years.



MR. CHETAN SHETH

Mr. Sheth is on the Board since 2004. He is a successful industrialist.

He possesses knowledge and vast experience of production and processes of Engineering industry.



INDEPENDENT DIRECTORS

AS ON MARCH 31, 2024



MR. VILAS GUPTA

Mr. Vilas Gupte holds an M.Sc. in Organic Chemistry by Research and has completed an Advanced Course in Color Technology from Rensselaer Polytechnic Institute, USA. He has international experience while working for Milton Roy, USA for 9 years. He has been working as a Consultant and Head of the Colour Business at AGS Transact Technologies Ltd, Mumbai. In this role, he handles color products from X-Rite USA color systems for various industries including textiles, paints, plastics, and automobiles. He also oversees paint dispensers from IDEX Corp, serving all major, medium, and small paint companies. Mr. Gupte is responsible for sales and service, managing a team of 350 personnel. His achievements include being awarded the Chartered Colourist (C. Col) by the Society of Dyers & Colourists, UK, in 2006, receiving the Silver Medal from the same society in 2009 for his significant contributions to the advancement of color science in India, and the Service Gold Medal from the Textile Association of India for his services to the Indian textile industry.



MRS. MEHER CASTELINO

Mrs. Castelino is on the Board since 2015. She is Pioneer of fashion journalism in India since 1973 and has written for 150 national and international newspapers and magazines.

She is Author of three books – MANSTYLE in 1987, FASHION KALEIDOSCOPE in 1994 and FASHION MUSINGS in 2020. Also an Multi award winner from several institutes and has been invited by Germany, France, Italy, USA, South Africa, Turkey, Australia, Netherlands and Singapore to judge and review couture shows of international designers and interview them.



INDEPENDENT DIRECTORS

AS ON MARCH 31, 2024



DR. KISHOR NAVANDAR

Dr. Kishor Navandar is a prominent entrepreneur and philanthropist, known for his role as the Founder and Chairman & Managing Director of Blue Billion Group (Best Brand of India 2023 by Economic Times). He holds a Law degree from Symbiosis Law University and was recently awarded a Doctorate in Hospitality by a Harvard-affiliated institution in Melbourne, Australia. His business ventures span hospitality, real estate, media, adventure sports, energy, and beverages. He is also owner of Indian Ethnic Clothing Brand called KavyaKrishna.

Dr. Kishor Navandar is well recognized for his visionary leadership which has earned him several accolades, including the RULA Award for Asia's Best Innovative Entrepreneur 2020/2021 and the prestigious American's Most Outstanding Businessman Award in 2021. He is also Chairman of Hospitality & Tourism of Gujarat's renowned Knowledge Chamber of Commerce. He actively participates in business and corporate events as a TEDx speaker and moderator and has also received the Best Diplomat Award in Malaysia in 2022.



MS. VANDANA BHARDWAJ

She is the Director and Spokesperson of Marie Claire - B2C Network LLP, a prestigious Paris-based franchise of salons in India. She holds a BCom, a Master's in Public Administration, and has been honoured with a PhD in Social Work. Ms. Bhardwaj's accomplishments are numerous and notable. In 2018, she received the "Most Premium Salon of the Year" award. The following year, she was named "Influencer of the Year" by Eco Times. In 2022, she was recognized with the Mumbai Entrepreneur Award. Additionally, she is the founder of the NGO "My Helping Hands," which is dedicated to the welfare of children and animals. The NGO has received several esteemed awards for its work, including the "Maharashtra Ratna Puruskar" in 2023, the "Karamveer Puruskar" in 2014, and the Hindustani Pillar Award in 2023. She has also ventured into the entertainment industry through her production house, Acolade Entertainment, releasing three songs till date.



KEY MANAGERIAL PERSON

AS ON MARCH 31, 2024



MR. DEVENDRA VYAS
Chief Financial Officer

Mr. Vyas has an experience of around 22 years in the field of business management, finance, accounts, costing, taxation, auditing and budgeting.

He has served in various organisation like J. K. Cement Ltd., Prince Pipe & Fittings Ltd. Parksons Graphics and Unimin India Ltd.



MRS. ARCHANA MUNGUNTI
Company Secretary & Compliance Officer

Mrs. Mungunti has an experience of around 12 years in corporate laws, securities laws and corporate governance.

She has worked with Listed entities like Spectra Industries Ltd. and Raymond Ltd.



CORPORATE INFORMATION

REGISTERED OFFICE

VIP CLOTHING LIMITED

C-6, Road No.22, MIDC, Andheri (East), Mumbai - 400 093.

Phone : 022 - 40209000

E-mail : investor.relations@viporg.com

Website : <http://www.vipclothing.in>

CIN : L18101MH1991PLC059804

REGISTRAR & TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.

C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083.

Phone : 022 - 49186000

Fax : 022 - 49186060

Email : rnt.helpdesk@linkintime.co.in

BANKERS

STATE BANK OF INDIA

IDBI BANK LIMITED

HDFC BANK LIMITED

AUDITORS

Statutory Auditor:

M/S. M S K A & ASSOCIATES

Chartered Accountants

Internal Auditor:

Mr. Bhavin Nagda

Chartered Accountant

Secretarial Auditor:

M/S. RS & MP ASSOCIATES

Company Secretaries

PLANT LOCATIONS

STITCHING UNIT :

SF- 125/126/127, Gobi Main Road, Appachimarmadam,
Thingalur Village, Erode - 638 055.

WIND MILL:

Chinnakkully Village, Pappampatty Panchayat,
Coimbatore, Tamil Nadu - 641 016.

WAREHOUSE LOCATIONS

Thingalur : SF- 125/126/127, Gobi Main Road, Appachimarmadam,
Thingalur Village, Erode - 638 055.

Kolkata : C/o. Agarpara Jute Mills Ltd.,
28, B.T. Road, Agarpara, Kolkata - 700 058.

Kon Gaon : VIP Compound, Kalyan Bhiwandi Road,
Kon Gaon, Taluka Bhiwandi, Dist. Thane - 421 301.

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INVESTOR INFORMATION

Market capitalization as at March 31, 2024

BSE ₹ 29,190 (In Lakhs)

NSE ₹ 29,239 (In Lakhs)

CIN L18101MH1991PLC059804

BSE Scrip Code 532613

NSE Symbol VIPCLOTHNG

AGM Date September 27, 2024 at 11.30 a.m. (IST)
Through Video Conferencing



MESSAGE FROM THE
CHAIRMAN &
MANAGING DIRECTOR

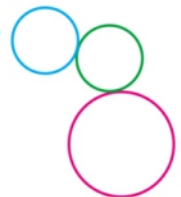
Mr. Sunil J. Pathare



VIP Clothing Ltd.

Always been a pride
itself on being a brand
that understands the
pulse of the market and
the evolving needs of
our customers.

This year, amidst global
uncertainties and
economic pressures
we have not only
weathered the storm
but have also laid the
groundwork for a more
robust future.





Dear Shareholders,

As we present the Annual Report for the financial year 2023-24, I am filled with a deep sense of gratitude and optimism. The year gone by has been one of significant challenges, but also a remarkable resilience and transformation. Thanks to the unwavering commitment of our entire team and the trust placed in us by our valued stakeholders.

Our performance this year has been a testament to our commitment to excellence, innovation, and sustainability. We have strategically focused on expanding our product portfolio, optimizing our supply chain, and leveraging digital channels to enhance customer engagement. These initiatives have not only helped us navigate immediate challenges but have also positioned us to capture future growth opportunities.

One of the key highlights of this year has been our efforts to strengthen our relationship with our valued stakeholders. We have invested in building stronger ties with our all trade partners specially wholesalers and distributors, ensuring that they remain integral partners in our growth journey.

Our commitment to operational efficiency and cost management has helped us mitigate the impact of inflationary pressures, ensuring stable margins and profitability. **Our vendors, who are the backbone of our business, have worked closely with us to ensure seamless operations, even amidst global supply chain disruptions.** Their collaboration and adaptability have been crucial in helping us maintain the quality and reliability that our brand is known for.

A significant milestone this year has been the successful operation of our factory in Thingallur, Tamil Nadu, which has become a shining example

of women's empowerment in the region. We have consciously invested in creating a work environment that not only supports but also empowers women, providing them with opportunities for growth and development. The success of this initiative is reflected not just in our operational performance but also in the positive impact it has had on the lives of many women and their families. **The factory which is spread across in 19.2 acres of land had dormitory facilities with 300 plus girls staying who comes from different parts of country.**

The Political Tensions in Gulf market has posed Challenges in VIP Clothing business in the region as exports business was substantially down over last year. To counter this VIP Clothing Ltd. Is actively pursuing the expansion into new markets. By diversifying our geographical presence, we aim to reduce our dependency on any single region in exports and tap into emerging opportunities in African Region. This strategic foray into new markets will not only help mitigate the risks associated with geopolitical instability but also enable us to unlock new revenue streams, enhance our brand's global footprint, and drive sustainable growth in the long term. Our focus will be on identifying regions with a growing demand for high-quality apparel, ensuring that we continue to deliver value to our stakeholders despite external challenges.

The dedication and hard work of our employees across all levels of the organization have been instrumental in our achievements. Their commitment to our shared goals has enabled us to navigate challenges and achieve our strategic objectives. We have fostered a culture of innovation and excellence, and this is reflected in the resilience and adaptability our teams have shown.

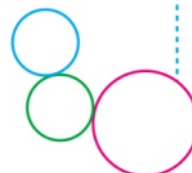
Recognizing the need to be future-ready, we undertook a strategic fund-raising initiative this year. This move was not just about securing capital, but about strengthening our foundation for sustainable growth. The funds raised will enable us to invest in new technologies, expand our manufacturing capabilities, Marketing support & drive innovation in our product lines. This is a crucial step in ensuring that VIP Clothing Ltd. is well-positioned to seize future opportunities and continue delivering value to our shareholders.

As we move forward, we are acutely aware of the need to adapt to changing market dynamics. The integration of new technologies, sustainable practices, and a customer-centric approach will be at the core of our strategy.

We are confident that these efforts will not only drive growth but will also enhance our brand equity and shareholder value.

We stand by our commitment and confident to deliver the desired results as the required fuel has been injected in our business. Thank you for your continued partnership and confidence in VIP Clothing Ltd.

I would like to extend my deepest gratitude to our employees, our board of directors, our vendors, Trade partners, all Shareholders and most importantly, you—our shareowners. Your unwavering support and trust are the driving forces behind our success. Together, we will continue to build on this foundation and achieve even greater heights in the years to come.



NOTICE

NOTICE is hereby given that the 34th Annual General Meeting (the “AGM” or the “Meeting”) of the Members of VIP Clothing Limited (the “Company”) will be held on **Friday, September 27, 2024 at 11:30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the Company comprising of Balance Sheet as at 31st March 2024, Statement of Profit and Loss for the financial year ended 31st March 2024 together with the Management Report, Directors’ Report and Auditors’ Report thereon.**

To consider and if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements of the Company comprising of the Balance Sheet as at 31st March 2024, Statement of Profit and Loss for the financial year ended 31st March 2024 and notes thereon, Management Report, Report of the Board of Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

- 2. To appoint a Director in place of Mr. Kapil J. Pathare (DIN: 01089517), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.**

To consider and if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Kapil J. Pathare (DIN: 01089517), who retires by rotation at this Annual General Meeting, and being eligible offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Registered Office:

C-6, Road No.22, M.I.D.C.,
Andheri (East), Mumbai – 400 093
CIN: L18101MH1991PLC059804

Place: **Mumbai**

Date: **August 14, 2024**

Email: investor.relations@viporg.com

Website: www.vipclothing.in

By order of the Board of Directors
For **VIP Clothing Limited**

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)



NOTES:

I. GENERAL INFORMATION

1. Pursuant to the General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and Master Circular number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with Circular number SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold Annual General Meeting through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The Board of the Company has decided to adopt the above guidelines issued by MCA in conducting Annual General Meeting of the Company.
2. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. In accordance with, General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and Master Circular number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with Circular number SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”) dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
4. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 20, 2024** to **Friday, September 27, 2024**. (both days inclusive)
6. Link Intime India Private Limited (“LI IPL”) will be providing facility for voting through remote e-Voting, participation in the AGM through VC/OAVM facility and e-Voting during the AGM.
7. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (“Rules”), the Company is mandatorily required to transfer all such shares in respect of which dividend(s) has not been en-cashed or claimed by the shareholder(s) for last 7 (Seven) consecutive years or more to the Demat Account of IEPF Authority set up by the Central Government. Unclaimed dividend amount and shares which are transferred to IEPF authority earlier can be claimed by the Shareholder by making an application to the IEPF Authority in Form No. IEPF - 5 available on www.iepf.gov.in.

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8. SEBI has mandated the submission of Permanent Account Number (PAN) by every securities market participant. Members holding shares in electronic form are therefore requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to Registrar and Share Transfer Agent, Link Intime India Private Limited or Company.
 9. Members holding shares in electronic form are requested to intimate immediately about any change in their Residential address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate any change of address or bank mandate immediately to the Company at its Registered Office or to our Registrar and Share Transfer Agent, Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083.
 10. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc., from the Company with their Depository Participants or with our Registrar and Share Transfer Agent, Link Intime India Private Limited.
 11. Members desirous of obtaining any information concerning accounts of the Company are requested to address their queries to the Company at least Seven days prior the date of the meeting, through email on investor.relations@viporg.com The same will be replied accordingly.
 12. Members may be aware, that the Equity Shares of the Company have been sub-divided from one equity shares of ₹ 10/- each to 5 equity shares of ₹ 2/- each, in terms of Resolution passed by the Members of the Company at the Extra Ordinary General Meeting of the Company held on February 1, 2006. The Members who are still holding their share certificate of ₹ 10/- each of the Company required to exchange the same with new equity shares of ₹ 2/- each by sending the same to the Company's Registrar & Transfer Agent, Link Intime India Private Limited, since the old Share Certificate of ₹ 10/- each are no longer tradable.
 13. In case of joint holders attending the AGM, the Member whose name appears as the first shareholder in the order of names as per the Register of Members of the Company will be entitled to vote.
 14. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the Annual General Meeting has been uploaded on the website of the Company at www.vipclothing.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and the Annual General Meeting Notice is also available on the website of Link Intime India Private Limited (agency for providing the remote e-voting facility) namely <https://instavote.linkintime.com>
 15. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
 16. A brief profile of the Director retiring by rotation and proposed to be re-appointed at this AGM, nature of his expertise in specific functional areas, names of companies in which he holds directorship and Membership/Chairmanship of Board Committee(s), shareholding and relationship between Directors and Key Managerial Personnel as stipulated under Regulation 36 of SEBI Listing Regulations are provided in Annexure to this Notice.



17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any changes in address or any intimation regarding demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. Section 72 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed forms which are available on the website of the Company "www.vipclothing.in" shareholders requested to avail this facility.

II. INSTRUCTIONS FOR ATTENDING THE AGM AND ELECTRONIC VOTING

A. GENERAL INFORMATION

1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), 2015 ("Listing Regulations"), the Company is pleased to provide members, the facility to exercise their vote at the 34th AGM by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system ("remote e-Voting") will be provided by our RTA i.e., Link Intime India Private Limited.
2. Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the a certified copy of the Board Resolution authorising their representative to attend the AGM through VC/OAVM on their behalf and vote through remote e-Voting at the Meeting.
3. The Company has appointed Mr. Rakesh Sanghani, Designated Partner (FCS No. 7647 and PCS No. 6302) or on failing of him Mr. Marmik Patel Designated Partner (FCS No. 10238 and PCS No.13205), of M/s. RS & MP Associates (Unique Code No. P2017MH061400) Practising Company Secretary, to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner.
4. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The e-Voting results along with the report of the Scrutinizer shall be declared to the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ('BSE'), where the shares of the Company are listed within two working days of the conclusion of AGM. The result along with the scrutinizer's report, shall also be placed on the website of the Company www.vipclothing.in and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>.
6. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
7. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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8. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

B. INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

1. The remote e-Voting period commence on **Tuesday, September 24, 2024 at 10:00 a.m.** and ends on **Thursday, September 26, 2024 at 5:00 p.m.** During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the (Cut-off date) **Friday, September 20, 2024** may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on resolution is casted by the Member, he shall not be allowed to change it subsequently.
2. The details of the process and manner for voting electronically are mentioned below:

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “Login”.
- b) Enter user id and password. Post successful authentication, click on “Access to e-voting”.
- c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.



METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -
 - A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

**Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

**Shareholders holding shares in NSDL form, shall provide ‘D’ above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).



3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b. 'Investor's Name' - Enter full name of the entity.
 - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
 - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote voting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.



Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’
- o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

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- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.
 - ▶ Select the “Company” and ‘Event Date’ and register with your following details: -
 - A. DematAccount No. or Folio No: Enter your 16 digit DematAccount No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
 - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:



1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Registered Office:

C-6, Road No.22, M.I.D.C.,
Andheri (East), Mumbai – 400 093
CIN: L18101MH1991PLC059804

Place: **Mumbai**
Date: **August 14, 2024**

Email: investor.relations@viporg.com
Website: www.vipclothing.in

By order of the Board of Directors
For **VIP Clothing Limited**

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)

PROFILE OF DIRECTORS BEING RE-APPOINTED

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulation 2015) and Secretarial Standard-2.

Name of the Director	Mr. Kapil Pathare
Date of Birth/Age	05 th September, 1979, 44 Years
Qualification	B.Com, MBA
Brief resume including nature of expertise	<p>Mr. Kapil Jaykumar Pathare is the Promoter and the Whole Time Director of the Company. He holds a Bachelor's degree in Commerce from University of Mumbai obtained in June, 1999 and a Masters in Business Administration (Entrepreneurship and Family Business) degree from Narsee Monjee Institute of Management Studies obtained in August, 2002.</p> <p>He looks after the overall production activities of the Company. Mr. Kapil Jaykumar Pathare is having vast knowledge on manufacturing process, production and quality control in the hosiery industry.</p>
Recognition or awards	<ul style="list-style-type: none"> • Bharat Nirman Award for Young Entrepreneur, New Delhi. • Business Award Summit, JW Marriott, Baku, Azerbaijan. • Leaders Award – Brand of the year 2021. • National Business Excellence & Achiever's Award 2021 awarded by Governor Shri Bhagat Singh Koshyari.
Relationship with other Directors	Younger brother of Mr. Sunil Pathare, Chairman and Managing Director.
Directorship held in other listed companies	NIL
Membership/ Chairmanship of Committees of other listed companies	NIL
No of shares held in the Company as on March 31, 2024	1,48,15,548 Equity shares



DIRECTORS' REPORT

To,
THE MEMBERS
VIP CLOTHING LIMITED

The Directors of your Company are pleased to present, the 34th Annual Report, on the working and the progress of the Company, along with audited financial statement of the Company for the financial year ended on March 31, 2024 and report of the Auditors thereon.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Current Year Ended March 31, 2024	Previous Year Ended March 31, 2023
Revenue from operations	18,327.55	20,063.97
Other income	43.12	174.25
Total income	18,370.67	20,238.22
Less: Total expenditure before finance cost, depreciation & income tax	18,802.90	18,802.68
Profit / (loss) before finance cost, depreciation, exceptional items and taxes	(432.23)	1,435.54
Less: Finance costs	908.83	911.84
Profit / (loss) before depreciation, exceptional items and taxes	(1,341.06)	523.70
Less: Depreciation	271.78	306.22
Profit / (loss) before exceptional items & tax	(1,612.84)	217.48
Add / (less): Exceptional items	--	613.24
Profit / (loss) before taxes	(1,612.84)	830.72
Less: Income tax expense:		
Current tax	--	119.62
Deferred tax charge / (benefit)	(347.72)	47.42
Profit / (loss) for the period before other comprehensive income	(1,265.12)	663.68
Add/(less): Other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(19.75)	(33.66)
Fair value of cash flow hedges through other comprehensive income (net of tax)	--	18.45
Total other comprehensive income for the year	(19.75)	(15.21)
Total comprehensive income for the year	(1,284.87)	648.47

OPERATIONS

Revenue from operations for the financial year 2023-24 stood to ₹ 183.28 crore as ₹ 200.64 crore in the previous financial year 2022-23. There was a decrease in the revenue by 9% as compared to the previous year.

The Earnings before interest, tax, depreciation and amortisation (EBITDA) during the current year stood around negative 3% as against the 7% in the previous year.

The net loss for the financial year 2023-24, stood around ₹ 12.65 crore as against the net profit of ₹ 6.64 crore in the previous financial year 2022-23.

DIVIDEND

The Board has not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2024.

TRANSFER TO RESERVE

No amount has been transferred to General Reserve for current and previous financial year.

SHARE CAPITAL

During the year, there was no change in paid-up capital of the Company.

The Board of Directors at its meeting held on 9th December 2022 has approved preferential issue of upto 1,01,50,000 warrants each convertible into, or exchangeable for, one equity share within the period of 18 months at a price of Rs. 44.50/- each ("Warrants") aggregating upto Rs. 45,16,75,000/- to specified Promoter(s) / Promoter Group and Non-Promoter Persons / Entities (Public) in accordance with the provisions of Section 42 and Section 62(1)(c) of the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Listing Regulations and such other acts / rules / regulations as may be applicable and subject to necessary approval of the members of the Company and other regulatory authorities, as may be applicable. The details are as under:

Issue size	Preferential Issue of upto 1,01,50,000 warrants at an Issue price of Rs. 44.50/- each aggregating to Rs. 45,16,75,000/-.
Conversion	Each warrant convertible into one fully paid up equity share of Rs. 2/- each.
Payment terms	25% (Rs. 11.13 per warrant) to be called upfront; and balance 75% (Rs. 33.37 per warrant) on exercising the conversion option within 18 months from the date of allotment.

The members of the Company have given their consent by passing of special resolution through postal ballot on 10th January 2023 approving the aforesaid preferential issue.

THE MEMBERS ARE HEREBY INFORMED THAT, PURSUANT TO THE AFORESAID ALLOTMENT OF WARRANTS AND CONSEQUENT CONVERSION OF WARRANTS INTO THE EQUITY SHARES, THE STATUS OF EACH OF THE INVESTOR WHO HAD SUBSCRIBED TO THE AFORESAID ALLOTMENT, SHALL BE SAME



AS BEFORE AND AFTER THE ISSUE / CONVERSION. THE PROMOTER & PROMOTER GROUP INVESTORS ARE CONTINUE TO BE PROMOTER & PROMOTER GROUP POST ALLOTMENT AS WELL AS CONVERSION OF WARRANTS INTO EQUITY SHARES AND REMAINING PUBLIC INVESTORS SHALL BE CONTINUE AS PUBLIC SHAREHOLDERS AND THERE WILL BE NO CHANGE IN CONTROL, WHICH WAS ALREADY DISCLOSED IN THE POSTAL BALLOT NOTICE ISSUED TO THE MEMBERS OF THE COMPANY.

SUBSIDIARY

As on March 31, 2024, the Company does not have any subsidiary, Joint Ventures and Associate Companies.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Pursuant to Section 161 of the Companies Act, 2013 the Board of Directors of the Company had appointed Mr. Kishor Navandar DIN: (00164401), Ms. Vandana Kumari Bhardwaj DIN: (06839882) and Mr. Vilas Chandrakant Gupte DIN: (10509707) as an Independent Director of the Company with effect from February 13, 2024 February 14, 2024 and February 15, 2024 respectively for a period of Five years. Their appointments were approved by the members through Postal Ballot.

On March 31, 2024 Mr. Robin Banerjee, Mr. Gopal Sehjpal and Mr. Chetan Sheth Non-Executive Independent Directors of the Company retired from the Board upon completion of their second term.

As on March 31, 2024 after retirement of three Independent Directors, the Board consisted of 6 (Six) Directors out of which 4 (Four) are Independent Directors and 2 (Two) are Executive Directors.

All the Independent Directors have given declarations that they meet the criteria of Independence mentioned under Regulation 16(b) of Chapter IV of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

Retirement by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kapil J. Pathare (DIN: 01089517), Director of the Company, liable to retire by rotation at the ensuing Annual General meeting and being eligible have offered himself for re-appointment.

There were no changes apart from above in Directors or Key Managerial Person.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Company has the following Key Managerial Personnel:

Sr. No.	Name of Director(s)	Designation
1.	Mr. Sunil J. Pathare	Chairman & Managing Director
2.	Mr. Kapil J. Pathare	Whole-time Director
3.	Mr. Devendra Vyas	Chief Financial Officer
4.	Mrs. Archana Mungunti	Company Secretary & Compliance officer

COMMITTEES OF THE BOARD

Pursuant to the Provisions the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Company has constituted the following committees:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report forming part of this Annual Report FY 2023-24.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017, the Board carried out an annual evaluation of performance of its own and its Committees and the Directors individually. At the meeting of Independent Directors held on February 13, 2024 and as per the criteria specified by SEBI all the relevant factors for evaluating the performance of the Committees and of the Board was discussed.

NUMBER OF MEETING OF THE BOARD

The Board of Directors met 4 (Four) times during the financial year 2023-24. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company during the year under review were in the ordinary course of business, on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no material related party transactions during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any Loans, Guarantees and also not made any Investments under Section 186 of the Companies Act, 2013.

PUBLIC DEPOSITS

Your Company has neither invited nor accepted/renewed any "Deposit" from public within the meaning of the term "Deposits" under the Companies (Acceptance of Deposits) Rules 2014, as amended from time to time.

UNSECURED BORROWING

The Company has repaid all loans taken from Directors of the Company in FY 2022-23. During the FY 2023-24 no outstanding loan from the Directors of the Company.

FIXED DEPOSIT

During the year, the Company has not accepted any fixed deposits under the Companies Act, 2013.

ANNUAL RETURN

Pursuant to sub section (3) of Section 92 of the Companies Act 2013, read with relevant Rules, the Company is required to place its Annual Return on its website and provide a link of the same in the Boards' Report.

Annual Return in the prescribed Format proposed to be submitted to the Registrar of Companies for the current financial year is available in the Company's website at www.vipclothing.in

CORPORATE SOCIAL RESPONSIBILITY

The details about the initiatives taken by the Company on Corporate Social Responsibility (CSR) activities during the year are as per the annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure – A** to this Report. The policy is available on the website of the Company www.vipclothing.in

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has formed a Risk Management Committee in accordance with the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditors' and cover all offices, factories and key business areas, significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management systems.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to achieve the same, the Company has formulated a Whistle Blowers Policy to provide a secure environment and to encourage all employees and Directors of the Company, Members, customers, vendors and/ or third party intermediaries to report unethical, unlawful or improper practices, acts or activities in the Company if any and to prohibit managerial personnel from taking any adverse action against those employees who report such practices in good faith. The Whistle Blower Policy is available on the website of the Company at www.vipclothing.in.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The policy is available on the website of the Company www.vipclothing.in

CORPORATE GOVERNANCE

As per Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practice followed by the Company, together with the certificate from Company's Auditors Confirming the compliance on Corporate Governance forms an integral part of this report.

FAMILIARISATION PROGRAMMES FOR DIRECTORS

Pursuant to Section 149 read with Schedule IV, Part III of the Companies Act, 2013 and Regulation 25 of the SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarizes its Independent Directors on their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company and its products as a regular practice.

The details related to Directors attending the Familiarisation programmes are available on the website of the Company www.vipclothing.in.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, the Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013 that:

- (a) in the preparation of the annual accounts of the Company for the financial year ended on March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the loss of the Company for the year ended on March 31, 2024;



-
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (d) the Directors have prepared the annual accounts on a going concern basis;
 - (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
 - (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

STATUTORY AUDITORS

M/s. MSKA & Associates, Chartered Accountants, Mumbai, [Firm Registration No. 105047W], the Statutory Auditors of the Company, were appointed by the Shareholders at their meeting held on September 24, 2021 for a period of 5 years i.e. up to conclusion of 36th Annual General Meeting.

The Ministry of Corporate Affairs (MCA), had amended the relevant provision of the Act relating the requirement of placing the matter relating to ratification of appointment of Statutory Auditors by members at every Annual General Meeting. Therefore, the ratification of appointment of Auditor is not required, M/s. MSKA & Associates, Chartered Accountants will continue to hold office till conclusion of the 36th AGM and their appointment will not be subject to ratification by the members at every intervening AGM held after 31st AGM.

Accordingly, the Auditors have given the audit report for the year ended on March 31, 2024. The said Auditors' Report does not contain any qualifications, reservations or adverse remarks.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

During the year under review, There have been no instances of any fraud reported by the statutory auditors under section 143(12) of Companies Act 2013 and the Rules made thereunder to the Audit Committee of the Board.

COST RECORD AND COST AUDIT

There has been no notification till date, covering our industry for the purpose of maintenance of Cost Accounting Records and Cost Audit for the financial year 2023-24.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/S. RS & MP Associates (Unique Code No. P2017MH061400) Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended on March 31, 2024 is appended as **Annexure – B** to this Report.

The qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors in its report are self-explanatory and therefore, there are no further explanations to be provided for in this report.

STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 is given in **Annexure – C** to this report.

The information required under Section 197(12) of the Companies Act, 2013 read with Sub Rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended on March 31, 2024 is given in a separate **Annexure - D** to this Report.

None of the Employees of the Company are in receipt of Rupees One Crore and Two Lakhs per annum or Rupees Eight Lakhs and Fifty Thousand per month during the year under review.

None of the employees listed in the said Annexure are a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two per cent of the Equity Shares of the Company.

The Business Responsibility Reporting as required by Regulation 34(2)(f) of Chapter IV of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending on March 31, 2024.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant and material orders were passed by the Regulators/Courts/Tribunals during the year which would impact the going concern status of the Company's future operations.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED DURING THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AS ON THE DATE OF THIS REPORT

No material changes and commitments affecting the financial position of the Company occurred during the financial year to which these financial statements relate as on the date of this report.



CREDIT RATING

The Credit Rating rationale as on February 22, 2024, India Ratings and Research Private Limited has affirmed the following rating with respect to the Credit Bank Facilities availed by the Company as follows:

Instrument Type	Maturity Date	Size Issue (million)	Rating/Outlook	Rating Action
Fund-based working capital limit	-	INR616.3	IND BB/Negative/ IND A4+	Long-term rating: downgraded; Short- term rating affirmed
Non-fund-based capital limit working	-	INR273.5	IND A4+	Affirmed
Working capital term loan	May 2026	INR85.5	IND BB/Negative	Downgraded
Proposed non-fund-based working capital limit	-	INR50	IND A4+	Affirmed

LISTING

Equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and listing fees have been paid accordingly.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has constituted Internal Complaints Committee (ICC).

During the year under review, no complaints pertaining to sexual harassment were received by the Committee.

SAFETY, HEALTH & ENVIRONMENT

Your Company is committed to maintain its efforts in providing a safe working environment to its employees. At the same time, we are keeping our plants operational and thus, trying to contribute towards the restoration of the economic activity and provide earnings to labour and staff.

HUMAN RESOURCE

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization.

Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company takes various HR initiatives to align the HR policy to the growing requirements of Business. Your Company regularly conducts technical and safety training programmes.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Regulations is provided in a separate section and forms an integral part of this Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

The Directors of your Company acknowledge with deep sense of appreciation the encouragement, support and co-operation received by the Company from its Bankers viz. State Bank of India, IDBI Bank Limited, HDFC Bank Limited and BSE Limited, National Stock Exchange of India Limited, Members; Suppliers and Esteemed Customers and Employees of the Company.

CAUTIONARY STATEMENT

Statement made in the Annual Report including those stated under the caption "Management Discussion and Analysis" describing the Company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Registered Office:

C-6, Road No.22, M.I.D.C.,
Andheri (East), Mumbai – 400 093
CIN: L18101MH1991PLC059804

Place: **Mumbai**

Date: **August 14, 2024**

Email: investor.relations@viporg.com

Website: www.vipclothing.in

By order of the Board of Directors
For **VIP Clothing Limited**

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)



ANNEXURE – A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects to be undertaken:

The main objective of CSR policy is to lay down guidelines to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social & environmental consequences of their activities. The CSR Policy is available on the website of the Company at www.vipclothing.in. Due to losses in Previous years the Company had not undertaken any activities under CSR.

2. Composition of CSR Committee:

The Company has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Board has authority to reconstitute this Committee from time to time. The Committee shall consist of minimum three members with at least one Independent Director. Till March 31, 2024 the committee comprised of below members:

Mr. Sunil Pathare	- Chairman of the Committee
Mr. Kapil Pathare	- Member of the Committee
Mr. Gopal Sehjpal	- Member of the Committee
Mr. Chetan Sheth	- Member of the Committee
Mrs. Meher Castelino	- Member of the Committee

The Board of Directors in their meeting held on February 13, 2024 reconstituted the CSR Committee comprising of following members effective from March 31, 2024:

Ms. Vandana Bhardwaj	- Chairperson of the Committee
Mr. Kishor Navandar	- Member of the Committee
Mrs. Meher Castelino	- Member of the Committee
Mr. Sunil J. Pathare	- Member of the Committee

3. **Average net profit of the Company for last three financial years (2021-2023)** : NotApplicable.

4. **Prescribed CSR expenditure (2% of the amount as in item no.3) (2021-2023)** : Nil

5. **Details of CSR amount spent during the financial year (2023-24)** : Nil

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For **VIP Clothing Limited**

For and on behalf of the
Corporate Social Responsibility Committee
VIP Clothing Limited

Sunil J. Pathare
Chairman and Managing Director
(DIN: 00192182)

Sunil J. Pathare
Chairman of the Corporate Social Responsibility Committee

Place: Mumbai
Date: May 24, 2024

ANNEXURE – B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VIP CLOTHING LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VIP CLOTHING LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- 1) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015; *except reporting for u/r 23(9) regarding Related Party Transaction for half year ended 31st March, 2023, wherein there was delay of one day in submission under XBRL format with the Stock Exchanges and the company paid the fine amounting to Rs. 5,900/- [inclusive of 18% GST] to BSE and NSE on 03rd July, 2023,*
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The SEBI (Prohibition of Insider Trading) Regulations, 2015;



-
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not applicable to the Company for the financial year under review**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company for the financial year under review and**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company for the financial year under review**

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company, as informed to us i.e.:

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) Employees State Insurance Act, 1948
- c) The Payment of Gratuity Act, 1972
- d) The Factories Act, 1948
- e) The Minimum Wages Act, 1948
- f) Workmen's Compensation Act, 1923
- g) Industrial Disputes Act, 1947
- h) The Air (Prevention and Control of Pollution) Act, 1981
- i) The Water (Prevention and Control of Pollution) Act, 1974
- j) Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the Secretarial Standard – 1 and Secretarial Standard – 2 as issued by The Institute of Company Secretaries of India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance as per the Companies Act, 2013. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no instances where dissenting members' views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was a postal ballot on 21st March, 2024 for following business i.e.

1. Appointment of Mr. Kishor Navandar as an Independent Director of the Company for a period of 5 years;
2. Appointment of Mr. Vilas Gupte as an Independent Director of the Company for a period of 5 years;
3. Appointment of Ms. Vandana Bhardwaj as an Independent Director of the Company for a period of 5 years;

However, there were no instances of:

- i). Public/Preferential issue of shares / debentures / sweat equity.
- ii). Redemption / Buy-back of securities
- iii). Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- iv). Merger / amalgamation / reconstruction, etc.
- v). Foreign technical collaborations

For **RS & MP Associates, Company Secretaries**
Unique code No.: P2017MH061400
PR: 1773/2022

Date: May 24, 2024
Place: Mumbai

RAKESH SANGHANI, Partner
FCS: 7647 CP: 6302
UDIN: F007647F000438077

This Report is to be read with our letter of even date which is annexed as 'Annexure – I' and forms an integral part of this report.



Annexure – I

**To,
The Members,
VIP CLOTHING LIMITED**

Our report of even date is to be read along with this letter.

1. The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.
2. Our responsibility is to express an opinion on secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, We followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for the same we have relied on the report of Statutory Auditors.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RS & MP Associates, Company Secretaries
Unique code No.: P2017MH061400
PR: 1773/2022

Date: May 24, 2024
Place: Mumbai

RAKESH SANGHANI, Partner
FCS: 7647 **CP:** 6302
UDIN: F007647F000438077

ANNEXURE – C

Disclosure of Particulars with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

The Company continued to emphasize on the conservation and optimal utilisation of energy at all the manufacturing unit of the Company. Maintenance of all plant, machinery and equipment are continuously serviced, updated, overhauled and maintained them in good condition. This has impact on lesser energy consumption.

The Company continued its efforts towards effective utilisation of energy for reduction in power consumption. The Company has the wind mill in Edyaarpalayam (Tamil Nadu) and availing the benefit on energy consumption at its Thingalur (Tamil Nadu) Stitching unit.

Total energy consumption and energy consumption per unit of production in respect of Industries specified in scheme thereto:

	Year ended 31 March, 2024	Year ended 31 March, 2023
Units Consumed (In Lakhs)	6.41	5.92
Units Consumed per kg. of Production	0.81	0.71

B. TECHNOLOGY ABSORPTION

Efforts are made in technology absorption to the extent applicable.

I. Research & Development and Quality Control

1. Specific area in which R & D and Quality Control were carried out to achieve the Company's vision by way of:

1.1 Improving operational efficiency:

- The Company has continued to maintain the state of art machinery at its both stitching units for its fabric laying and automatic fabric cutting. This will have reduction in wastage and optimise the consumption of fabric.
- Continuous monitoring to avoid wastage of fabric and other accessories and optimize the manufacturing operations at the stitching floor on the basis of time and motion study.
- Modification of specification in the field of Raw Material and Packing Material to further improve the quality of our end product.
- Due to Quality Control inspection at all manufacturing unit, resulted in improvised quality of end product.
- Improved the supply chain.



1.2 New product and packing development and way forward:

- Development of new range of product in across all the brands of the Company.
- Improved packing of VIP and Frenchie product.

II. Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards Technology Absorption, Adaptation and Innovation:

Imparting training to personnel in various manufacturing techniques by Indian experts and suppliers of Plant and Machinery.

2. Benefit derived as a result of the above efforts:

- Increase in productivity
- Power saving
- Manpower cost reduction
- Raw material cost reduction
- Production wastage reduction

C. FOREIGN EXCHANGE EARNING AND OUTGOING

The Company has earned ₹ 1056.16 lakhs (Previous year ₹ 1745.18 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹ 145.96 lakhs (Previous year ₹ 57.94 lakhs).

For and on behalf of the Board

Place: Mumbai
Date: May 24, 2024

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)

ANNEXURE – D

Disclosures pursuant to Rule (5)1 of The Companies (Appointment and Remuneration of Managerial Personnel), 2014

Q1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2023-2024

A1: The ratio of the remuneration (fig in Rs. Lakhs) between:-

Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Sunil J. Pathare	29.04
Mr. Kapil J. Pathare	24.79
Mr. Robin Banerjee	0.36
Mr. Chetan Sheth	0.48
Mr. Gopal Sehjpal	0.48
Mrs. Meher Castelino	0.48

(Remuneration includes sitting fees paid to Independent Director)

Q2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

A2: Directors: Sunil Pathare –**5.00%** and Kapil Pathare **5.00%**.

Chief Financial Officer: **12.00 %**

Q3. The percentage increase in the median remuneration of employees in the Financial Year.

A3: FY 2023-24: **8.98%**

Q4. The number of permanent employees on the rolls of Company.

A4: 375 Employees + 672 Workers (they are covered under Payment of Wages Act) – As on March 31, 2024.

Q5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

A5: Average percentage increase:

FY: **April 2023 - March 2024**

M6 & above (Managerial Level) total rise in CTC: **10.57%**

E1 & Below total rise in CTC: **11.64%**



Q6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year.

A6: NA

Q7. Affirmation that the remuneration is as per the Remuneration Policy of the Company

A7: It is affirmed that the remuneration paid is as per the remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board

Place: Mumbai
Date: May 24, 2024

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of sub-section (12) of Section 197 of the Companies Act, 2013, read with sub rule 2 & 3 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to the particulars of employees forming part of this Report is given below:
 Top ten employees in terms of remuneration the Financial Year 2023-24:-

Name	Sunil Pathare	Kapil Pathare	Bhushan Patel	Devendra Vyas	Manmeet Bhasin	Rupal Ambekar	Ashik Shah	T Promod Reddy	Sanjay Laxmichand Gandhi	Milind Shende
Designation	Chairman & Managing Director	Whole-time Director	Vice President - Sales	Chief Financial Officer	National Sales Head – Modern Trade & CSD	Executive Asst. To CMD, Head – Logistics, Debtors' Control.	NSM (VIP, Frenchie Leader& Mum Wholesale)	Dy. General Manager. Operations (Thingalur)	Deputy NSM - Leisurewear Accessories and Premium	Head HR
Remuneration Received during F.Y.2023-24 (in lakhs)	94.78	76.27	72.69	60.84	31.30	25.18	24.92	21.88	21.46	20.72
Name of employment, whether contractual or otherwise	Appointed for period of 3 years, liable to retire by rotation	Appointed for period of 3 years, liable to retire by rotation	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Nature of duties	Overall administration of business	Overall administration of operation	Sales	Finance, Accounts & taxation	Modern Trade, Retail & Ecommerce	Overview of EA to CMD, Head – Logistics, Debtors' Control	Sales	Operations in Thingalur Factory	Sales	Overall HR Roles
Qualification	B.com	B.com, MBA	B.com, MBA	M.com, CA	B.com	B.S.C	B.S.C, MBA	B.com	B.S.C	B.com, DBM
Experience	Nearly three decades of extensive experience in Production, Operations, Sales, Finance.	Nearly three decades of extensive experience in Operations, Quality Assurance & general Business administration.	More than two decades of experience in the field of Sales.	Nearly two decades of experience in the field of Costing, Accounting, MIS & Audit.	More than two decades of experience in the field of Institutional Sales.	One decade of experience in EA.	More than two decades of experience in the field of Sales.	More than two decades of experience in the field of Manufacturing & Operations.	More than two decades of experience in the field of Sales.	More than two decades of experience in the field of HR.
Age (in years)	52	44	51	48	51	40	50	52	53	51
Last Employment	NA	NA	Page Garments Export Pvt Ltd	Kanchan International Ltd	M.S.H. Sarees Pvt Ltd	Danone Narang Beverages pvt ltd	LUX Industries LTD.	NA	Maspar Industries LTD	Shrenuj & co LTD.
Date of Commencement of Employment	01.01.1992	31.10.2002	23.08.2018	14.03.2012	02.05.2017	09.12.2014	05.11.2022	18.08.1994	22.02.2024	04.07.2007
No of Shares	1,67,42,008	1,48,15,548	-	-	-	-	-	-	-	-
% of Paid up Share Capital	20.27	17.94	-	-	-	-	-	-	-	-
Relationship with other Directors	Elder Brother of Kapil Pathare	Younger Brother of Sunil Pathare	-	-	-	-	-	-	-	-



CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance pursuant to Part C of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2024.

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('SEBI Listing Regulations').

We consider it our inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under SEBI Listing Regulations, as applicable, with regard to Corporate Governance. Adherence to the various policies and codes adopted by the Company from time to time in conformity with the regulatory requirements helps your Company fulfill this responsibility. These policies are available on the Company's website at www.vipclothing.in.

2. BOARD OF DIRECTORS

a. Governance Structure:

The Board has been constituted, in compliance with the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014, and Regulation 34(3) of Listing Regulations. The Board is entrusted with an ultimate responsibility of the Management, Directions and Performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

The Board has constituted the following Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework.

b. Change in Board of Directors:

In the Board Meeting of February 13, 2024 below three Directors were appointed as an Additional Director in the capacity of a Non-Executive Independent Director of the Company:

Name of the Director	DIN	With effect date of appointment	Date of Regularisation (Postal Ballot)
Mr. Kishor Navandar	00164401	February 13, 2024	March 21, 2024
Ms. Vandana Kumari Bhardwaj	06839882	February 14, 2024	March 21, 2024
Mr. Vilas Chandrakant Gupte	10509707	February 15, 2024	March 21, 2024

All the above mentioned Directors were approved by the Members through Postal Ballot.

On March 31, 2024 three Independent Directors of the Company i.e., Mr. Robin Banerjee, Mr. Gopal Sehgal and Mr. Chetan Sheth retired after completion of their second term of 5 years.

c. Composition of Board:

- The Board of the Company has an optimum combination of Professional Independent Directors as well as Executive and Non-Executive Directors to maintain the independence of the Board. The Independent Directors on the Board are as statutorily required, having professional and business acumen of all fields at the Board level. The present Chairman of the Board is an Executive-Promoter/Managing Director. The Directors of the Company are appointed by members at General Meetings and two-third Directors, other than Independent Directors are liable to retire by rotation pursuant to the provisions of the Companies Act, 2013. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.
- Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive Independent Directors are Independent in terms of the SEBI Listing Regulations.
- As on 31st March 2024, the strength of the Board of Directors comprises of 6 (Six) Directors, out of which 2 (Two) are Promoter/Executive Directors and 4 (Four) are Non-Executive/Independent Directors including a Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations.

The Non-executive Directors are eminent professionals, having considerable professional experience in their respective fields.

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

Composition Analysis

SN	Name of Director(s)	Designation	DIN
1	Mr. Sunil Jaykumar Pathare	Chairman & Managing Director (Executive Director)	00192182
2	Mr. Kapil Jaykumar Pathare	Whole time Director (Executive Director)	01089517
3	Mrs. Meher Bruno Castelino	Independent Director (Non-Executive Director)	07121874
4	Mr. Kishor Navandar**	Independent Director (Non-Executive Director)	00164401
5	Ms. Vandana Kumari Bhardwaj**	Independent Director (Non-Executive Director)	06839882
6	Mr. Vilas Chandrakant Gupte**	Independent Director (Non-Executive Director)	10509707
7	Mr. Robin Banerje*	Independent Director (Non-Executive Director)	00008893
8	Mr. Gopal Krishan Sehjpal*	Independent Director (Non-Executive Director)	00175975
9	Mr. Chetan Dolatrai Sheth*	Independent Director (Non-Executive Director)	00202723



Note: * Mr. Robin Banerjee, Mr. Gopal Krishan Sehjpal and Mr. Chetan Dolatrai Sheth retired on March 31, 2024 due to completion of their 2nd term as an Independent Director.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed as an additional Director w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively and Regularised as Directors through Postal Ballot on March 21, 2024.

d. Board Meetings:

During the financial year 2023-24, the Board met Four (4) times. The intervening gap between the Meetings was well within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulation. The meetings of Board of Directors were held during the financial are 26.05.2023, 10.08.2023, 09.11.2023 and 13.02.2024. Requisite quorum was present for all the meetings.

Name of the Director	Number of Meetings held during the year	Number of Meetings attended
Mr. Sunil J. Pathare	4	4
Mr. Kapil J. Pathare	4	4
Mr. Gopal Sehjpal*	4	4
Mr. Chetan Sheth*	4	4
Mr. Robin Banerjee*	4	3
Mrs. Meher Castelino	4	4
Mr. Kishor Navandar**	4	N.A.
Ms. Vandana Kumari Bhardwaj**	4	N.A.
Mr. Vilas Chandrakant Gupte**	4	N.A.

Note: *Mr. Robin Banerjee, Mr. Gopal Krishan Sehjpal and Mr. Chetan Dolatrai Sheth retired on March 31, 2024 due to completion of their 2nd term as an Independent Director.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed as an additional Director w.e.f.. February 13, 2024, February 14, 2024 and February 15, 2024 respectively and Regularised as Directors through Postal Ballot on March 21, 2024.

e. The details of composition of the Board, number of other Directorship, Chairmanship / Membership of Committee of each Director in other Companies, attendance of directors at the board meeting and Previous Annual General Meeting are as follows;

Name of Directors and DIN	Category of Director	Directorship in other Indian Listed Companies (excluding VIP)	No. of Board Committees (excluding VIP)		No. of Board Meetings attended during FY 2023-24	Attendance in AGM held on 14.09.2023	Directorship in other listed entities (Category of Directorship)
			As Member	As Chairman			
Mr. Sunil J. Pathare DIN: 00192182	Promoter/ Executive Director/ Chairman & Managing Director	-	-	-	4	Yes	-
Mr. Kapil J. Pathare DIN : 01089517	Promoter/ Executive Director/ Whole-time Director	-	-	-	4	Yes	-
Mr. Gopal Sehjpal* DIN : 00175975	Independent Director	-	-	-	4	Yes	-
Mr. Chetan Sheth* DIN: 00202723	Independent Director	-	-	-	4	Yes	-
Mr. Robin Banerjee* DIN : 00008893	Independent Director	2	2	1	3	Yes	-
Mrs. Meher Castelino DIN : 07121874	Independent Director	-	-	-	4	No	-
Mr. Kishor Navandar** DIN: 00164401	Independent Director	-	-	-	NA	NA	-
Ms. Vandana Kumari Bhardwaj** DIN: 06839882	Independent Director	-	-	-	NA	NA	-
Mr. Vilas Chandrakant Gupte** DIN: 10509707	Independent Director	-	-	-	NA	NA	-

Note: *Mr. Robin Banerjee, Mr. Gopal Krishan Sehjpal and Mr. Chetan Dolatrai Sheth retired on March 31, 2024 due to completion of their 2nd term as an Independent Director.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed as an additional Director w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively and Regularised as Directors through Postal Ballot on March 21, 2024.

The detailed profile of the Directors of the Company is available on the Company's website at www.vipclothing.in



f. Disclosure of relationships between Directors inter-se:

Mr. Sunil J. Pathare is an elder brother of Mr. Kapil J. Pathare. Except for this there is no inter-se relationship among the Directors.

g. Number of shares and convertible instruments held by Non-Executive Directors:

None of the Non-Executive/Independent Directors hold any shares in the Company.

h. Familiarisation programmes for Directors:

All Directors inducted on the Board are introduced to our Company culture through appropriate orientation sessions. Presentations are made by Executive Directors and Senior Management to provide an overview of our operations, and to familiarize the new Non-Executive Directors with our operations.

They are also introduced to our organization structure, our services, group structure, constitution, Board procedures, matters reserved for the Boards and our major risks and management strategy. They seek to enable the Independent Directors to understand the business and strategy and leverage their expertise and experience to the maximum benefit of the Company. Details of programs conducted by the Company for the financial year 2023-24 are available on the website of the Company at www.vipclothing.in

i. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Technical	Skills and specialist knowledge to assist the ongoing aspects of the Board's role.
Industry	Experience and knowledge of the industry in which the organization operates in.

Core Skills / Expertise / Competencies of the Board:

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

Name of Directors	Leadership / Operational experience	Strategic Planning	Sector/ Industry Knowledge & Experience, Research & Development and Innovation	Technology	Financial, Regulatory / Legal & Risk Management	Corporate Governance
Mr. Sunil J Pathare	√	√	√	√	√	√
Mr. Kapil J Pathare	√	√	√	√	√	√
Mr. Gopal Sehjpal*	√	√	√	√	√	√
Mr. Chetan Sheth*	√	√	√	√	√	√
Mr. Robin Banerjee*	√	√	√	√	√	√
Mrs. Meher Castelino	√	√	√	√	√	√
Mr. Kishor Navandar**	√	√	√	√	√	√
Ms. Vandana Kumari Bhardwaj**	√	√	√	√	√	√
Mr. Vilas Chandrakant Gupte**	√	√	√	√	√	√

Note: *Mr. Robin Banerjee, Mr. Gopal Krishan Sehjpal and Mr. Chetan Dolatrai Sheth retired on March 31, 2024 due to completion of their 2nd term as an Independent Director.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed as an additional Director w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively and Regularised as Directors through Postal Ballot on March 21, 2024.



j. Declaration of Independence given by Independent Directors:

The Company affirms that it has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA')

k. Directors seeking re-appointment:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kapil. J. Pathare (DIN: 01089517), Director of the Company, liable to retire by rotation at the ensuing Annual General meeting and being eligible have offered himself for re-appointment.

A brief profile of Director seeking re-appointment, the nature of their expertise in specific functional areas, and the names of the Companies in which he hold directorship and the Committees of the Board where-in he is member, are furnished in the Notice of Annual General Meeting. The Notice is also available on the website of the Company www.vipclothing.in.

l. Performance Evaluation:

The Nomination and Remuneration Committee specified the evaluation criteria for performance evaluation of Directors, Board and its Committees. The criteria for performance evaluation cover the areas relevant to the functioning as Promoter Directors and Independent Directors such as participation, preparation, conduct and effectiveness. The evaluation of Promoter Directors and Independent Directors was done by the Board as a whole by Independent Directors and Promoters Directors every year.

The evaluation of Independent Directors includes performance and fulfillment of the independence criteria as specified in SEBI LODR, Regulations, 2015 and their independence from the management. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

3. AUDIT COMMITTEE:

a) Terms of Reference:

Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013

The extract of terms of reference of the Audit Committee are briefly described below

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing and monitoring the auditor's independence and performance.
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements and quarterly financial statements.
- Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.
- Discussing with Internal Auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval or any subsequent modification of transactions of the Company with related parties.
- To evaluate internal financial controls and risk managements systems.

b) Composition of Audit Committee and Number of meeting attended:

The Composition of Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year Audit Committee met 4 (Four) times on 26.05.2023, 10.08.2023, 09.11.2023 and 13.02.2024.

The Composition of Audit Committee* and the number of meetings attended were as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Gopal Sehgal*	Chairman	Independent Director	4	4
Mr. Chetan Sheth*	Member	Independent Director	4	4
Mr. Robin Banerjee*	Member	Independent Director	4	3
Mr. Sunil J. Pathare	Member	Executive Director	4	4
Mr. Kishor Navandar**	Member	Independent Director	N.A.	N.A.
Mr. Kapil Pathare**	Member	Executive Director	N.A.	N.A.
Mr. Vilas Gupte**	Member	Independent Director	N.A.	N.A.



Note: *Cease to be Director upon completion of 2nd term as an Independent Director of the Company on 31st March, 2024.

**Mr. Kishor Navandar and Mr. Vilas Chandrakant Gupte were appointed w.e.f. February 13, 2024 and February 15, 2024 respectively.

The Statutory and Internal Auditor are also invited to attend the meetings.

Mrs. Archana Mungunti Company Secretary to the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (“NRC”) are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013, Regulation 19(4) of the Listing Regulations.

The terms of reference of the NRC are briefly described below:

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment / removal;
- Devising a policy on diversity of Board of Directors;
- formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- to decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b) Composition of Nomination & Remuneration Committee and number of meetings attended:

The composition of Nomination and Remuneration Committee (“NRC”) is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. During the financial year Nomination and Remuneration Committee met 3 (Three) time on 10.08.2023, 09.11.2023 and 13.02.2024.

The Composition of Nomination and Remuneration Committee and the number of meetings attended were as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Chetan Sheth*	Chairman	Independent Director	3	3
Mr. Gopal Sehjpal*	Member	Independent Director	3	3
Mrs. Meher Castelino	Member	Independent Director	3	3
Mr. Robin Banerjee*	Member	Independent Director	3	2
Mr. Kishore Navandar**	Member	Independent Director	N.A.	N.A.
Ms. Vandana Bhardwaj**	Member	Independent Director	N.A.	N.A.
Mr. Vilas Gupte**	Member	Independent Director	N.A.	N.A.

Note: *Cease to be Director upon completion of 2nd term as an Independent Director of the Company on 31st March, 2024.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively.

Mrs. Archana Mungunti Company Secretary to the Committee.

c) Performance evaluation criteria for Independent Director:

The Nomination and Remuneration Policy of the Company empowers the Board to formulate a process for effective evaluation of the performance of individual Directors, Committees of the Board and the Board as a whole pursuant to the provisions of the Act and Regulation 17 and other SEBI Regulations.

5. REMUNERATION OF DIRECTORS:

a) Pecuniary relationships or transactions:

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

b) Criteria of making payment to Non-Executive Director:

Remuneration payable to the Executive Directors is recommended by the Nomination and Remuneration Committee within the limits prescribed by the Act approved by the Board and is subject to the overall limits approved by the shareholders. The Non-Executive/Independent Directors were paid the sittings fees for attending the Meeting of Board and Committee.



c) The details of Remuneration and Sitting Fees paid to Executive and Non-Executive Directors during the financial year 2023-24 are as follows:

(₹ in Lakhs)

Name of Director	Relationship with other Director/s	Relationship with company	Sitting Fees	Remuneration (Excluding Perquisites)	Commission	Total
Mr. Sunil J. Pathare	Elder brother of Mr. Kapil J. Pathare	Promoter	-	95.82	-	95.82
Mr. Kapil J. Pathare	Younger brother of Mr. Sunil J. Pathare	Promoter	-	81.80	-	81.80
Mr. Gopal Sehjpal	None	None	1.60	-	-	1.60
Mr. Chetan Sheth	None	None	1.60	-	-	1.60
Mr. Robin Banerjee	None	None	1.20	-	-	1.20
Mrs. Meher Castelino	None	None	1.60	-	-	1.60
Mr. Kishore Navandar*	None	None	N.A.	N.A.	N.A.	N.A.
Mr. Vilas Gupte*	None	None	N.A.	N.A.	N.A.	N.A.
Mr. Vandana Bharadwaj*	None	None	N.A.	N.A.	N.A.	N.A.

- The agreement with Managing Director and Whole Time Director is made for a period of 3 year(s).
- Further, either party to the agreement is entitled to terminate the agreement by giving not less than three months' notice in writing to the other party.
- Presently, the Company does not have a scheme for grant of stock options to its employees.
- The Independent Directors and Non-Executive Directors are paid sitting fees as determined by the Board from time to time. Sitting fees to the Independent Directors and Non-Executive Directors are being paid as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note: **Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee (“SRC”) are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013, Regulation 20(4) of the Listing Regulations.

The brief terms of reference of the Stakeholders’ Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

b) Composition of Stakeholders Relationship Committee and number of meetings attended:

The composition of Stakeholders Relationship Committee (“SRC”) is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. During the financial year Stakeholders Relationship Committee met 4 (Four) times on 26.05.2023, 10.08.2023, 09.11.2023 and 13.02.2024.

The Composition of Stakeholders Relationship Committee and the number of meetings attended were as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mrs. Meher Castelino	Chairperson	Independent Director	4	4
Mr. Gopal Sehjpal*	Member	Independent Director	4	4
Mr. Chetan Sheth*	Member	Independent Director	4	4
Mr. Robin Banerjee*	Member	Independent Director	4	3
Mr. Sunil J. Pathare	Member	Managing Director	4	4
Mr. Kapil Pathare	Member	Whole Time Director	N.A.	N.A.
Ms. Vandana Bharadwaj**	Member	Independent Director	N.A.	N.A.
Mr. Vilas Gupte**	Member	Independent Director	N.A.	N.A.



As per Regulation 46 of SEBI Listing Regulations the exclusive E-mail Id of the Investor Grievance Department of the Company is www.vipclothing.in

Note: *Cease to be Director upon completion of 2nd term as an Independent Director of the Company on 31st March, 2024.

****Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed w.e.f. February 14, 2024 and February 15, 2024 respectively.**

Mrs. Archana Mungunti Company Secretary to the Committee.

c) Number of shareholders' complaints received so far:

During the financial year ended on March 31, 2024, No complaints were received from shareholders. The statement is as follows:

Particulars	Complaints Received	Complaints Redressed	Pending
Non-Receipt of Share Certificate(s) - Transfer	0	0	0
Non- Receipt of Dividend / Interest / Redemption	0	0	0
Total	0	0	0

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Terms of Reference:

The terms of reference of Corporate Social Responsibility Committee are aligned with the terms of reference provided under Section 135 of the Companies Act, 2013.

The brief Roles and responsibilities of the CSR Committee are as follows:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR Policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities Undertaken
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation, including the Listing Agreement and the Companies Act, 2013.
- funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

b) Composition of Corporate Social Responsibility Committee and number of meetings attended:

The Composition of the Committee is in compliance with the Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee (“CSR”) met (1) once during the financial year on 13.02.2024. The details are as follows:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Sunil J. Pathare	Chairman	Executive Director	1	1
Mr. Kapil J. Pathare	Member	Executive Director	1	1
Mr. Chetan Sheth*	Member	Independent Director	1	1
Mr. Gopal Sehjpal*	Member	Independent Director	1	1
Mrs. Meher Castelino	Member	Independent Director	1	1
Ms. Vandana Bharadwaj**	Member	Independent Director	N.A.	N.A.
Mr. Kishore Navandar***	Member	Independent Director	N.A.	N.A.

Note: *Cease to be Director upon completion of 2nd term as an Independent Director of the Company on 31st March, 2024.

**Mr. Kishor Navandar and Ms. Vandana Kumari Bhardwaj were appointed w.e.f. February 13, 2024 and February 14, 2024 respectively.

Mrs. Archana Mungunti Company Secretary to the Committee.

8. RISK MANAGEMENT COMMITTEE:

a) The Role of Risk Management Committee is as follows:

- i) Implementation of Risk Management System and Framework;
- ii) Reviewing the Company's financial and risk management policies;
- iii) Assessing risk and minimizing the procedure;
- iv) Framing, implementing and monitoring the risk management plan of the Company.



b) Composition of Risk Management Committee and number of meetings attended:

The composition of Risk Management Committee is in compliance with the requirements of Regulation 21 of the Listing Regulations.

The Risk Management Committee met (1) once during the last financial year on 09.11.2023. The details are as follows:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Sunil J. Pathare	Chairman	Executive Director	1	1
Mr. Kapil J. Pathare	Member	Executive Director	1	1
Mr. Chetan Sheth	Member	Independent Director	1	1
Mr. Gopal Sehjpal	Member	Independent Director	1	1
Mr. Robin Banerjee	Member	Independent Director	1	1
Mr. Vilas Gupte	Member	Independent Director	N.A.	N.A.
Mr. Kishore Navandar	Member	Independent Director	N.A.	N.A.

Note: *Cease to be Director upon completion of 2nd term as an Independent Director of the Company on 31st March, 2024.

**Mr. Kishor Navandar, Ms. Vandana Kumari Bhardwaj and Mr. Vilas Chandrakant Gupte were appointed w.e.f. February 13, 2024, February 14, 2024 and February 15, 2024 respectively.

Mrs. Archana Mungunti Company Secretary to the Committee.

9. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to the Code of Independent Directors under the Companies Act, 2013 and as per the requirement of Regulation 25 of the Listing Regulation, separate meeting of the Independent Director of the Company was held on February 13, 2024 without the presence of other Directors or management representatives, to review the performance of Non- Independent Directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board. The attendance details as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Robin Banerjee	Chairman	Independent Director	1	0
Mr. Gopal Sehjpal	Member	Independent Director	1	1
Mr. Chetan Sheth	Member	Independent Director	1	1
Mrs. Meher Castelino	Member	Independent Director	1	1

10. INTERNAL COMPLAINT COMMITTEE PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has zero tolerance towards any kind of harassment, including sexual harassment or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC.

Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. The Sexual Harassment policy as approved by the Board is uploaded on the Company's website at www.vipclothing.in. Any complaint made to the ICC is treated fairly and confidentially.

The details as required in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided below:

- a. Number of complaints filed during the financial year: NIL
- b. Number of complaints disposed of during the financial year: NIL
- c. Number of complaints pending as on the end of the financial year: NIL

11. GENERAL BODY MEETING:

i) General Meeting :

a) Annual General Meeting :

Details of last three Annual General Meetings as follows:

Financial Year	AGM	Venue	Date	Time	Special Resolution if passed
2022-23	33 rd AGM	Through Video Conferencing / Other Audio Visual Means	September 14, 2023	11:30 a.m.	NIL
2021-22	32 nd AGM	Through Video Conferencing / Other Audio Visual Means	September 23, 2022	11:30 a.m.	NIL
2020-21	31 st AGM	Through Video Conferencing / Other Audio Visual Means	September 24, 2021	11:30 a.m.	NIL

b) Extraordinary General Meeting:

No extraordinary General Meeting was held during the financial year 2023-24.



ii) Postal Ballot:

During the year under review, Postal Ballot was conducted once, details are as under:

For approving following special resolutions, results of which were declared on March 22, 2024:

Date of the Notice	13.02.2024
Last Date for receipt of Postal Ballot Forms	21.03.2024
Date of Declaration of Result	22.03.2024
Name of the Scrutinizer	Mr. Rakesh Sanghani Designated Partner (FCS No. 7647 and PCS No. 6302) of M/s. RS & MP Associates
Resolutions passed through Postal Ballot	<ol style="list-style-type: none"> 1. Appointment of Mr. Kishor Navandar (Din: 00164401) as an Independent Director of the Company. 2. Appointment of Mr. Vilas Chandrakant Gupte (Din: 10509707) as an Independent Director of the Company. 3. Appointment of Ms. Vandana Kumari Bhardwaj Din: (06839882) as an Independent Director of the Company.
Type of Resolution	Special Resolution

Sr. No.	Voting Method	Total Number of shares	Total Valid Votes	Votes in Favour		Votes in Against		Invalid Votes	Abstained Votes
				No. of Shares	% of Total No. of Valid Votes Cast	No. of Shares	% Of Total No. of Valid Votes Cast		
1	Remote E- Voting	41,317,240	41,317,240	41,305,266	99.971%	11,974	0.0290%	-	-
2	Remote E- Voting	41,317,240	41,317,240	41,305,266	99.971%	11,974	0.0290%	-	-
3	Remote E- Voting	41,317,240	41,317,240	41,305,266	99.971%	11,974	0.0290%	-	-

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its Shareholders. The Company engaged the services of Link Intime India Private Limited for the purpose of providing e-voting facility to all its Shareholders.

The Shareholders had to vote only through e-voting. The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company's Registrar & Share Transfer Agents as on the cut-off date.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Companies Act 2013 and the Rules issued thereunder.

Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Shareholders desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting. The Scrutinizer submitted his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company.

The results are displayed on the website of the Company at www.vipclothing.in besides being communicated to the Stock Exchanges.

No special resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

13. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by the SEBI, MCA or any other statutory authorities except Stock Exchanges levied penalty for delay of one day for filing of XBRL under Regulation 23(9) of SEBI LODR, 2015 for half year ended 31st March, 2023 of Rs. 5900/- , which Company paid on July 03, 2023.

14. WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct.



The mechanism provides for adequate safeguards against victimization of employees. The said policy is also available on the website of the Company www.vipclothing.in.

15. PREVENTION OF INSIDER TRADING CODE:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window is closed from starting of the quarter till 48 hours after the declaration of results and during occurrence of any material events as per the code.

The Company has appointed Mrs. Archana Mungunti as Compliance Officer, who is responsible to set procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

16. CODE OF CONDUCT:

The Board has laid down a code of conduct for Business and Ethics for all the Board Members and all the employees of the management grade of the Company. The code of conduct is also available on the Company's website www.vipclothing.in. All the Board members and senior management personnel have confirmed compliance with the code.

A declaration to that effect signed by Chairman and Managing Director is attached as annexure to Corporate Governance Report and forms part of the Annual Report of the Company.

17. SCORES:

There are no pending complaints under SCORES as on March 31, 2024.

18. MANAGING DIRECTOR AND CFO CERTIFICATION:

The Managing Director and CFO of the Company have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the year ended 31st March, 2024.

The said certificate is annexed to this report.

19. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from Rakesh Sanghani, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed to this report.

20. OTHER DISCLOSURE:

1. The Company's transaction with related parties, as per requirement of Indian Accounting Standard -24, are disclosed in notes forming part of the Financial statements in this Annual Report. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2023-24 were undertaken in compliance with the aforesaid regulatory provisions which is available on the website of the Company at www.vipclothing.in

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

2. The Company is having the policy on materiality in relation to group companies which is available on the website of the Company at www.vipclothing.in
3. The Company had not entered into any other transactions of material nature with its Promoters, Directors or the Management, their relatives etc., which may have potential conflict with the interests of the Company at large.
4. Secretarial Audit was carried out by a qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is an agreement with the total number of dematerialized shares held with NSDL and CDSL.
5. None of the Directors of the Company is disqualified as per provision of Section 164(2) of sub-clause (a) or (b) of the Companies Act, 2013.
6. The Company has not accepted any public deposits and no amount on account of public deposit was outstanding as on March 31, 2024.
7. Listing fees for the financial year 2023-24 have been paid to the Stock Exchanges on which the shares of the Company are listed.
8. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI Regulations, and clauses (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the section on Corporate Governance of the annual report.
9. The Company has complied with all the applicable Indian Accounting Standards.
10. The Internal Auditors directly report to the Audit Committee.
11. The Audit Report contains unmodified audit opinion.
12. Details of total fees paid to the Statutory Auditors of the Company are given in notes forming part of the Financial statements in this Annual Report.



13. There were no shares lying in unclaimed suspense account under Regulation 39 and Schedule VI of Listing Regulations as on March 31, 2024.
14. The members of the Board and Senior Management Personnel have affirmed Compliance with the code of conduct applicable to them during the year ended March 31, 2024. The Annual Report of the Company contains a certificate by the Chairman and Managing Director, on the Compliance declaration received from all the members of the board.
15. **Compliance With Mandatory / Non Mandatory Requirements:**
 - a) The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
 - b) The Company has also adopted the non-mandatory requirements as specified in the Listing Regulations regarding unmodified financial statements.
 - c) Policies adopted by the company are available on the website: www.vipclothing.in

21. MEANS OF COMMUNICATION:

The Company communicates with its Shareholders through its Annual Report, General Meetings and disclosure through web site. Information and latest updates and announcement regarding the Company can be accessed at Company's website www.vipclothing.in

- a) **Quarterly Results:** The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which includes business standard, English and Hindi edition and Sakal for Marathi edition.
- b) **Website:** The Company's website www.vipclothing.in contains a separate section on 'Investor Relation' where shareholders information is available.
- c) **Presentations to institutional investors and analysts:** Details of presentation made to institutional investors or to the analysts are made available on the website of the Company at www.vipclothing.in
- d) **SEBI Complaint Redress System (SCORES):** SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI Website. All complaints received if any through SECORES are resolved in a timely manner by the Company.
- e) **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** NEAPS and BSE Listing Centre are web based application systems for enabling corporate to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, etc;.
- f) **Compliance under discretionary requirements under the Listing Regulations:**
 - i) **Shareholders Rights:** The quarterly financial results are uploaded on the website for the members of the Company at www.vipclothing.in.

- ii) Modified opinion(s) in audit report: Companies financial statements are with unmodified audit opinion.
- iii) Reporting of internal auditor: Internal Auditors of the Company directly report to the Audit Committee on functional matters.

g) Transfer of Unclaimed Dividend and Shares to the Investor Education and Protection Fund ('IEPF')

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("Rules"), the Company is mandatorily required to transfer all such shares respect of which dividend(s) has not been en-cashed or claimed by the shareholder(s) for last 7 (Seven) consecutive years or more to the Demat Account of IEPF Authority set up by the Central Government.

Unclaimed dividend and shares which are transferred to IEPF authority earlier can be claimed by making an application to the IEPF Authority in Form No. IEPF - 5 available on www.iepf.gov.in

22. GENERAL SHAREHOLDERS INFORMATION

- A) Annual General Meeting** : Annual General Meeting will be held in month of September, 2024 date and related details will be mention in the Notice of Annual General Meeting.
- Financial Calendar** : April 1, 2023 to March 31, 2024
- Book Closure** : Book Closure will be 7 days before the date of AGM inclusive of AGM. Dates will be mentioned in Notice of AGM
- Dividend Payment** : Dividend, if declared, will be paid / dispatched within the time prescribed under the law.
- Registered office of Company** : C-6, Road No. 22, MIDC, Andheri (East) Mumbai – 400 093.
- B) Registrar & Transfer Agent** : Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.
- C) Listing Details** : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.
- The National Stock Exchange of India Limited
- Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
- D) Stock code** : 532613 (BSE)
VIPCLOTHNG (NSE)
- E) ISIN** : INE450G01024



F) Stock Market Data

Month	BSE Ltd. (BSE)		National Stock Exchange of India Limited (NSE)	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
April, 2023	49.00	40.20	49.00	40.50
May, 2023	51.15	44.49	51.20	44.40
June, 2023	52.83	42.65	52.85	45.00
July, 2023	48.00	44.00	47.80	43.30
August, 2023	48.06	41.30	47.75	41.00
September, 2023	55.80	44.10	55.75	44.55
October, 2023	59.76	44.33	59.70	44.20
November, 2023	52.58	44.50	52.75	44.35
December, 2023	47.65	44.50	47.75	44.50
January, 2024	52.86	44.40	53.00	44.50
February, 2024	52.60	39.84	52.75	39.40
March, 2024	42.87	33.05	42.90	32.95

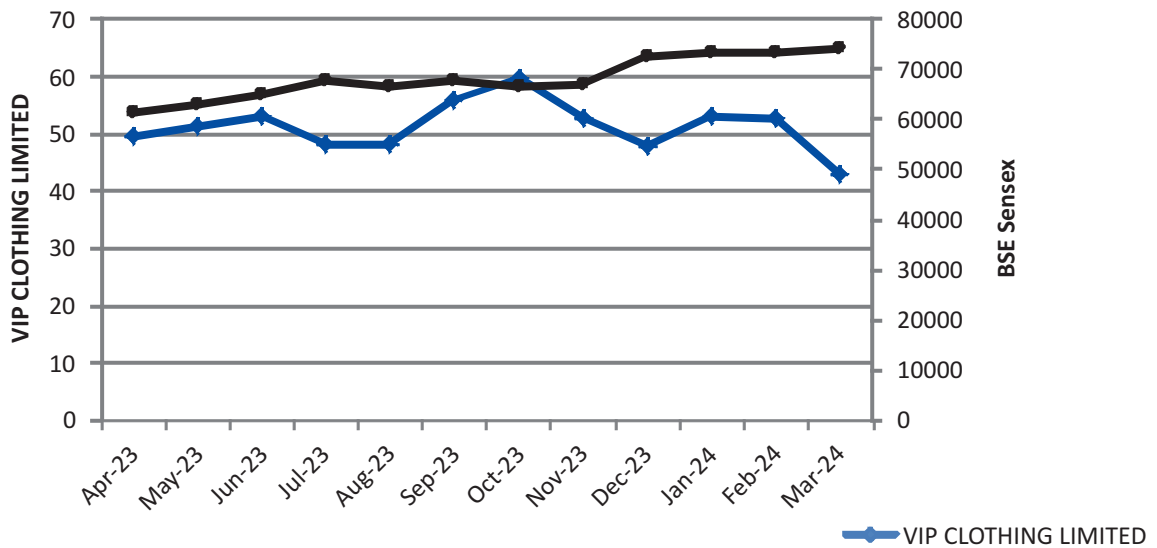
Source: Website of the BSE Limited and National Stock Exchange of India Limited.

Distribution of Shareholders as on March 31, 2024.

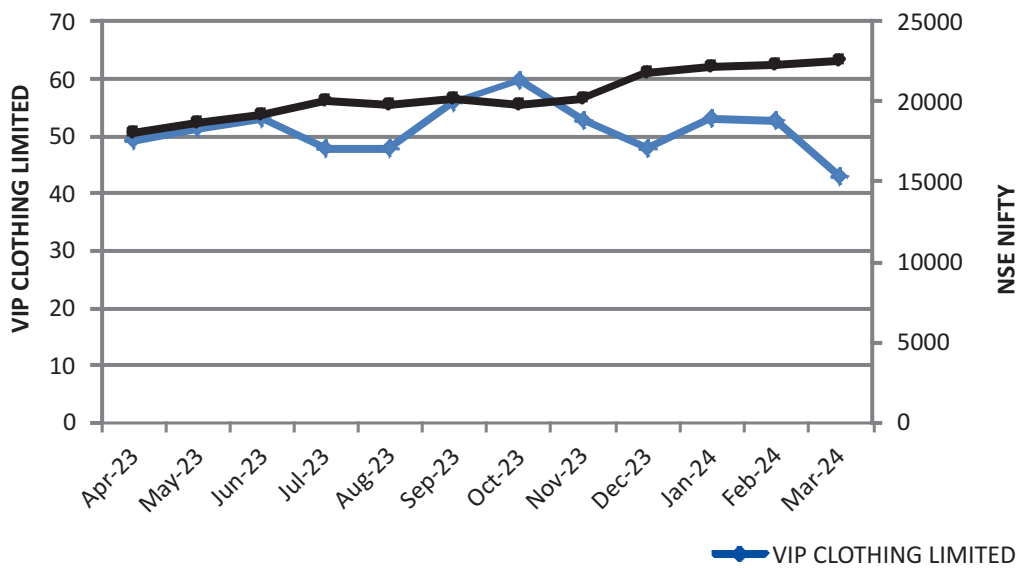
Slab of no of Shareholding	No. of Share holders	% of Shareholders	No. of Shares held	% of Shares held
1 – 500	25593	75.72	3688724	4.47
501 – 1000	3670	10.86	3055520	3.70
1001 – 2000	2128	6.30	3358345	4.07
2001 – 3000	765	2.26	1968485	2.38
3001 – 4000	310	0.92	1135330	1.37
4001 – 5000	356	1.05	1692736	2.05
5001 – 10000	513	1.52	3864746	4.68
10001 - *****	465	1.38	63832633	77.28
Total	33800	100	82596519	100

Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty

Share price performance relative to BSE Sensex based on the share price on March 31, 2024.



Share price performance relative to Nifty 50 based on the share price on March 31, 2024.



(Sources: compiled from data available on BSE & NSE website)



G) Shareholding pattern as on March 31, 2024

Category	No. of Share held	% of total
1. Indian Promoters & Person Acting in Concert	4,09,55,538	49.59
Sub-total	4,09,55,538	49.59
2.1 Mutual Funds & UTI	875	0.00
2.2 Foreign portfolio investors	101,134	0.12
Sub-total	102,009	0.12
3.1 Bodies Corporate	38,40,601	4.65
3.2 IEPF	9,05,492	1.10
3.3 Indian Public	3,37,15,239	40.82
3.4 Trust	500	0.00
3.5 NRIs. / NRNs.	5,30,623	0.64
3.6 Clearing Members	7240	0.01
13.7 Hindu Undivided Family	19,53,491	2.37
3.8 NBFCs registered with RBI	0	0
3.9 Body Corp-Ltd Liability Partnership	5,85,786	9.71
Sub-total	4,16,40,981	50.41
Grand Total	8,25,96,519	100.00

H). Dematerialization of Shares:

About 99.08 % of the shares of the Company have been dematerialized as on March 31, 2024. The Company has entered into an agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialized their shares. The equity shares of the Company are traded at BSE Limited and National Stock Exchange of India Limited.

Reconciliation of share capital audit report of the Company obtained from Practising Company Secretary has been submitted to Stock Exchanges within stipulated time.

No. of shares held in dematerialized and physical mode:

	No. of Shares	% of shares
Holding in dematerialized form	8,18,38,423	99.08
Holding in physical form	7,58,096	0.92
Total	8,25,96,519	100.00

The names and addresses of the Depositories are as under:

1. National Securities Depository Ltd.

Add: Trade World, 4th Floor, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai - 400 013.

2. Central Depository Services (India) Limited

Add: Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

I). Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrar and Transfer Agents of the Company. Investors Grievance Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the prescribed time.

Shares held in dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the depository the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants, etc.

J) Plant Locations of VIP Clothing Limited:

Note: The Company had on 20th December, 2022 executed the Sale deed effecting the Asset Monetization by way of Sale of leasehold rights in respect of Umbergaon Plot, situated within the Village limits of Daheri, Taluka- Umbergaon, District- Valsad for a consideration of Rs. 10,41,00,000/- (Rupees Ten Crore Forty One Lakh Only).

K) Address for Investors Correspondence:

Shareholders correspondence should be addressed to our Registrar & Transfer Agents at the following address:

Link Intime India Pvt Ltd. : C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel No. - 022 49186000 Fax No. - 022 49186060
Email: rnt.helpdesk@linkintime.co.in

For transfer, dematerialisation or any other query regarding the shares in physical form and any other general queries please contact to our registrar and for shares held in dematerialised form please contact to your Depository Participants.

In case of difficulty investors are advised to correspond with the Company Secretary at the Registered Office of the Company at the following address:

VIP Clothing Limited : C-6, Road No. 22, MIDC,
Andheri (East), Mumbai – 400093
Tel No.: 022 28257624
Fax No.: 022 28371023
Email: investor.relations@viporg.com



DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2023-24. Requisite declaration signed by the Chairman & Managing Director to this effect is given below;

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2023-24.

Place: Mumbai
Date: May 24, 2024

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
VIP Clothing Limited
Mumbai

Sub: Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We, Sunil Pathare, Chairman and Managing Director and Devendra Vyas, Chief Financial Officer of VIP Clothing Limited hereby certify that as per the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Companies code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee;
 - i. The significant changes in internal control over financial reporting during the year;
 - ii. The significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. The instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 24, 2024

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)

Devendra Vays
Chief Financial Officer



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
VIP Clothing Limited
C-6, Road No.22, MIDC
Andheri (East), Mumbai – 400093

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIP Clothing Limited**, having **CIN: L18101MH1991PLC059804** and having registered office at C-6, Road No.22, MIDC, Marol, Andheri (East), Mumbai – 400093 (hereinafter referred to as the 'Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers to us physically and electronically, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2024** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Directors	Designation	DIN	Date of Appointment	Date of Cessation
1.	Mr. Sunil Jaykumar Pathare	Chairman & Managing Director	00192182	29/09/1992	--
2.	Mr. Kapil Jaykumar Pathare	Whole time Director	01089517	15/09/2002	--
3.	Mr. Gopal Sehjpal	Independent Director	00175975	23/09/2002	31/03/2024
4.	Mr. Chetan Sheth	Independent Director	00202723	30/01/2004	31/03/2024
5.	Mr. Robin Banerjee	Independent Director	00008893	25/09/2006	31/03/2024
6.	Mrs. Meher Castelino	Independent Director	07121874	24/03/2015	--
7.	Mr. Kishor S Navandar	Independent Director	00164401	13/02/2024	--
8.	Ms. Vandana Kumari Bhardwaj	Independent Director	06839882	14/02/2024	--
9.	Mr. Vilas Gupte	Independent Director	10509707	15/02/2024	--

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

For **RS & MP Associates, Company Secretaries**
Unique code No.: P2017MH061400
PR: 1773/2022

Date: May 24, 2024
Place: Mumbai

RAKESH SANGHANI, Partner
FCS: 7647 CP: 6302
UDIN: F007647F000438385

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Schedule V of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
VIP Clothing Limited
C-6, Road No.22, MIDC
Andheri (East), Mumbai – 400093

We have examined the compliance of conditions of Corporate Governance by **VIP Clothing Limited** having **CIN: L18101MH1991PLC059804** and having registered office at C-6, Road No.22, MIDC, Marol, Andheri (East), Mumbai – 400093 (hereinafter referred to as the 'Company'), produced before me by the Company for the year ended on 31st March 2024 for the purpose of issuing this Certificate in accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India is the responsibility of the management along with the Board of Directors. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

Our examination was limited to review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the corporate. It is neither an audit nor an expression of an opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representation made by the Directors and the Management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except reporting for u/r 23(9) regarding Related Party Transaction for half year ended 31st March, 2023, wherein there was delay of one day in submission under XBRL format with the Stock Exchanges and the company paid the fine amounting to Rs. 5,900/- [inclusive of 18% GST] to BSE and NSE on 03rd July, 2023;

We further state that this report is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **RS & MP Associates, Company Secretaries**
Unique code No.: P2017MH061400
PR: 1773/2022

Date: May 24, 2024
Place: Mumbai

RAKESH SANGHANI, Partner
FCS: 7647 **CP:** 6302
UDIN: F007647F000438407



MANAGEMENT DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT:

The statements in the “Management Discussion and Analysis Report” describe the Company’s objectives, projections, estimates and expectations which may be “forward-looking statements” within the meaning of the applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climatic conditions, government policies, taxation and other laws and other incidental factors.

ECONOMIC OVERVIEW

Global textile industry:

The global textile industry comprises textile manufacturing, refining and retail clothing. A multi-billion dollar manufacturing sector, the global textile business consists of production, refining and sale of synthetic and natural fibres. As of 2024, the textile market size is estimated at USD 748 billion and is expected to reach USD 889 billion by 2029, growing at a CAGR of 3.5% between 2024 and 2029. The textile industry is a dynamic market with key players being China, European Union, US and India. China is the largest textile producing and exporting country in the world. On the other hand, the European Union comprises Germany, Spain, France, Italy and Portugal at the forefront with a value of more than one-fifth of the global textile industry. India is the third-largest textile manufacturing industry and is responsible for more than 6% of the total textile production globally.

With rapid industrialisation and the advent of technology, textile industry is incorporating modern installations to increase the production of textiles. The industry is also observing a paradigm shift towards natural fibers such as cotton, silk, linen, wool, hemp, jute, and cashmere. These fibers are favored for their low density and high strength compared to conventional fibers, leading to a rise in demand for fiber fabrics. Additionally, postpandemic awareness of hygiene products has contributed to the growing popularity of natural fiber fabrics in the textile industry.

INDIAN ECONOMY OVERVIEW

India Textile Market was valued at USD 240.8 Billion in 2024 and is expected to reach USD 475.7 Billion by 2033, at a CAGR of 6.84% during the forecast period 2024 – 2033. Textiles are woven or non-woven materials used to create clothing, upholstery, and other flexible goods.

As one of the largest textile industries in the world, the Indian textile industry contributes approximately 2.3% to the country’s GDP, 13% to industrial production and 12% to total exports earnings. India is one of the largest producers of cotton and jute in the world. It is also the 2nd largest producer of silk, with 95% of the world’s hand-woven fabric comes from India. India’s total textile exports are expected to reach USD 65 Billion by FY2026 and is expected to grow at 10% CAGR 2019-2020 to reach USD 190 Billion by 2025-2026.

The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products. India has been observing a robust trade in technical textile products and the country has been a net exporter. The government has also launched the Production Linked Incentive Scheme with an approved outlay of H 10,683 crore to promote production of Man-Made Fibre Apparel, Man-Made Fibre Fabric and products of Technical Textiles in the country.

Men innerwear industry:

In parallel, the men's inner & comfort wear segment is making significant strides, with a substantial 30% market share. The market is projected to realize a CAGR of 11.5%, translating to a market value of Rs 26,952 crores by 2025. The evolving fashion consciousness and an increasing focus on comfort contribute to the segment's rapid expansion.

Women innerwear industry

At the heart of the market growth lies women's inner & comfort wear, commanding the lion's share of the total market at 60%. This segment is not only reshaping the industry landscape, with Mid and Premium segments expected to grow faster than others, but is projected to sustain a CAGR of 13%, reaching an estimated Rs 55,535 crores by 2025. The surge in demand is attributed to shifting preferences, bolstered by higher disposable incomes and a fervent desire for comfortable yet stylish innerwear.

Kids wear industry:

The kids' inner & comfort wear segment accounted for 10% of the market in 2023, it is set to grow with a projected CAGR of 8.5%, reaching Rs 8,819 crores by 2025. This segment's potential is fuelled by changing parental attitudes, placing equal emphasis on comfort and style for their children.

Brands are beginning to establish their presence in this segment, signalling a shift toward quality-conscious consumerism.

INDIAN TEXTILE AND APPAREL INDUSTRY OVERVIEW

Through embracing innovative strategies, leveraging technological advancements, facilitating retail expansion, employing better sustainable practices and improving employee engagement, the Indian fashion and lifestyle industry is poised for dynamic growth. The revenue in the apparel market in India is projected to reach USD 105.5 Billion in 2024. The reported year marks an opportunity for brands to expand their geographical footprint. In addition to retail expansion, brands have also established a strategic focus on various niches, including e-commerce, omnichannel approaches and incorporating advanced technology, especially Artificial Intelligence. The Indian fashion industry is observing a paradigm shift towards sustainability, paving the path for a greener future. With increasing awareness about environment, brands and retailers are recognising the need to embrace sustainability. The growth of ethical fashion market is a testament to this shift. Furthermore, India's burgeoning population, increasing disposable income and evolving fashion trends are anticipated to bolster the growth of India's apparel market. The government has also launched certain initiatives such as the Amended Technology Upgradation Fund Scheme and the Advance Authorisation Scheme that are focused on strengthening and increasing the production of textile and apparel products in the country. Government of India has also approved the continuation of the Rebate of State and Central Taxes and Levies scheme (RoSCTL) till March 31, 2026.

Removal of anti-dumping duty: To boost exports in man-made fibre (MMF) sector, the government removed anti-dumping duty on PTA (Purified Terephthalic Acid), Viscose Staple Fibre and Acrylic.

PM MITRA scheme: The government approved setting up of Seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with an outlay of ₹4,445 crore for a period of seven years up to 2027-28. These parks will enable the Indian textile industry to become globally competitive, attract large investment and boost employment generation, according to the ministry of textiles.



PLI scheme: The government approved the Production Linked Incentive (PLI) scheme for textiles, with an approved outlay of ₹10,683 crore, to promote production of MMF apparel, MMF fabrics and products of technical textiles in the country. This is expected to enable India's textile sector to achieve size and scale and to become competitive

Domestic Intimate Industry

Intimate wear has come a long way from being only a functional basic necessity to becoming the next big style statement. Intimate wear is one of those unique products that fall in the category of both a necessity and a luxury. From traditional market with poor production and marketing infrastructure today a lot of experimentation is happening in terms of product design, style, colors & fabrics. Many domestic and international brands have forayed into the segment seeing its huge potential. This article discusses about the current scenario intimate wear scenario in India and abroad and way ahead for India to emerge as a strong player in intimate wear manufacturing.

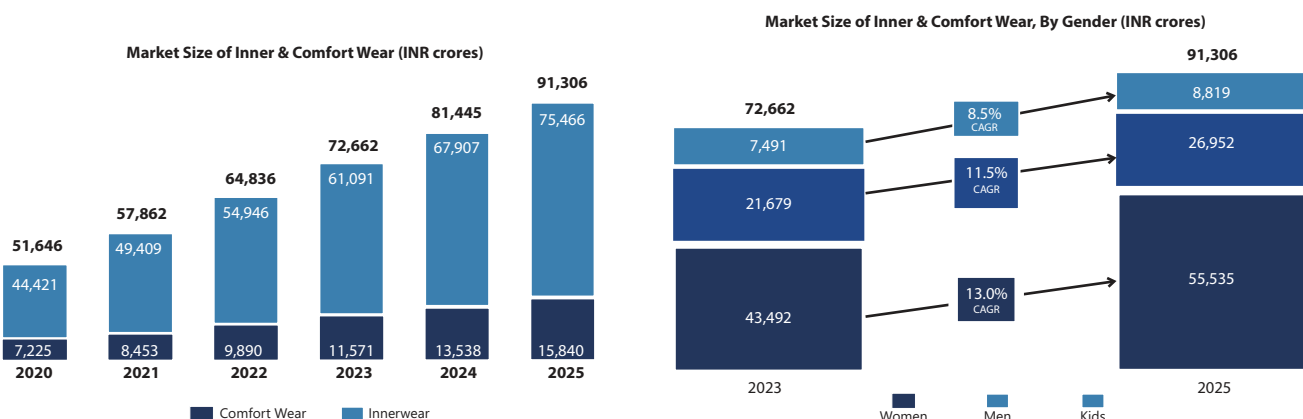
Indian Intimate Wear Scenario – Manufacturing & Retail Perspective

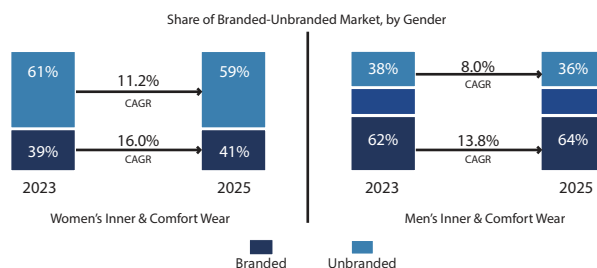
Intimate wear is an integral segment of apparel manufacturing. It is estimated that around 10% of a consumer's expenditure on garments constitute of shopping for intimate wear. Although globally intimate wear manufacturing has reached new heights, Indian intimate wear manufacturing sector is still at its nascent stage. India has yet to realize its full potential in the same.

Indian Intimate wear market has been growing rapidly since last few years. The current market size is estimated to be US\$ 4.8 Bn. which is an 11% increase since 2014. Share of intimate wear market is approx. 8 % of India's domestic apparel market. The market for intimate wear is expected to grow at a healthy pace in the coming years. By year 2025, the market is estimated to reach US\$ 13 Bn.

In terms of product segmentation, intimate wear in India can be categorized into three major segments, viz., Womens' innerwear. Mens' inner wear and Kids' innerwear. Indian intimate wear market is dominated by womens' inner wear which occupies a little over 50% share of the market. The value of womens' inner wear market is estimated to be around US\$ 2.4 Bn. This is followed by mens' inner wear segment accounting for 38% share of the market with an estimated market size of US\$ 1.8 Bn.. Kids' inner wear segment is surprisingly low in terms of value of US\$ 0.5 Bn. with market share of only 10%. Womens' wear is predicted to be the highest growing category out of the three and is expected to reach 60% market share by 2025.

Growth of Innerwear Segments in India upto 2025 (US\$ Bn.)





THE EVOLUTION & GROWTH OF INNERWEAR MARKET IN INDIA

The Indian innerwear market has undergone significant evolution and growth over the years, driven by changing consumer preferences, increasing disposable incomes, and rising awareness about personal hygiene and comfort. Here's an overview of the evolution and growth of the innerwear market in India:

Evolution:

- **Traditional to Modern:** Shift from traditional loincloths (dhotis) and undershirts to modern innerwear like briefs, bras, and panties.
- **Cotton to Synthetic:** Transition from cotton to synthetic fibers like polyester, nylon, and spandex for better comfort and durability.
- **Basic to Fashionable:** Innerwear evolved from basic, functional products to fashionable, trendy, and stylish offerings.

Growth Drivers:

- **Increasing Disposable Incomes:** Rising incomes led to increased spending on personal care and hygiene products, including innerwear.
- **Growing Awareness:** Greater emphasis on personal hygiene, comfort, and health drove demand for good-quality innerwear.
- **Changing Lifestyle:** Busy lifestyles, increasing participation in sports and fitness activities, and growing acceptance of Western wear fueled innerwear sales.
- **Demographic Changes:** Growing young population, urbanization, and increasing number of working women contributed to market growth.

Trends and Opportunities:

- **Digitalization:** Online sales and e-commerce platforms are gaining traction.
- **Sustainability:** Growing demand for eco-friendly and sustainable innerwear.
- **Innovation:** Introduction of new products, fabrics, and technologies like moisture-wicking and antimicrobial properties.
- **Premiumization:** Increasing demand for premium and luxury innerwear.



OPPORTUNITIES

India's demographics are indeed attractive, with a large youth population that offers significant opportunities for the innerwear market.

- **Young Population:** India has a median age of 28.4 years, with over 65% of its population below the age of 35.
- **Growing Middle Class:** The middle class is expected to grow to 535 million by 2025, driving consumer spending and demand for innerwear.
- **Urbanization:** Over 34% of the population lives in urban areas, with increasing adoption of Western wear and modern innerwear.
- **Working Women:** The number of working women is increasing, driving demand for comfortable and functional innerwear.
- **Rising Disposable Incomes:** Disposable incomes are growing, allowing consumers to spend more on personal care and hygiene products, including innerwear.

These demographic trends create a fertile ground for the innerwear market to grow, with opportunities to cater to the needs of:

- Young adults seeking fashionable and comfortable innerwear
- Working professionals requiring functional and high-quality innerwear
- Health-conscious consumers looking for innovative and sustainable innerwear options

The Indian innerwear market is expected to grow at a CAGR of 10.5% during the forecast period 2022-2027. The growth of the market is attributed to a number of factors, including:

- ✓ Increasing health consciousness among consumers has spurred demand for innerwear made from breathable materials.
- ✓ Rising disposable incomes have led consumers to invest in premium branded innerwear that matches their preferences.
- ✓ Fashion trends showcased on various channels including social media have fueled a preference for innerwear that reflects personal style.
- ✓ Additionally, urbanization is amplifying these trends, particularly in tier 2 and tier 3 cities, highlighting the market's potential.

For the textiles and apparel sector, the Budget proposes allocation of ₹ 900 crore for Amended Technology Up gradation1 Fund Scheme (ATUFS) for 2023-2024 as against ₹650 crore for 2022-2023.

USEFUL MEASURES TAKEN BY THE GOVERNMENT FOR THE INDIAN TEXTILE INDUSTRY

1. PM MITRA: Pradhan Mantri Mega Integrated Textile Region and Apparel
2. Production-Linked Incentive Scheme
3. Samarth Initiative
4. National Technical Textiles Mission (NTTM)

RISK AND CONCERNS

The Company is exposed to various types of risks associated with business of the Company, which will be internal as well as external risk. One of the key risks faced by the Company in today's scenario is the fluctuations in the price of raw material. Any increase in prices of raw materials could create a strain on the operating margins of the Company. We operate in a highly competitive market with competitors who may have better ability to spend more aggressively on advertisement and marketing and more flexibility to respond to changing business and economic conditions.

Further, there are regional or smaller competitors who have certain advantages over us. An increase in the amount of competition that we face could have a material adverse effect on our market share and sales.

The Company has in place Risk Management procedure to identify and evaluate the risk on a regular basis. The Company has the Risk Management committee, who brain-storm on the various risks associated with the Company. The details of risk committee have been mentioned in the Corporate Governance report.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has implemented adequate procedure and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statement. The Company has a regular check on expenses including capital expenditure. The Management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of the Company.

In addition, the software solutions such as SAP, Distributor Management System, field assistance and number of other robust system provides the Company to control over various business processes, increases productivity, better inventory management, promotes quality, reduced material cost, effective human resources management, reduced overheads boosts profits, plan its sales, production and monitor and control the processes in case any deviation.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

As on March 31, 2024 the Company had 1047 people (375 Permanent and 672 Contracts) working directly and indirectly with the Company. The industrial relations in all units of the Company continue to be cordial. The skills, experience and passion of our people facilitate deeper customer understanding and engaging relationships and strengthen our brand value as a preferred employer. We continue to step up efforts to accelerate our value-based growth strategy and the overall development of human capital. We nurture our people by investing in their empowerment through learning and development, wellness, and safety besides providing contemporary workplace facilities.



SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

The Company operates in single segment i.e., Hosiery. The results of the Company under review depict business growth during the period.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Change in Return on Net Worth as compared to the immediately previous financial year is due Increase in net loss during the year.

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Revenue from operation	18,327.55	20,063.97
Profit before Interest & finance charge, Depreciation & Income Tax	(432.23)	1,435.54
Less : Finance Cost	908.83	911.84
Less : Depreciation	271.78	306.22
Add : Other Income	43.12	174.25
Profit/(Loss) Before exceptional item and Tax	(1,612.84)	217.48
Profit/(Loss) for the year (excluding OCI)	(1,265.12)	663.68
Profit/(Loss) for the year (including OCI)	(1,284.87)	648.47

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR):

Particulars	2023-24	2022-23	Change (%)
Return on Net Worth (%)	(9.29%)	4.29%	(316.54%)
Return on Capital Employed (%)	(5.00%)	10.00%	(150.00%)
Basic EPS (after exceptional items) in ₹	(1.53)	0.80	(291.25%)
Interest Coverage Ratio	0.77	1.24	(162.55%)
Operating Profit Margin (%)	(2.59%)	6.29%	(141.26%)
Net Profit Margin (%)	(6.90%)	3.31%	(308.46%)

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.

Financial year	2023-24	2022-23
Return on net worth (%)	(9.29%)	4.29

Change in Return on Net Worth as compared to the immediately previous financial year is due Increase in net loss during the year.

Registered Office:

C-6, Road No.22, M.I.D.C.,
Andheri (East), Mumbai – 400 093
CIN: L18101MH1991PLC059804

Place: Mumbai

Date: August 14, 2024

Email: investor.relations@viporg.com

Website: www.vipclothing.in

By order of the Board of Directors
For **VIP Clothing Limited**

Sunil J. Pathare
Chairman & Managing Director
(DIN: 00192182)



INDEPENDENT AUDITOR'S REPORT

To the Members of VIP Clothing Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of VIP Clothing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us 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 financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion Analysis and Director's 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 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 financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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 Act, we give in "Annexure B" 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 except for the matters stated in the paragraph 2 (h) (vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (h) (vi) below on reporting under Rule 11(g).
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
 - (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 48 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 has been no delay in transferring amounts, 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 its knowledge and belief, 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, 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.

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- (b) The Management has represented, that, to the best of its knowledge and belief, 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, as on the date of this audit report, that the Company shall, 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.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level throughout the year in respect of the software (database SAP ECC 6.0) to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software except at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software as it was not enabled. Further, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with in the accounting software.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Rajesh Murarka
Partner
Membership No. 120521
UDIN: 24120521BKGQJJ6886

Place: Mumbai
Date: May 24, 2024



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF VIP CLOTHING LIMITED

Auditor's Responsibilities for the Audit of the 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 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2024 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.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Rajesh Murarka

Partner

Membership No. 120521

UDIN: 24120521BKGQJJ6886

Place: Mumbai

Date: May 24, 2024



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIP CLOTHING LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, and relevant details of right-of-use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment, and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns filed with such Banks are in agreement with the books of account.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under paragraph 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024 outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (in Rs. Lakhs)	Amount Paid (in Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	195.46	Nil	2001-02	Madras High Court	None
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	5.43	Nil	2001-02	Deputy Commercial Tax Office - Tamil Nadu	None
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax & Central Service Tax	802.77	Nil	2002-03	Deputy Commercial Tax Office - Tamil Nadu	None
Central Sales Tax Act, 1956	Central Service Tax	7.28	Nil	2005-06	Deputy Commercial Tax Office – Delhi	None



Name of the statute	Nature of dues	Amount Demanded (in Rs. Lakhs)	Amount Paid (in Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax Act, 2017	Goods and Service Tax	76.86	3.48	2017-18	Joint Commissioner of Sales Tax (Appeals)	None
Goods and Service Tax Act, 2017	Goods and Service Tax	19.20	1.75	2017-18	Deputy Commissioner (GST Appeals)	None

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Hence reporting under the paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Hence, reporting under the paragraph 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under paragraph 3(x)(b) of the Order are not applicable to the Company.

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- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) There are no other Companies part of the Group. Accordingly, the provisions stated under paragraph 3(xvi)(d) of the Order are not applicable to the Company.



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- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year amounting to Rs. 1,125.62 Lakhs but has not incurred any cash losses during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph 3(xx)(a) to (b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any subsidiary, associate or joint venture. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Rajesh Murarka
Partner
Membership No. 120521
UDIN: 24120521BKGQJJ6886

Place: Mumbai
Date: May 24, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIP CLOTHING LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of VIP Clothing Limited on the Financial Statements for the year ended March 31, 2024]

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 with reference to financial statements of VIP Clothing Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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 (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with



reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Rajesh Murarka
Partner
Membership No. 120521
UDIN: 24120521BKGQJJ6886

Place: Mumbai
Date: May 24, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,422.13	2,527.44
Right of use assets	3	554.58	271.23
Intangible assets	4	6,937.26	6,937.32
Financial assets			
Investments	5	-	0.25
Loans	6	11.65	14.52
Other financial assets	7	74.21	88.71
Non current tax assets (net)	8	49.15	35.06
Other non-current assets	9	1,443.20	1,296.84
Total non-current assets		11,492.18	11,171.37
Current assets			
Inventories	10	8,279.35	8,071.70
Financial assets			
Trade receivables	11	5,829.94	6,734.19
Cash and cash equivalents	12	30.01	1,127.30
Bank balances other than above	13	406.33	383.78
Loans	14	22.80	19.15
Other financial assets	15	67.50	138.18
Other current assets	16	926.96	932.50
Total current assets		15,562.89	17,406.80
Total assets		27,055.07	28,578.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,651.93	1,651.93
Other equity	18	12,180.60	13,465.46
Total equity		13,832.53	15,117.39
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	367.92	685.77
Lease liabilities	38	440.45	138.06
Other financial liabilities	20	509.13	526.49
Provisions	21	118.95	109.39
Deferred tax liabilities (net)	35	308.87	663.24
Total non-current liabilities		1,745.32	2,122.95



Contd... BALANCE SHEET AS AT MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Financial liabilities			
Borrowings	22	7,103.25	7,864.24
Lease liabilities	38	140.68	173.26
Trade payables	23		
I) total outstanding dues of micro enterprises and small enterprises		1,078.74	852.76
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,605.15	1,958.72
Other financial liabilities	24	340.75	279.70
Other current liabilities	25	138.31	140.79
Provisions	21	70.34	60.39
Current tax liabilities (net)	26	-	7.97
Total current liabilities		11,477.22	11,337.83
Total liabilities		13,222.54	13,460.78
Total equity and liabilities		27,055.07	28,578.17

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

Rajesh Murarka
Partner
Membership No: 120521

Place: Mumbai
Date: May 24, 2024

For and on behalf of the Board of Directors of
VIP Clothing Limited
CIN: L1810MH1991PLC059804

Sunil J. Pathare
Chairman &
Managing Director
(DIN: 00192182)

Archana Mungunti
Company Secretary
(M.No.ACS-31071)

Kapil J. Pathare
Whole Time Director
(DIN: 01089517)

Place: Mumbai
Date: May 24, 2024

Devendra Vyas
Chief Financial Officer
(M.No.ACA-150498)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	27	18,327.55	20,063.97
Other income	28	43.12	174.25
Total income		18,370.67	20,238.22
Expenses			
Cost of materials consumed	29	8,610.15	9,149.90
Purchases of stock-in-trade		2,186.28	2,164.53
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(49.64)	947.14
Employee benefits expense	31	2,352.04	1,930.70
Finance costs	32	908.83	911.84
Depreciation and amortization expense	33	271.78	306.22
Knitting and processing charges		2,446.10	1,704.98
Freight expenses		608.68	580.28
Other expenses	34	2,649.29	2,325.15
Total expenses		19,983.51	20,020.74
(Loss) / profit before exceptional items and tax		(1,612.84)	217.48
Exceptional items	49	-	613.24
(Loss) / profit before tax		(1,612.84)	830.72
Income tax expense	35		
Current tax		-	119.62
Deferred tax (credit) / charge		(347.72)	47.42
Total income tax expense		(347.72)	167.04
(Loss) / profit for the year after tax		(1,265.12)	663.68
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(26.39)	(44.98)
Tax credit / (charge) on re-measurement gains / (losses) on defined benefit plans		6.64	11.32
Items that will be reclassified subsequently to profit or loss			
Fair value of cash flow hedges through other comprehensive income (net of tax)		-	18.45
Total other comprehensive income for the year		(19.75)	(15.21)
Total comprehensive income for the year		(1,284.87)	648.47



Contd... STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Earnings / (loss) per equity share	36		
Basic (in INR)		(1.53)	0.80
Diluted (in INR)		(1.53)	0.80

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

Rajesh Murarka
Partner
Membership No: 120521

Place: Mumbai
Date: May 24, 2024

For and on behalf of the Board of Directors of
VIP Clothing Limited
CIN: L1810MH1991PLC059804

Sunil J. Pathare
Chairman &
Managing Director
(DIN: 00192182)

Archana Mungunti
Company Secretary
(M.No.ACS-31071)

Kapil J. Pathare
Whole Time Director
(DIN: 01089517)

Place: Mumbai
Date: May 24, 2024

Devendra Vyas
Chief Financial Officer
(M.No.ACA-150498)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(1,612.84)	830.72
Adjustments for:		
Depreciation and amortization expenses	271.78	306.22
Unrealised foreign exchange gain (net)	15.85	36.17
Provision for bad and doubtful debts	345.00	113.64
Provision for doubtful advances	30.00	-
Bad debts	4.28	19.13
(Profit) / loss on disposal of property, plant and equipment (net)	(0.67)	13.85
Re-measurement gains / (loss) on defined benefit plans	(26.39)	(44.98)
Interest income	(24.85)	(16.82)
Interest on unwinding of security deposits	(4.27)	(4.02)
Interest on unwinding of employee loans	(6.87)	(3.14)
Finance cost	910.07	911.84
Liabilities no longer required written back and reversal	(0.02)	49.74
Gain on cancellation of lease (net)	(1.73)	-
Exceptional items (refer note 49)	-	(613.24)
	1,512.18	768.39
Operating profit before working capital changes	(100.66)	1,599.11
Changes in working capital		
(Increase) / decrease in inventories	(207.65)	1,159.20
Decrease / (increase) in trade receivables	556.23	(863.23)
Decrease / (Increase) in loans	6.08	(12.58)
Decrease / (increase) in other financial assets	94.37	(101.82)
Increase in other assets	(170.82)	(88.32)
Increase / (decrease) in trade payables	872.43	(359.53)
Increase in provisions	19.51	55.62
Decrease in other financial liabilities	(2.09)	(68.22)
Decrease / (increase) in other current liabilities	(2.47)	96.06
Total changes in working capital	1,165.59	(182.82)
Cash generated from operations	1,064.93	1,416.29
Income tax paid (net)	(22.06)	(103.93)
Net cash generated from operating activities (A)	1,042.87	1,312.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(17.01)	(23.43)
Proceeds from sale of property, plant and equipment	2.01	1,127.87
Proceeds from sale of investment	0.25	-
Investment in fixed deposits with maturity of more than three months	(522.83)	(488.12)
Proceeds from fixed deposits with maturity of more than three months	500.28	476.71
Interest received	20.26	14.53
Net cash generated from investing activities (B)	(17.04)	1,107.56



Contd... STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,106.18)	(1,472.55)
Principal paid on lease liabilities	(162.57)	(163.40)
Interest paid on lease liabilities	(31.55)	(40.15)
Proceeds from issue of warrants convertible into equity shares	-	1,129.70
Finance cost paid	(822.82)	(880.05)
Net cash used in financing activities (c)	(2,123.12)	(1,426.45)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,097.29)	993.48
Cash and cash equivalents at the beginning of the year	1,127.30	133.82
Cash and cash equivalents at the end of the year	30.01	1,127.30
Cash and cash equivalents comprise (refer note 11)		
(a) Cash on hand	0.05	0.03
(b) Balances with banks		
(i) In current accounts	29.96	1,127.27
Total cash and cash equivalents at end of the year	30.01	1,127.30

(i) Figures in brackets represent cash outflow.

(ii) The above Statement of Cash Flows has been prepared under "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows".

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

Rajesh Murarka
Partner
Membership No: 120521

Place: Mumbai
Date: May 24, 2024

For and on behalf of the Board of Directors of
VIP Clothing Limited
CIN: L1810MH1991PLC059804

Sunil J. Pathare
Chairman &
Managing Director
(DIN: 00192182)

Archana Mungunti
Company Secretary
(M.No.ACS-31071)

Kapil J. Pathare
Whole Time Director
(DIN: 01089517)

Place: Mumbai
Date: May 24, 2024

Devendra Vyas
Chief Financial Officer
(M.No.ACA-150498)

Statement of changes in equity for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL:

Equity shares of INR 2/- each issued, subscribed and fully paid

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance as at April 1	8,25,96,519	1,651.93	8,25,96,519	1,651.93
Changes in equity share capital during the year	-	-	-	-
Balance as at March 31	8,25,96,519	1,651.93	8,25,96,519	1,651.93

B. OTHER EQUITY:

For the year ended March 31, 2024

Particulars	Other equity						Total
	Money received against share warrants	Reserves and Surplus				Effective portion of Cash Flow Hedges	
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2023	1,129.69	4,035.00	7,472.40	817.30	11.07	-	13,465.46
Profit for the year	-	-	-	-	(1,265.12)	-	(1,265.12)
Additions for the year	-	-	-	-	-	-	-
Deletions for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(19.74)	-	(19.74)
Total comprehensive income	-	-	-	-	(1,284.86)	-	(1,284.86)
Balance as at March 31, 2024	1,129.69	4,035.00	7,472.40	817.30	(1,273.79)	-	12,180.60



contd... Statement of changes in equity for the year ended March 31, 2024

For the year ended March 31, 2023

Particulars	Other equity						Total
	Money received against share warrants	Reserves and Surplus				Effective portion of Cash Flow Hedges	
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2022	-	4,035.00	7,472.40	817.30	(618.94)	(18.45)	11,687.31
Loss for the year	-	-	-	-	663.68	-	663.68
Additions for the year	1,129.69	-	-	-	-	-	1,129.69
Deletions for the year	-	-	-	-	-	18.45	18.45
Other comprehensive income	-	-	-	-	(33.67)	-	(33.67)
Total comprehensive income	1,129.69	-	-	-	630.01	18.45	1,778.15
Balance as at March 31, 2023	1,129.69	4,035.00	7,472.40	817.30	11.07	-	13,465.46

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

Rajesh Murarka
Partner
Membership No: 120521

Place: Mumbai
Date: May 24, 2024

For and on behalf of the Board of Directors of
VIP Clothing Limited
CIN: L1810MH1991PLC059804

Sunil J. Pathare
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Whole Time Director
(DIN: 01089517)

Place: Mumbai
Date: May 24, 2024

Devendra Vyas
Chief Financial Officer
(M.No.ACA-150498)

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

1. General information

VIP Clothing Limited (the 'Company') is domiciled in India. The Company was incorporated on January 14, 1991. The Company's Identification No. is L18101MH1991PLC059804. The Company's registered office is at C-6, Road No. 22, MIDC, Andheri (East), Mumbai- 400093. The Company is a leading Manufacturer, Marketing and Distributor of Men's and Women's innerwear and socks under the brand name VIP, Frenchie, Feelings, Leader and Brat. The equity shares of Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

2. Material accounting policies

Material accounting policies adopted by the Company are as under:

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for defined benefit plans - plan assets measured at fair value and certain other financial assets and financial liabilities.

c) Current / non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities. The Company presents its assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

- 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.

A liability is current when:

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

d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 2.21 for detailed discussion on estimates and judgments.

e) Rounding off of amounts

The financial statements are reported in Indian Rupee which is functional currency of the Company and all the values are rounded to the nearest lakhs (INR 00,000).

2.2 Property, plant and equipment

Freehold land is carried at acquisition cost and is not depreciated. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

An item of property, plant and equipment is derecognized 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, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives

Depreciation is recognized (other than on capital work-in-progress) on a straight line method over the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. Depreciation on assets acquired / purchased, sold / discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale / retirement. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The estimated useful lives of assets are stated below:

Particulars	Useful life
Leasehold improvements*	Lease period
Buildings	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Electrical installations and equipments	10 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, if any, as appropriate.

2.3 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises of purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset shall be recognized if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and (b) the cost of the asset can be measured reliably. The entity assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset is measured initially at cost.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

Indefinite-life intangible assets comprises of brands for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues.

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortises intangible assets (definite useful life) over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Other intangible assets	Estimated useful life
Computer software	6 years

Indefinite-life intangible assets i.e. brands are not amortized but are tested for impairment on an annual basis.

2.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

For non-financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

2.5 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.6 Fair value measurement

The Company measures financial instruments, such as, derivatives 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

2.7 Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with modified retrospective approach. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services.

Sale of goods

Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are dispatched. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are reduced on the date of sale or on the date when the amount can be reasonably estimated. A refund liability and a right to recover the returned goods is recognised for the goods expected to be returned.

Insurance claims are recognised when its amount can be measured reliably, and ultimate collection is reasonably certain.

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Other operating revenue - export incentives

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year-end date. Current tax assets and tax liabilities are offset where the

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.9 Leases

The Company's lease asset classes primarily consist of leases for Buildings and Plant & Machineries. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. 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.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.10 Inventories

Basis of valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

Method of valuation:

Cost of raw materials, packing materials and stores and spare parts has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs / overheads incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

2.11 Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

a) Financial assets

i. Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortised cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

iii. Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

iv. Derecognition of financial assets

A financial asset is derecognized only when

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

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

b) Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

c) Offsetting financial instruments

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

d) Derivative instruments and hedge accounting

Derivative financial instruments

The Company enters into a derivative financial instrument such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

2.15 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current provisions in the balance sheet.

b) Other long-term employee benefit obligations

i. Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plans

Gratuity (funded): The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

iii. Other long-term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

2.16 Share capital

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one reporting segment i.e. Hosiery and others. Hence no separate segment information has been furnished in the financial statements.

2.19 Government grant

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

Government grants relating to the purchase of Property, plant and equipment are included in non-financial liabilities as deferred income and are credited to the Statement of Profit and Loss on straight line basis over the expected lives of related assets and presented within other income.

2.20 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Defined benefit plans and other long-term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment 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



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer note 37.

b) Impairment of financial assets

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

c) Useful economic lives of property, plant and equipment

The Company reviews the estimated useful economic lives of property, plant and equipment at the end of each reporting period. During the current year, the directors have determined that no changes are required to the useful lives of assets.

d) Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Gross block				Depreciation				Net Block
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 1, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024
Owned assets									
Leasehold land	-	-	-	-	-	-	-	-	-
Freehold land	1,290.83	-	-	1,290.83	-	-	-	-	1,290.83
Buildings warehouse	5.88	-	-	5.88	5.58	-	-	5.58	0.30
Buildings factory	1,406.25	-	-	1,406.25	630.54	45.94	-	676.48	729.77
Plant and machinery	1,446.57	1.80	1.12	1,447.25	1,105.23	45.59	0.52	1,150.30	296.95
Furniture and fixtures	14.07	1.09	-	15.16	0.64	3.38	-	4.02	11.14
Office equipment	93.47	5.77	1.33	97.91	66.93	8.02	1.20	73.75	24.16
Vehicles	153.98	-	8.81	145.17	92.83	13.07	8.37	97.53	47.64
Electrical installation	1.16	-	-	1.16	0.50	0.11	-	0.61	0.55
Computers	207.34	8.35	3.96	211.73	189.86	4.84	3.76	190.94	20.79
Total	4,619.56	17.01	15.22	4,621.35	2,092.11	120.95	13.85	2,199.22	2,422.13
Right of use assets									
Buildings	604.68	451.61	371.45	684.84	333.45	150.76	353.95	130.26	554.58
Total	604.68	451.61	371.45	684.84	333.45	150.76	353.95	130.26	554.58
Grand total	5,224.24	468.62	386.67	5,306.19	2,425.56	271.71	367.80	2,329.48	2,976.71

Particulars	Gross block				Depreciation				Net Block
	As at April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 1, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023
Owned assets									
Leasehold land	42.24	-	42.24	-	6.96	0.22	7.18	-	-
Freehold land	1,290.83	-	-	1,290.83	-	-	-	-	1,290.83
Buildings warehouse	5.88	-	-	5.88	5.58	-	-	5.58	0.30
Buildings factory	1,881.41	-	475.16	1,406.25	782.69	48.82	200.97	630.54	775.71
Plant and machinery	2,190.99	0.80	745.22	1,446.57	1,560.47	81.32	536.56	1,105.23	341.34
Furniture and fixtures	72.33	0.18	58.44	14.07	48.94	4.68	52.98	0.64	13.43
Office equipment	81.47	20.26	8.26	93.47	64.86	9.37	7.30	66.93	26.54
Vehicles	160.99	-	7.01	153.98	86.09	13.40	6.66	92.83	61.15
Electrical installation	8.63	-	7.47	1.16	4.10	0.16	3.76	0.50	0.66
Computers	206.94	2.19	1.79	207.34	187.83	3.73	1.70	189.86	17.48
Total	5,941.71	23.43	1,345.59	4,619.55	2,747.52	161.70	817.11	2,092.11	2,527.44
Right of use assets									
Buildings	551.09	167.17	113.58	604.68	303.05	143.98	113.58	333.45	271.23
Total	551.09	167.17	113.58	604.68	303.05	143.98	113.58	333.45	271.23
Grand total	6,492.80	190.60	1,459.17	5,224.23	3,050.57	305.68	930.69	2,425.56	2,798.67

3.1 Property, plant and equipment hypothecated as charge against borrowings.

Refer to Note 22 for information on property, plant and equipment hypothecated as charge against borrowing by the Company



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

4 Intangible Assets

Particulars	Gross block				Amortisation				Net Block
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 1, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024
License / Brands	6,923.82	-	-	6,923.82	-	-	-	-	6,923.82
Computer software	268.63	-	-	268.63	255.13	0.07	-	255.20	13.43
Total	7,192.45	-	-	7,192.45	255.13	0.07	-	255.20	6,937.26

Particulars	Gross block				Amortisation				Net Block
	As at April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 1, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023
License / Brands	6,923.82	-	-	6,923.82	-	-	-	-	6,923.82
Computer Software	268.63	-	-	268.63	254.59	0.54	-	255.13	13.50
Total	7,192.45	-	-	7,192.45	254.59	0.54	-	255.13	6,937.32

4.1 There were no intangible under development, whose completion is overdue or has exceeded its cost compared to its original plan during the year ended March 31, 2023 and March 31, 2024.

5 Non current investments (at cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in equity instruments (fully paid-up) (at cost)		
<u>Others</u>		
Unquoted equity shares		
250 (March 31, 2023 - 250) equity shares of INR 100 each fully paid-up in Saraswat Co-operative Bank Ltd. (sold during the year)	-	0.25
Total (equity instruments)	-	0.25
Non-current	-	0.25
	-	0.25
Aggregate amount of unquoted investments	-	0.25

6 Non-current loans

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Unsecured considered good</u>		
Loans and advances to employees	11.65	14.52
Total	11.65	14.52

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

7 Other non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	73.96	78.67
In Fixed deposit accounts with more than 12 month maturity ^	0.25	10.04
Total	74.21	88.71

^ The Company has kept as a margin of fixed deposits to the extent of INR 0.25 lakhs (March 31, 2023 of INR 10.04 lakhs) with banks for bank guarantees as lien.

8 Non current tax assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax and tax deducted at source [net of provisions amounting INR Nil (March 31, 2023: INR Nil)]	49.15	35.06
Total	49.15	35.06

9 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Government authorities		
Sales tax refund receivable	415.52	427.88
Goods and service tax input balance	1,014.34	861.17
Prepaid rent	13.34	7.79
Total	1,443.20	1,296.84

10 Inventories (at lower of cost and net realisable value) *

Particulars	As at March 31, 2024	As at March 31, 2023
Raw material	1,916.10	1,713.01
Packing material	422.69	467.78
Work in progress	2,014.14	2,114.49
Finished goods	2,813.22	2,509.20
Stock in trade	1,113.20	1,267.21
Total	8,279.35	8,071.69

*Hypothecated as charge against borrowings refer note 22.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

11 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	507.77	519.83
Unsecured, considered good	5,322.17	6,214.37
Unsecured, considered doubtful	759.80	414.80
	6,589.74	7,149.00
Less: Allowance for bad and doubtful debts	(759.80)	(414.80)
Total	5,829.94	6,734.19
Further classified as:		
Receivable from related parties (refer note 39)	-	-
Receivable from others	5,829.94	6,734.19
	5,829.94	6,734.19

Ageing of trade receivables As on March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed – considered good	2,367.95	1,874.80	503.34	345.22	195.91	525.29	5,812.50
(ii) Undisputed – considered doubtful	-	-	-	-	-	482.69	482.69
(iii) Disputed – considered good	-	1.36	4.59	5.85	5.64	-	17.44
(iv) Disputed – considered doubtful	-	-	-	-	-	277.11	277.11
Total	2,367.95	1,876.15	507.93	351.07	201.55	1,285.09	6,589.74

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

As on March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed – considered good	3,877.98	1,397.50	223.58	258.29	403.07	573.43	6,733.84
(ii) Undisputed – considered doubtful	-	-	-	-	-	167.42	167.42
(iii) Disputed – considered good	-	-	-	0.02	0.33	-	0.36
(iv) Disputed – considered doubtful	-	-	-	-	-	247.38	247.39
Total	3,877.98	1,397.50	223.58	258.31	403.39	988.24	7,149.00

Note: Secured trade receivables are secured against security deposits from customers.

Note: The credit period for trade receivables generally range from seven to ninety days.

12 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
in current accounts (refer note 43C)	29.96	1,127.27
Cash on hand	0.05	0.03
Total	30.01	1,127.30



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
In Fixed deposit with original maturity for more than 3 months but less than 12 months [^]	406.33	383.78
Total	406.33	383.78

[^] The Company has kept as a margin of fixed deposits to the extent of INR 9.15 lakhs (March 31, 2023 of INR 8.74 lakhs) with banks for bank guarantees as lien.

14 Current loans

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Unsecured considered good</u>		
Loans and advances to employee	22.80	19.15
Total	22.80	19.15

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

15 Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	6.02	26.17
In Fixed deposit accounts with more than 12 months maturity [^]	10.04	-
Interest accrued on fixed deposits	13.50	8.91
Receivable from skill project	37.61	103.10
Derivatives forward assets (forward contract) (refer note 42)	0.33	-
Total	67.50	138.18

[^] The Company has kept as a margin of fixed deposits to the extent of INR 10.04 lakhs (March 31, 2023 of INR Nil lakhs) with banks for bank guarantees as lien.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

16 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to suppliers	228.95	232.54
Less: Provision for doubtful advances	(30.00)	-
	198.95	232.54
Balance with Government authorities		
Goods and service tax input balance	614.88	553.03
Prepaid expenses	79.03	73.29
Export incentive receivables	34.10	73.65
Total	926.96	932.50

17 Share capital

(A) Equity shares

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
15,00,00,000 (March 31, 2023: 15,00,00,000) equity shares of INR 2/- each	3,000.00	3,000.00
Total	3,000.00	3,000.00
Issued, subscribed and paid up		
8,25,96,519 (March 31, 2023: 8,25,96,519) equity shares of INR 2/- each fully paid	1,651.93	1,651.93
Total	1,651.93	1,651.93

(I) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	8,25,96,519	1,651.93	8,25,96,519	1,651.93
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	8,25,96,519	1,651.93	8,25,96,519	1,651.93



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of INR 2 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Equity shares of INR 2 each fully paid				
Sunil J. Pathare	1,67,42,008	20.27%	1,67,42,008	20.27%
Kapil J. Pathare	1,48,15,548	17.94%	1,48,15,548	17.94%
Lalita J. Pathare	73,38,652	8.88%	73,38,652	8.88%

(iv) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Sunil Jaykumar Pathare	1,67,42,008	20.27%	0%	1,67,42,008	20.27%	0%
Kapil Jaykumar Pathare	1,48,15,548	17.94%	0%	1,48,15,548	17.94%	0%
Total	3,15,57,556	38.21%	0%	3,15,57,556	38.21%	0%

(v) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(B) Preference shares

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
45,00,000 (March 31, 2023: 45,00,000) Preference Shares of INR 100/- each	4,500.00	4,500.00
Total	4,500.00	4,500.00

The Company has an authorised preference share capital having a par value of INR 100 per share, referred to herein as preference share capital

18 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	7,472.40	7,472.40
General reserve	817.30	817.30
Retained earnings	(1,273.79)	11.07
Capital redemption reserve	4,035.00	4,035.00
Money received against share warrants	1,129.69	1,129.69
Total	12,180.60	13,465.46

Nature and purpose of other reserves

Nature	Purpose of the reserves
Capital redemption reserve	This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.
Securities premium	The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.
General reserve	Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve to be utilised in accordance with the specific provisions of the Companies Act 2013.
Surplus / (deficit) in the Statement of Profit and Loss/ retained earnings	Retained earnings are the profits or deficits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(A) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	7,472.40	7,472.40
Add : Securities premium credited on share issue	-	-
Closing balance	7,472.40	7,472.40

(B) General reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	817.30	817.30
Add: Transfer during the year	-	-
Closing balance	817.30	817.30

(C) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	11.07	(618.94)
Add: Net profit / (loss) for the current year	(1,265.12)	663.68
Less: Re-measurement (gain) / loss on post employment benefit obligation (net of tax)	(19.74)	(33.67)
Closing balance	(1,273.79)	11.07

(D) Capital redemption reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,035.00	4,035.00
Add: Addition for the year	-	-
Less: Deletion for the year	-	-
Closing balance	4,035.00	4,035.00

(E) Money received against share warrants

Particulars	As at March 31, 2024	As at March 31, 2023
Amount received on issue of warrants convertible into equity shares [^]	1,129.69	1,129.69
	1,129.69	1,129.69

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

^ During the previous year, the Company has allotted 1,01,50,000 share warrants convertible into equity shares @ INR 44.50 per share warrant, the Company has issued 35,00,000 share warrants convertible into equity shares to promoter entities and 66,50,000 share warrants convertible into equity shares to non-promoter entities, upon receipt of 25% of the issue price (i.e. INR 11.13 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. INR 33.37 per warrant) shall be payable within 18 months from the date of allotment.

(F) Cash flow hedge reserve (OCI)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	(18.45)
Add: Transactions during the year (net of tax)	-	18.45
Closing balance	-	-

19 Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
(a) Term loan - from Banks		
Term loan from IDBI GECL	64.00	134.08
Term loan from SBI GECL	299.86	540.00
(b) Vehicle loan	4.06	11.69
Total non current maturities of long term borrowings	367.92	685.77

A. Terms of non-current borrowing are as under

Particulars	Rate of interest(p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	ROI 9.25%	Repayable in monthly installments
Vehicle loan	ROI 8.11%	Repayable in monthly installments

B. Nature of security :

- i. IDBI and SBI Guaranteed Emergency Credit Line ('GECL') term loan secured by way of hypothecation of inventories, book debts and movable property, plant and equipment of the Company on paripassu basis with members in consortium and further secured by way of second charge of property situated at Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).
- ii. Vehicle loan is secured by vehicle.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

C. Period and amount of default:

The Company has made no defaults in the payment of principal or interest during the year ended March 31, 2024.

D. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

E.

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
YES Bank - Vehicle loan	Purchase of Vehicle	Yes	None
IDBI - GECL	Working capital	Yes	None
SBI - GECL	Working capital	Yes	None

20 Other non current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits from customers	507.77	519.82
Retention money	1.36	6.67
Total	509.13	526.49

21 Provisions

Particulars	Long Term		Short Term	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provisions for compensation ^	33.83	33.83	-	-
Provision for employee benefits (refer note 37)				
Provision for gratuity (funded)	-	-	59.74	50.60
Provision for leave encashment (unfunded)	85.12	75.56	10.60	9.79
Total	118.95	109.39	70.34	60.39

^ High court of Madras has passed an award against the Company, under this award the Company was directed to pay Cotton Corporation of India Ltd. a sum of INR 33.83 lakhs in form of compensation for the loss suffered. However, the Company has appeal in Supreme Court. The Company has made provision accordingly.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

22 Short-term borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, from banks -		
Cash credit	2,256.72	1,812.33
FCNRB loan [^]	3,835.20	3,780.33
Letter of credit	645.25	1,916.02
Current maturity of long term debts *	366.08	355.56
Total short-term borrowings	7,103.25	7,864.24

[^] The Company entered into the Foreign Currency Non-Resident Borrowing ('FCNRB') Agreement (hedged item) with SBI on February 05, 2024 and raised finance of US \$ 46,00,000. The said FCNRB loan was raised to finance for concessional interest rate compared to interest rate on cash credit. The rate of interest on the FCNRB loan is based on Secured Overnight Finance Rate (SOFR) for 6-month period + 4.50% p.a.

* Includes interest accrued on borrowings.

The FCNRB loan repayment is expected in a single bullet for principal after 180 days and at monthly intervals for interest. In order to hedge the foreign exchange cash flow risk, the Company has entered into forward contracts to hedge the foreign exchange risk on principal & interest payable in USD. The forward contracts entered into by the Company is a derivative as defined in IndAS 109.

A. Terms of current borrowing are as under

Particulars	Rate of interest	Repayment terms
Secured, from bank		
Cash credit	Ranging from 11.50% to 14.85%	Repayable on demand
Letter of credit	Ranging from 1.26% to 1.90%	Repayment terms 90 to 120 days

B. Nature of security :

Cash credit and SBI FCNRB loan secured by way of hypothecation of inventories, book debts and movable property, plant and equipment of the Company and further secured by way of first charge of property situated at Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).

C. The statements of current assets and stocks submitted by the Company with banks are materially in agreement with the books of accounts.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

D. Disclosure as required by Ind AS 7 - "Cash Flow Statements" - changes in liabilities arising from financing activities:

Particulars	As at April 1, 2023	Cash flows	Non-cash changes				As at March 31, 2024
			Net Additions	Accrued interest	Foreign exchange loss /gain	Current/ Non-current	
Borrowings - Non-current (refer note 19)	685.77	-	-	-	-	(317.85)	367.92
Borrowings - Current (refer note 22)	7,864.24	(1,106.18)	-	9.92	17.43	317.85	7,103.25
Lease liabilities (refer note 38)	311.32	(162.57)	432.38	-	-	-	581.13

Particulars	As at April 1, 2022	Cash flows	Non-cash changes				As at March 31, 2023
			Net Additions	Accrued interest	Foreign exchange loss /gain	Current/ Non-current	
Borrowings - Non-current (refer note 19)	1,002.88	-	-	-	-	(317.11)	685.77
Borrowings - Current (refer note 22)	9,026.18	(1,472.55)	-	(6.50)	-	317.11	7,864.24
Lease liabilities (refer note 38)	307.55	(163.40)	167.17	-	-	-	311.32

23 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	1,078.74	852.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,605.15	1,958.72
Total	3,683.89	2,811.47
Further classified as:		
Payable to related parties (refer note 39)	85.67	48.33
Payable to others	3,598.22	2,763.14
	3,683.89	2,811.47

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,078.74	852.76
Interest	68.81	23.03
Total	1,147.55	875.79
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	68.81	23.03
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Ageing of trade payables
As at March 31, 2024

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	242.53	823.43	7.23	3.29	2.25	1,078.74
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	349.04	709.55	1,457.57	56.27	10.09	22.63	2,605.15
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	349.04	952.08	2,280.99	63.51	13.39	24.89	3,683.89



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

As at March 31, 2023

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	300.31	551.99	0.45	-	-	852.76
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	363.99	692.13	857.44	20.17	11.34	13.65	1,958.72
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	363.98	992.44	1,409.43	20.63	11.34	13.65	2,811.47

Note: The credit period for trade payables generally range from fifteen to ninety days.

24 Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative forward liability (forward contract) (refer note 42)	-	37.72
Interest on MSME payable	68.81	23.03
Others-		
Advance from skill project	3.40	1.68
Employee benefits payable	268.54	217.27
Total	340.75	279.70

25 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customer	85.52	88.10
Statutory dues payable	52.79	52.69
Total	138.31	140.79

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

26 Current tax liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax [net of advance tax amounting INR Nil (March 31, 2023: INR 111.65 lakhs)]	-	7.97
Total	-	7.97

27 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Sale of products	18,144.84	19,889.04
	18,144.84	19,889.04
Other operating revenue		
- Sale of scrap	76.23	64.25
- Job work	22.41	-
- Export incentives	84.07	110.68
	182.71	174.93
Total	18,327.55	20,063.97

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	18,144.84	19,889.04
Total	18,144.84	19,889.04

Geographic revenue

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
- India	17,071.83	18,084.22
- Rest of the world	1,073.01	1,804.83
Total	18,144.84	19,889.04



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

B. Reconciliation of revenue recognised:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross revenue	24,473.67	25,170.55
Rebates, discounts	5,277.21	4,764.54
Adjustment for credit notes	1,051.62	516.95
	18,144.84	19,889.04

Note:

- i) The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.
- ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration
- iii) The Company has recognised revenue of 55.24 lakhs (March 31, 2023 - ₹Nil) from the amounts included under advance received from customers at the beginning of the year.

C. The changes in Contract Liabilities are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contract Liabilities - Opening	88.10	-
Add: Additions during the year, excluding amounts recognised as revenue during the year	52.66	88.10
Less: Revenue recognised in the current year which was included in Contract Liabilities	55.24	-
Contract Liabilities - Closing	85.52	88.10

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

28 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income	3.29	6.57
Interest income		
- on fixed deposits designated as amortized cost	24.85	16.82
- on interest on unwinding of security deposit	4.27	4.02
- on others	6.87	3.13
Profit on disposal of property, plant and equipments	0.67	-
Liabilities no longer required written back	0.02	49.74
Gain on cancellation of lease (net)	1.73	-
Miscellaneous income	1.42	93.97
Total	43.12	174.25

29 Cost of material consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw material at the beginning of the year	2,180.80	2,392.86
Add: Purchases	8,768.15	8,937.85
Less: Raw material at the end of the year	2,338.79	2,180.80
Cost of raw materials consumed	8,610.15	9,149.91



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

30 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
-Finished goods	2,509.20	3,804.23
-Work-in-progress	2,114.49	1,853.46
-Stock in trade	1,267.21	1,180.36
	5,890.92	6,838.05
Less: Inventories at the end of the year		
-Finished goods	2,813.22	2,509.20
-Work-in-progress	2,014.14	2,114.49
-Stock in trade	1,113.20	1,267.21
	5,940.56	5,890.92
Net decrease / (increase)	(49.64)	947.13

31 Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, bonus and other allowances	2,031.44	1,674.83
Contribution to provident fund and other funds (refer note 37)	112.85	100.96
Gratuity expenses (refer note 37)	30.50	24.78
Leave compensation expenses	25.80	25.47
Staff welfare expenses	151.45	104.66
Total	2,352.04	1,930.70

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

32 Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowing	606.79	562.49
Interest on term loan	79.25	98.23
Interest expense on security deposits	24.70	0.77
Interest expense on lease liability	30.31	36.25
Interest on MSME dues	45.78	2.04
Amortisation of forward premium	-	73.95
Other borrowing cost	122.00	138.11
Total	908.83	911.84

33 Depreciation and amortization expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	120.95	161.70
Depreciation on right of use (refer note 3)	150.76	143.98
Amortization of intangible assets (refer note 4)	0.07	0.54
Total	271.78	306.22



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

34 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Electricity and water charges	76.62	69.57
Repairs and maintenance - building	6.30	17.20
Repairs and maintenance - machinery	33.59	22.26
Repairs and maintenance - others	148.93	136.00
Rates and taxes	47.26	45.91
Legal and professional charges	113.28	124.76
Insurance	60.73	59.11
Travel and conveyance	448.03	357.74
Auditor's remunerations [refer note (i) below]	26.54	26.04
Rent	6.44	5.78
Advertisement expenses	403.23	304.75
Bad debts	4.28	19.13
Provision for bad and doubtful debts	345.00	113.64
Provision for doubtful advances	30.00	-
Business promotion expenses	174.64	124.10
Garmenting charges	213.19	300.85
Bus hire charges	93.48	94.68
Postage and courier	20.53	20.01
Printing and stationery	19.20	14.74
Communication expenses	15.61	16.90
Commission	211.46	217.02
Loss on disposal of property, plant and equipments	-	13.85
Foreign exchange fluctuation (net)	79.20	151.09
Security charges	47.12	40.66
Miscellaneous expenses	24.63	29.36
Total	2,649.29	2,325.15
Note (i) : The following is the break-up of Auditors remuneration (exclusive of GST)		
As auditor:		
Statutory audit	23.25	21.50
In other capacity:		
Tax audit	-	1.50
Certification fees	0.25	0.75
Reimbursement of expenses	3.04	2.29
Total	26.54	26.04

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

35 Deferred tax and Income tax

A Deferred tax relates to the following:

In the following table, revenue is disaggregated by major service lines.

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
On provision for employee benefits	(24.09)	(21.48)
On provision for doubtful debts	(198.78)	(104.40)
On provision for bonus payable	(6.03)	(6.24)
On provision for gratuity	(8.39)	(1.41)
On provision for gratuity OCI	(6.64)	(11.32)
On unabsorbed depreciation and carry forward business losses	(1,371.76)	(1,124.01)
On lease liabilities	(146.26)	(78.35)
	(1,761.95)	(1,347.21)
Deferred tax liabilities		
On valuation of brand and license	1,742.59	1,742.59
On property, plant and equipment	328.23	267.86
	2,070.82	2,010.45
Deferred tax liabilities (net)	308.87	663.24
Deferred tax (credit) / charge	(354.36)	36.10

B Recognition of deferred tax asset to the extent of deferred tax liability

Particulars	As at March 31, 2024	As at March 31, 2023
Balance sheet		
Deferred tax asset	1,761.95	1,347.21
Deferred tax liabilities	(2,070.82)	(2,010.45)
Deferred tax assets / (liabilities) (net)	(308.87)	(663.24)

During the year ended March 31, 2024, in the absence of certainty of taxable income in future years, the Company has recorded the deferred tax asset on unabsorbed depreciation / carry forward losses only to the extent of deferred tax liability. Further, during the year ended March 31, 2023, the Company had recorded the deferred tax assets on such items only to the extent of deferred tax liability.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

C Income tax expense

Particulars	As at March 31, 2024	As at March 31, 2023
- Current tax taxes	-	119.62
- Deferred tax (credit) / charge	(347.72)	47.42
- Deferred tax (credit) / charge on OCI items	(6.64)	(11.32)
Income tax expense	(354.36)	155.72

D Reconciliation of tax expense and profit before tax:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit / (loss) before income taxes	(1,612.84)	830.72
Corporate tax rate as per Income Tax Act, 1961	25.168%	25.168%
Computed expected tax expense	(405.92)	209.07
Effect of expenses that are not deductible	14.70	(3.83)
Adjustments for tax related to earlier years	46.22	-
Effect of capital gain tax computed as per Income Tax Act, 1961	-	(34.72)
Others	(2.72)	(3.48)
Income tax expense recognised in statement of profit and loss	(347.72)	167.04

36 Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit / (loss) attributable to equity share holders	(1,265.12)	663.68
Weighted average number of equity shares for basic and diluted EPS	8,25,96,519	8,25,96,519
Basic profit / (loss) per share (INR)	(1.53)	0.80
Diluted profit / (loss) per share (INR)	(1.53)	0.80

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

37 Employee benefits

(A) Defined contribution plans

During the year, the Company has recognized the following amounts in the statement of profit and loss:-

Particulars	As at March 31, 2024	As at March 31, 2023
Employers' contribution to Provident Fund	106.55	94.48
Employers' contribution to Employees State Insurance	6.30	6.48

(B) Defined benefit plans

- a) Gratuity payable to employees (funded)
- b) Compensated absences for employees

i) Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.50%	7.23%
Rate of increase in salary	4.50%	4.00%
Expected average remaining working lives of employees (years)	12	12
Attrition rate	4.00%	4.00%

ii) Changes in the present value of defined benefit obligation

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Present value of obligation at the beginning of the year	337.32	311.37
Interest cost	25.30	22.51
Current service cost	26.71	24.30
Benefits paid	(21.33)	(63.07)
Actuarial (gain) / loss on obligations - due to change in financial assumptions	5.88	3.90
Actuarial (gain) / loss on obligations - due to experience	21.68	38.32
Present value of obligation at the end of the year	395.56	337.32



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	286.72	313.42
Interest income	21.50	22.66
Contributions by the employer	47.76	16.48
(Benefits paid from the fund)	(21.33)	(63.07)
Return on plan assets, excluding interest income	1.17	(2.77)
Fair value of plan assets at the end of the year	335.82	286.72

iv) Expense recognized in the statement of profit and loss

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Current service cost	26.71	24.30
Interest cost	25.30	22.51
Interest income	(21.50)	(22.66)
Total expenses recognized in the statement profit and loss	30.50	24.15

v) Expense recognized in the statement of other comprehensive income

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Actuarial (gains) / losses on obligation for the period	27.56	42.22
Return on plan assets, excluding interest income	(1.17)	2.77
Net (income) / expense for the period recognized in OCI	26.39	44.99

vi) Assets and liabilities recognized in the Balance Sheet:

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation as at the end of the year	(395.56)	(337.32)
Fair value of plan assets at the end of the year	335.82	286.72
Funded status [surplus / (deficit)]	(59.74)	(50.60)
Unfunded net asset / (liability) recognized in Balance Sheet	(59.74)	(50.60)

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

vii) Expected contribution to the fund in the next year

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Gratuity	93.54	77.31

viii) Net interest cost for the next year

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation as at the end of the year	395.56	337.32
(Fair value of plan assets at the end of the year)	(335.82)	(286.72)
Net liability / (asset) at the end of the year	59.74	50.61
Interest cost	28.60	25.30
(Interest income)	(24.28)	(21.50)
Net interest cost for the next year	4.32	3.79

ix) Expenses recognised in statement of profit and loss for next year

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Current service cost	33.80	26.71
Net interest cost	4.32	3.79
(Expected contribution by employees)	-	-
Expenses recognized for next year	38.12	30.50



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

x) A quantitative sensitivity analysis for significant assumption as at date of Balance Sheet is as shown below:

Particulars	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
Impact on defined benefit obligation		
Discount rate		
Delta Effect of 1% increase in rate of discounting	(20.92)	(18.10)
Delta Effect of 1% decrease in rate of discounting	23.42	20.27
Rate of salary increase		
Delta Effect of 1% increase in rate of salary increase	22.05	19.16
Delta Effect of 1% decrease in rate of salary increase	(20.26)	(17.36)
Rate of employee turnover		
Delta Effect of 1% increase in rate of employee turnover	3.94	4.11
Delta Effect of 1% decrease in rate of employee turnover	(4.36)	(4.53)

xi) Maturity profile of defined benefit obligation

Year	Employee's gratuity fund	
	As at March 31, 2024	As at March 31, 2023
1st Following year	67.31	62.88
2nd Following year	22.99	15.67
3rd Following year	46.30	34.90
4th Following year	31.10	32.57
5th Following year	28.11	26.86
Sum of years 6 to 10	218.48	168.97
Sum of years 11 and above	242.18	234.70

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(C) Other long term employee benefit obligation

Leave entitlement

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of year is INR 95.72 lakhs as at March 31, 2024 (March 31, 2023: INR 85.35 lakhs). Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

38 Leases where Company is a lessee

- (A) (ia) Changes in the carrying value of right-of-use assets - refer note 3
(ib) Changes in the lease liabilities

Particulars	Category of ROU asset	
	Building	Total
Balance as at April 1, 2022	307.55	307.55
Additions	167.17	167.17
Interest on lease liability	40.15	40.15
Lease payments	(203.55)	(203.55)
Deletions	-	-
Balance as at March 31, 2023	311.32	311.32
Additions	451.61	451.61
Interest on lease liability	31.55	31.55
Lease payments	(194.12)	(194.12)
Deletions	(19.23)	(19.23)
Balance as at March 31, 2024	581.13	581.13



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(ii) Break-up of current and non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	140.68	173.26
Non-current lease liabilities	440.45	138.06

(iii) Maturity analysis of lease liabilities on undiscounted basis

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	188.46	201.88
One to five years	520.56	151.42
More than five years	-	-
Total	709.02	353.30

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands and ensure Lease liabilities have not been grouped together with other financial liabilities in disclosure of maturity plan in accordance with requirements of Paragraph 58 of IndAS 116

(iv) Amounts recognised in statement of profit and loss account

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities #	31.55	40.15
Short-term leases expensed	6.44	5.78
Total	37.99	45.93

Interest on lease liabilities of INR 31.55 lakhs (March 31, 2023 of INR 40.15 lakhs) includes INR 1.24 lakhs (March 31, 2023 of INR 3.90 lakhs) pertaining to project expenses.

(v) Amounts recognised in statement of cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	(194.12)	(203.55)

(B)The Company has chosen to apply short term and low value exemption available in Ind AS 116 - Leases and amount debited to statement of profit and loss account amounting to INR 6.44 lakhs.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

39 Related party disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Entities where Key Managerial Personnel have control and where transactions have taken place during the year:

Hybo Hindustan

Key Management Personnel (KMP)

Mr. Sunil J. Pathare (Chairman and Managing Director)

Mr. Kapil J. Pathare (Whole Time Director)

Mr. Vilas Gupte (Independent Director) with effect from 15/02/2024

Mr. Kishor s. Navandar (Independent Director) with effect from 13/02/2024

Mrs. Vandana Kumari Bhardwaj (Independent Director) with effect from 14/02/2024

Mr. Robin Banerjee (Independent Director) upto 31/03/2024

Mr. Gopal Krishan Sehjpal (Independent Director) upto 31/03/2024

Mr. Chetan Dolatrai Sheth (Independent Director) upto 31/03/2024

Mrs. Meher Bruno Castelino (Independent Director)

Mr. Devendra Vyas (Chief Financial Officer)

Mrs. Archana Mungunti (Company Secretary)

Relatives of key management personnel

Mr. Kanishk S. Pathare (Son of Sunil J. Pathare)



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(i) Transactions with related party

Particulars	As at March 31, 2024	As at March 31, 2023
Transactions - rent, electricity, water charges and sale of investment in shares		
Hybo Hindustan	134.69	126.82
Kapil J. Pathare	8.89	8.29
Director sitting fees		
Chetan Sheth	1.60	2.00
Gopal Sehjpal	1.60	2.00
Mehre Castelino	1.60	2.00
Robin Banerjee	1.20	1.60
Money received against share warrants		
Sunil J. Pathare	-	166.95
Kapil J. Pathare	-	166.95
Kanishk S. Pathare	-	55.65
Devendra Vyas	-	16.70
Loan from directors repaid		
Sunil J. Pathare	-	50.00

(ii) Key Management Personnel (KMP)

Particulars	As at March 31, 2024	As at March 31, 2023
Compensation of key management personnel		
Salaries including bonuses		
Sunil J. Pathare	95.82	88.68
Kapil J. Pathare	81.81	79.26
Kanishk S. Pathare	15.46	4.60
Devendra Vyas	66.84	53.36
Archana Mungunti	12.51	7.80

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(C) Amount due to/from related party as on:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Related parties payables		
Hybo Hindustan	57.48	40.41
(ii) Key Management Personnel (KMP)		
Employee related payables		
Devendra Vyas	1.50	1.04
Archana Mungunti	(0.31)	(0.03)
Kanishk S. Pathare	0.38	-
Other payables / (receivables)		
Sunil J. Pathare	12.46	1.93
Kapil J. Pathare	15.34	5.98

(D) Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 Segment reporting

The Company has only one reporting segment i.e. Hosiery and others. Hence no separate segment information has been furnished herewith.

An analysis of the Company's revenue from operation is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount (INR)	%	Amount (INR)	%
Sale of products	18,144.84	99.00%	19,889.04	99.13%
Other operating revenue	182.71	1.00%	174.93	0.87%
	18,327.55	100.00%	20,063.97	100.00%

The Company categorizes its revenue based on delivery channel and further by geographical region, as summarized below, which as per management is most appropriate:



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The Company categorizes its revenue based on delivery channel and further by geographical region, as summarized below, which as per management is most appropriate:

(A) Sale of products

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount (INR)	%	Amount (INR)	%
India	17,071.83	94.09%	18,084.22	90.93%
Outside India	1,073.01	5.91%	1,804.83	9.07%
	18,144.84	100.00%	19,889.04	100.00%

(B) Non-current assets

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount (INR)	%	Amount (INR)	%
India	11,492.18	100.00%	11,171.37	100.00%
Outside India	-	0.00%	-	0.00%
	11,492.18	100.00%	11,171.37	100.00%

41 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows

Particulars	Note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Non current loans	6	11.65	-	-	-	11.65
Other non current financial assets	7	74.21	-	-	-	74.21
Other current financial assets	15	67.17	0.33	-	0.33	67.50
Trade receivable	11	5,829.94	-	-	-	5,829.94
Cash and cash equivalents	12	30.01	-	-	-	30.01
Bank balances other than cash and cash equivalents	13	406.33	-	-	-	406.33
Current loans	14	22.80	-	-	-	22.80
		6,442.11	0.33	-	0.33	6,442.44
Financial liabilities						
Non current borrowings	19	367.92	-	-	-	367.92
Non current lease liability	38	440.45	-	-	-	440.45
Current borrowings	22	7,103.25	-	-	-	7,103.25
Other non current financial liabilities	20	509.13	-	-	-	509.13
Current lease liabilities	38	140.68	-	-	-	140.68
Other current financial liabilities	24	340.75	-	-	-	340.75
Trade payables	23	3,683.89	-	-	-	3,683.89
		12,586.07	-	-	-	12,586.07



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows

Particulars	Note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Investments	5	0.25	-	-	-	0.25
Non current loans	6	14.52	-	-	-	14.52
Other non current financial assets	7	88.71	-	-	-	88.71
Other current financial assets	15	138.18	-	-	-	138.18
Trade receivable	11	6,734.19	-	-	-	6,734.19
Cash and cash equivalents	12	1,127.30	-	-	-	1,127.30
Bank balances other than cash and cash equivalents	13	383.78	-	-	-	383.78
Current loans	14	19.15	-	-	-	19.15
		8,506.08	-	-	-	8,506.08
Financial liabilities						
Non current borrowings	19	685.77	-	-	-	685.77
Non current lease liability	38	138.06	-	-	-	138.06
Current borrowings	22	7,864.24	-	-	-	7,864.24
Other non current financial liabilities	20	526.49	-	-	-	526.49
Current lease liabilities	38	173.26	-	-	-	173.26
Other current financial liabilities	24	241.98	37.72	-	37.72	279.70
Trade payables	23	2,811.47	-	-	-	2,811.47
		12,441.27	37.72	-	37.72	12,478.99

42 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in 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 for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value measurement hierarchy of assets		
Level 2		
Financial assets measured at fair value through profit and loss:		
Derivatives contracts	0.33	-
	0.33	-
Fair value measurement hierarchy of liabilities		
Level 2		
Financial liability measured at fair value through profit and loss:		
Derivatives forward liability	-	37.72
	-	37.72

The details of outstanding derivative financial instruments is given below:

Particulars	Underlying	Nature of risk being hedged
Derivatives instruments at fair value through profit or loss		
Foreign exchange forward contracts	Foreign currency non resident borrowing (FCNRB)	Foreign currency exchange rate movement risk

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

43 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in basis points	Effect on profit before tax
2024		
INR	+45	31.97
INR	-45	(31.97)
2023		
INR	+45	36.88
INR	-45	(36.88)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward foreign exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Category	Instrument	Currency	Cross Currency	Foreign currency in lakhs	Buy/Sell	Period
Hedges of recognised liabilities (FCNRB loan)	Forward Contract	USD	INR	46.00	Buy	As at March 31, 2024
Hedges of recognised liabilities (FCNRB loan)	Forward Contract	USD	INR	46.00	Buy	As at March 31, 2023

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

Particulars	Foreign currency	March 31, 2024		March 31, 2024	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
FCNRB loan	USD	46.00	3,835.20	46.00	3,780.33
Trade receivables	USD	2.91	242.70	5.37	441.29

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts. All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

(iii) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in US\$ rate	Effect on profit / (loss) before tax
2024	+5%	179.63
	-5%	(179.63)
2023	+5%	166.95
	-5%	(166.95)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

Expected Credit Loss (ECL) for Trade Receivables and Deposits:

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Movement in expected credit loss allowance on trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at 1st April	414.80	301.16
Provision for bad and doubtful debts	345.00	113.64
Balance as at 31st March	759.80	414.80

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

Particulars	As at March 31, 2024	As at March 31, 2023
Not due	2,367.95	3,877.98
Less than 6 months	1,876.15	1,397.50
6 months to 12 months	507.93	223.58
beyond 12 months	1,837.71	1,649.93
Total	6,589.74	7,148.99

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.

The table below summarizes the maturity profile of the Company's financial liabilities. The amounts are based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024				
Long-term borrowings	-	367.92	-	367.92
Lease liabilities	188.46	520.56	-	709.03
Other non current financial liabilities	-	509.13	-	509.13
Short term borrowings	7,103.25	-	-	7,103.25
Trade payables	3,683.89	-	-	3,683.89
Other current financial liabilities	340.75	-	-	340.75
	11,316.35	1,397.61	-	12,713.97
As at March 31, 2023				
Long-term borrowings	-	685.77	-	685.77
Lease liabilities	201.88	151.42	-	353.30
Other non current financial liabilities	-	526.49	-	526.49
Short term borrowings	7,864.24	-	-	7,864.24
Trade payables	2,811.46	-	-	2,811.46
Other current financial liabilities	279.70	-	-	279.70
	11,157.28	1,363.68	-	12,520.96



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

44 Corporate social responsibility

The provision of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility is not applicable to Company.

45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents borrowings from bank & others and liability component of redeemable non cumulative non convertible preference shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (i)	7,471.17	8,550.00
Less: cash and cash equivalents	30.01	1,127.30
Net debt	7,441.15	7,422.70
Total capital (ii)	13,832.53	15,117.39
Capital and net debt	21,273.69	22,540.10
Gearing ratio	0.35	0.33

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings and interest accrued on Non-current and Current borrowings.

(ii) Capital is defined as Equity share capital and other equity.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

46 Additional regulatory information - ratios

(A) Accounting ratios

S No.	Ratio	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
(a)	Current Ratio	Current assets / Current liabilities	Current Assets = Inventories + Trade receivables + Cash & cash equivalents + Other bank balance + Loans + Other financial assets + Current tax assets + Other current assets	Current Liability = Short term borrowings + Lease liability + Trade payables + Other financial liability + Provisions + Current tax liabilities	15,562.89	11,477.22	17,406.80	11,337.84	1.36	1.54	-11.69%	N.A.
(b)	Debt-Equity Ratio	Debt / Equity	Debt = long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Equity = Equity + Other equity	7,471.17	13,832.53	8,550.00	15,117.39	0.54	0.57	-5.26%	N.A.
(c)	Debt Service Coverage Ratio	Net operating income / Debt service	Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	(5.33)	2,123.12	1,996.95	2,556.16	-	0.78	-100.00%	Increase in net operating loss during the year
(d)	Return on Equity Ratio	Profit after tax less pref. dividend x 100 / Shareholder's equity	Net Income = Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	(1,265.12)	14,474.96	663.68	14,228.31	-9.00%	5.00%	-280.00%	Company has made loss and there is increase in net loss during the year
(e)	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	10,746.79	8,175.53	12,261.57	8,651.30	1.31	1.42	-7.75%	N.A.
(f)	Trade Receivables Turnover Ratio	Net credit sales / Average trade receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	18,327.55	6,282.07	20,063.97	6,387.80	2.92	3.14	-7.01%	N.A.
(g)	Trade Payables Turnover Ratio	Net credit purchases / Average trade payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	10,954.43	3,247.68	11,102.37	2,976.36	3.37	3.73	-9.65%	N.A.
(h)	Net Capital Turnover Ratio	Revenue / Working capital	Revenue	Working Capital = Current assets - Current liabilities	18,327.55	4,085.67	20,063.97	6,068.97	4.49	3.31	35.65%	Increase in the revenue during the year
(i)	Net Profit Ratio	Net profit / Net sales	Net Profit	Net Sales	(1,265.12)	18,327.55	663.68	20,063.97	(0.07)	0.03	-333.33%	Increase in net loss during the year
(j)	Return on Capital Employed	EBIT / Capital employed	EBIT = Earnings before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liabilities (net)	-704.01	14,675.32	1,742.56	17,393.31	-5.00%	10.00%	-150.00%	decrease in EBIT during the year
(k)	Return on Investment	Net profit / Net investment	Net Profit	Net Investment = Net Equity	(1,265.12)	13,832.53	663.68	15,117.39	-9.00%	4.00%	-325.00%	Increase in net loss during the year



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

46 Additional regulatory information

(B) Title deeds of Immovable Properties not held in name of the Company

The Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company, at anytime during the year ended March 31, 2024.

(C) The Company has not revalued its property, plant and equipment and intangibles during the year ended March 31, 2024 and March 31, 2023.

(D) Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(E) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(F) Relationship with Struck off Companies under section 248 of The Companies Act, 2013 or section 560 of The Companies Act, 1956

During the financial year the Company have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 the details are given below:

Name of struck off Company	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2024	Relationship with the struck off Company, if any
KKS Distribution Pvt Ltd	Trade receivables	7.25	7.25	NA
Devram Valji & Co Pvt Ltd	Trade receivables	3.96	3.24	NA
Pantaloon Retail (I) Ltd	Trade receivables	2.62	2.62	NA
Aswin Exports (P) Ltd	Trade receivables	-	-	NA
Pantaloon Apparals Pvt Ltd	Trade receivables	-	-	NA

1. The Company has made provision for doubtful debts for the balances.
2. There were no new transactions with these companies during the year.

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

(G) Registration of charges or satisfaction with Registrar of Companies

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

(H) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(I) Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(J) Utilisation of Borrowed funds and share premium:

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The 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:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(K) Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(L) Details of Crypto Currency or Virtual Currency

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

47 Subsequent event

No significant subsequent events have been observed which may require an adjustment to financial statements.



Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

48 Contingencies and commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Guarantees given by bank	104.41	102.77
Letter of credits	409.39	651.23
Claims against the Company not acknowledged as debts -		
Income tax related	-	31.51
Indirect tax related	1,107.00	1,087.80

49 Exceptional items

(A) Exceptional items comprise of net profit of Rs. 613.24 lakhs on sale of leasehold land, building and plant and machinery thereon, situated at Daheri, Taluka Umbergaon, Dist. Valsad – 396 171.

(B)

Description of the non-current asset held for sale	Description of the facts and circumstances of the sale	Gain or loss recognised	Remarks
Umbergaon Plant assets (Plant and machinery, Building, Land, Furniture and fixtures)	On May 30, 2022 the Board of Directors of the Company have approved the Memorandum of Understanding for sale of leasehold rights in respect of Umbergaon Plot and Building thereon, situated within the village of Daheri, Taluka Umbergaon, Dist. Valsad - 396 171. As a result, the respective assets were classified as Held for Sale by the Company in accordance with 'Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations'. During the quarter ended December 31, 2022 the assets classified as held for sale were sold and Exceptional items of INR 613.24 lakhs comprise of net profit on sale of leasehold land, building and plant and machinery thereon.	613.24	Profit credited in Exceptional items

Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

- 50** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 51** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure
- 52** These financial statements were authorised for issue by the Board of Directors on May 24, 2024.
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As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

Rajesh Murarka
Partner
Membership No: 120521

Place: Mumbai
Date: May 24, 2024

For and on behalf of the Board of Directors of
VIP Clothing Limited
CIN: L1810MH1991PLC059804

Sunil J. Pathare
Chairman &
Managing Director
(DIN: 00192182)

Kapil J. Pathare
Whole Time Director
(DIN: 01089517)

Devendra Vyas
Chief Financial Officer
(M.No.ACA-150498)

Archana Mungunti
Company Secretary
(M.No.ACS-31071)

Place: Mumbai
Date: May 24, 2024



FINANCIAL HIGHLIGHTS

(Amount in INR lakhs, unless otherwise stated)

Particulars	Financial Year									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Equity Share capital	1,652	1,652	1,652	1,652	1,652	1,652	1,652	1,652	1,322	1,322
Redeemable Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Convertible Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	12,181	13,465	11,687	11,853	12,007	13,527	14,199	14,301	8,012	7,944
Misc exp. not written off	-	-	-	-	-	-	-	-	-	-
Net Worth	13,833	15,117	13,339	13,505	13,659	15,179	15,851	15,623	9,334	9,206
Long term Debts	686	1,003	1,259	326	-	-	-	-	-	-
Net Asset Block	9,914	9,736	10,380	10,653	10,923	10,852	11,130	17,110	6,153	6,658
Total Income	18,371	20,238	18,550	14,512	17,554	20,943	22,366	23,270	19,514	26,160
Profit before tax	(1,613)	831	(412)	(979)	(2,758)	(651)	(252)	(610)	(947)	1,091
Taxation	(348)	167	(191)	(875)	(1,263)	(32)	46	35	46	390
Profit after tax	(1,265)	664	(221)	(102)	(1,506)	(641)	(303)	(751)	(993)	701
Dividend Rate on										
Equity share	-	-	-	-	-	-	-	-	-	15.00%
Redeemable Pref. Shares	-	-	-	-	-	-	-	-	-	5.00%
No of Equity Shares (in Lakhs)	825.96	825.96	825.96	825.96	825.96	825.96	825.96	825.96	660.77	660.77
Face value of Share-Equity	2	2	2	2	2	2	2	2	2	2
Preference	100	100	100	100	100	100	100	100	100	100
Earning per share	(1.53)	0.80	(0.27)	(0.13)	(1.81)	(0.75)	(0.39)	(0.97)	(1.50)	1.08
Book value per share	16.75	18.30	16.15	16.35	16.54	18.38	19.19	23.64	14.13	14.59
Current Ratio	1.36	1.58	1.41	1.44	1.50	1.78	1.81	1.35	1.31	1.23

- Rs. 330 Lakhs increased on account of issue of 1,65,19,304 Equity shares at right issue @ Rs. 26/- (face value of shares is Rs. 2/-)
- Increase in securities premium account by Rs. 3,965 Lakhs on account of Rights issue of Shares and others on account of effect has been give for the first time adoption of INDAS as well as correction of brand valuation and related DTL impact.
- Effect has been give for the first time adoption of INDAS and correction of brand valuation.



To,
Link Intime India Private Limited/Depository Participant

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

General Information:

Folio No./DP ID/Client ID:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/First holder

Note:

Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to our RTA, Link Intime India Private Limited. Shareholders holding



VIP Clothing Ltd.



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Feelings

LEADER

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RIVOLTA

