



Date: August 22, 2023

To,

The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code : 532613

To,

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai-400 051.

Trading Symbol : VIPCLOTHING

Dear Sir/Madam,

Sub: Submission of Notice of the 33rd Annual General Meeting of the Company along with the Annual Report.

Pursuant to Regulation 34(1) of the SEBI Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Notice of 33rd Annual General Meeting (AGM) along with the Annual Report of the Company for the financial year 2022-23.

The AGM is scheduled to be held on Thursday, September 14, 2023 at 11.30 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Notice of AGM along with the Annual Report for the financial year 2022-23 is also available on the website of the Company.

This is for your information and record.

Thanking you.

Yours faithfully,
For **VIP Clothing Limited**


ARCHANA MUNGUNTI
Company Secretary
Membership No.: A31071



VIP Clothing Ltd.

Registered Add.: C-6, Street No. 22, MIDC,
Andheri (E), Mumbai - 400 093. India.

CIN : L18101MH1991PLC059804

T: +91 (22) 28257624/27
+91 (22) 66920478
F: +91 (22) 2871023/24

E: info@viporg.com
W: www.vipclothing.in



VIP Clothing Ltd.

ELEVATING WITH EVOLUTION

ANNUAL
REPORT
2022-23



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.*

A
VIVID VISION
OF
VASTNESS



THE **INNERWEAR** EXPERT

NEW RANGE NEW COLOURS



FASHION IS AGELESS

VIP has leapt to premium with the 'S' series i.e Skimpys, Skien II and Sensory. The products were built with an agenda to provide a sense of newness to the 'Middle Age' group who tend to step into the style space and want to exit the ordinary style and routine fabrics of their innerwear.

Feelings

EVERYDAY COMFORT



We are thrilled to announce that the stunning supermodel Ujjwala Raut has joined VIP Feelings as its new face!

With her unparalleled beauty, confidence, and iconic presence in the fashion industry, Ujjwala perfectly embodies the essence of our brand.

Ujjwala is one of the most successful overseas Super Model from India. She has walked the ramp for renowned designers like Gucci, Hugo Boss, Roberto Cavalli, Dolce Gabbana and many more.



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

Frenchie



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



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.

LEADER ALIGN

VEST



**CONTOURED
ARM-OPENING FOR EASE
OF MOVEMENT**



**ACTIVE SWEAT
ABSORPTION**

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

GREAT
FITS
SUPER *Styles*

Frenchie



PRO | BRIEF

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


VIP[®]

**BROAD
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.

Frenchie

SOCKS



PREMIUM COTTON



BREATHABLE



SUPERIOR COMFORT

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



VIP[®]

ARRAY

VEST



IDEAL FOR DAILY USE



CONTOURED ARM-OPENING
FOR EASE OF MOVEMENT



ACTIVE SWEAT
ABSORPTION

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

**GREAT
FITS
GREAT**
style



**100% COTTON
FABRIC**



**REGULAR
FIT**



**ROUND
NECK**



Frenchie

ROUND NECK T-SHIRT

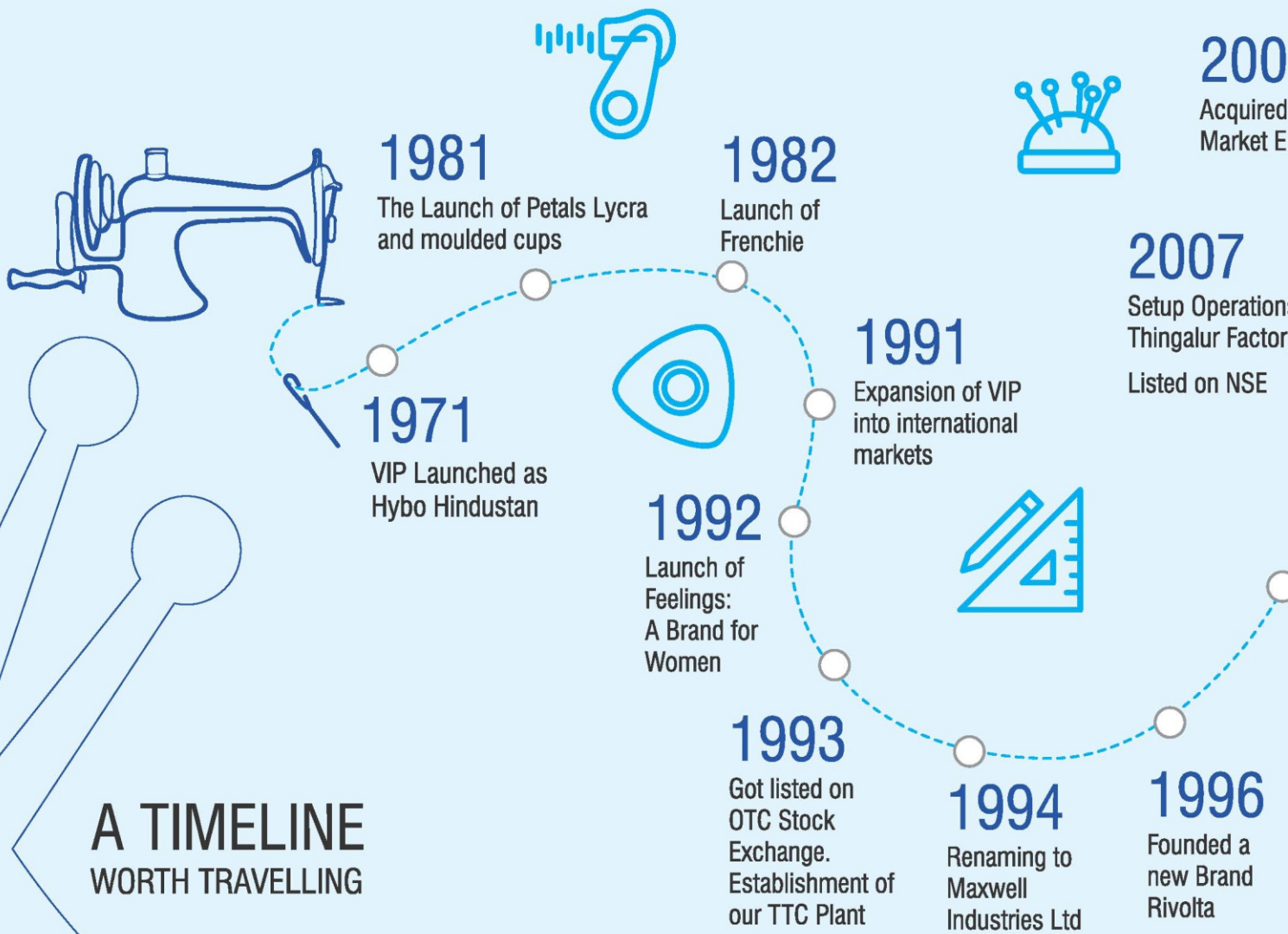
The actual colour, print and design on the garment could vary from the image.

GREAT FITS
SUPER *Styles*

Frenchie

BOKS | RELAXWEAR

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



**A TIMELINE
WORTH TRAVELLING**

DID YOU KNOW!

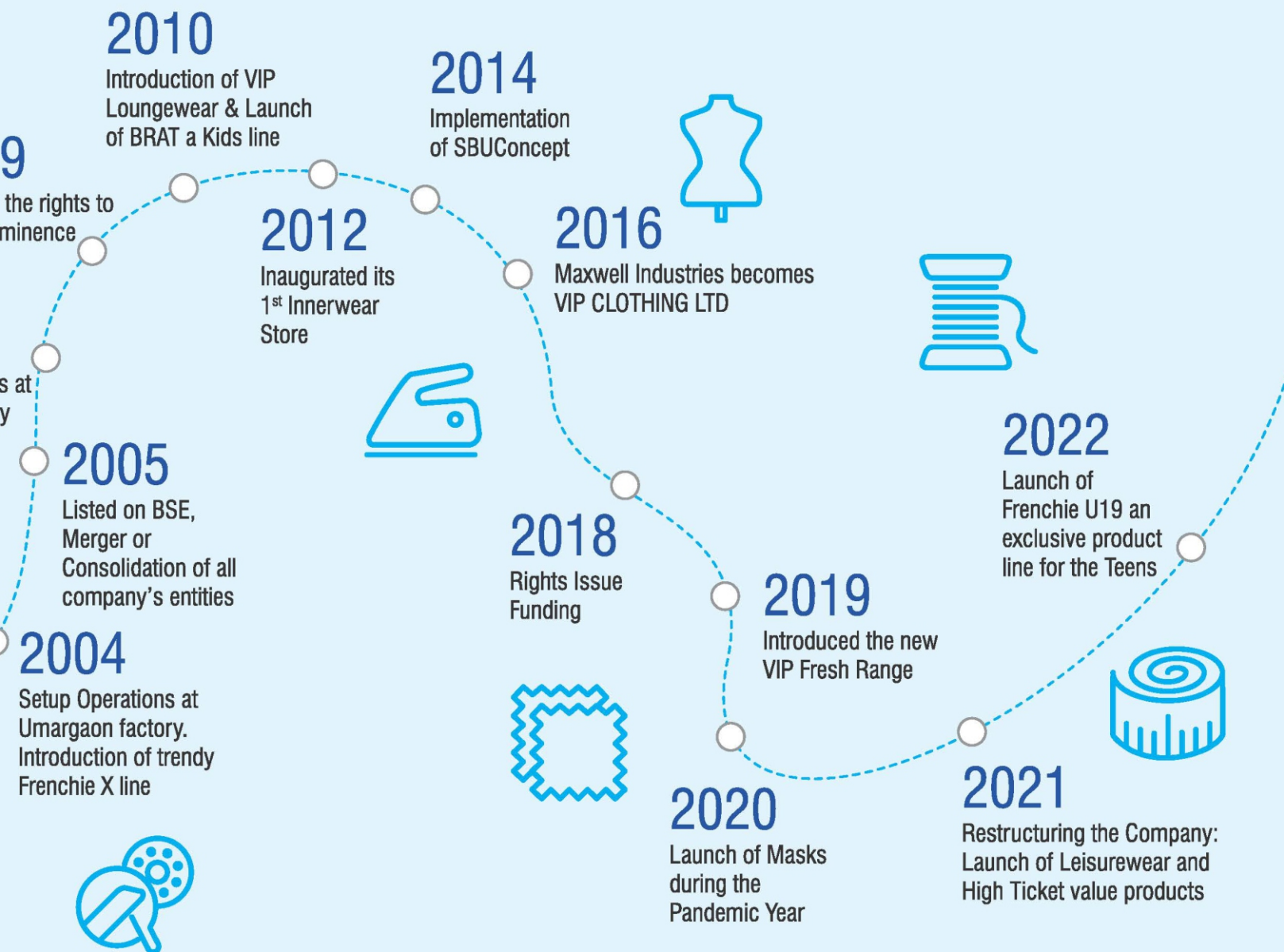


THE STIRRING JO

TODAY



APPAREL WEAR EXPERTISE



JOURNEY OF 54 YEARS FROM WARDROBES TO HEARTS

BY VIP IS AN EMOTION FELT BY THE NATION

OUR LEADERSHIP BOARD OF DIRECTORS

AS ON MARCH 31, 2023



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

AS ON MARCH 31, 2023



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.



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.



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.

STRATEGIC ADVISOR

AS ON MARCH 31, 2023



MR. SUNIL KUMAR ALAGH
Strategic Advisor

Mr. Alagh is a Strategic advisor to the Company. He is a former Managing Director and Chief Executive Officer of Britannia Industries, an Indian food corporation. He was appointed as the President of the All India Management Association (AIMA) in 2004 and has advised a number of leading Companies in India.

KEY MANAGERIAL PERSON

AS ON MARCH 31, 2023



MR. DEVENDRA VYAS
Chief Financial Officer

Mr. Vyas has an experience of around 21 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 11 years in corporate laws, securities laws and corporate governance.

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



POPULATION

Attractive demographics with a large youth population



PRODUCTS

Shift in market demand from unbranded products to proven branded products



ECONOMY

Premiumisation trends with consumers up-trading from economy to higher value premium and luxury products



WOMEN

Increased awareness among women about intimate wear products



WORKFORCE

Trends in more women stepping out for work and participating in the formal workforce, driving both-demand for women inner wear



INCOMES

Higher discretionary/ disposable incomes

10.5%
CAGR

MARKET OPPORTUNITIES

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...



MESSAGE FROM THE
**CHAIRMAN &
MANAGING DIRECTOR**

Mr. Sunil J. Pathare

Dear Shareholders,

Greetings from VIP Management.

As we conclude the financial year 2022-23, I am pleased to share an overview of our company's performance and future strategies.

The year 2022-23 has been a remarkable journey for our company. Despite the challenges posed by the global economic landscape, we have achieved steady growth and maintained our position. I extend my sincere gratitude to each member of VIP team for their unwavering support, which has been instrumental in our success.

In response to the ever-evolving consumer demands, we have decided to change gears and take bold steps towards progress. We are committed to embracing innovation and technology to stay ahead in this competitive market. We have invested ourselves in digital enhancements via the means of social media and performance marketing through Meta, YouTube and Google to boost our sales in the D2C market.

We will also be focusing on building a strong presence across all our online listed marketplaces i.e. Amazon, FlipKart, Nykaa, Myntra etc. and most importantly our own

website that is vipinners.com. Our commitment to digitalization has already begun, and we are rapidly transforming our operations to optimize the efficiency and enhance customer experience. The Digitalization Investment in making company fully SAP driven, connecting with other softwares like Field Assist for Re-distribution sales management, DMS for Distributors Management, dashboard creation at various levels for Data Analysis, HRM Software for performance management and Uniware for D2C sales management is helping company to remain future ready.

Your company has rooted a collection to cater well to the women's lingerie segment through its brand that goes by the name of FEELINGS and also expanded its presence in the kids inner wear segment by the name of BRAT. The fast fashion world is evolving day by day and VIP Clothing also thrives on being a part of it through the means of leisurewear and activewear.

VIP Clothing Ltd. always had a DNA of creating strong and successful brands, building long lasting relationships and innovation in products and marketing.

These are the three winning traits of the VIP journey. Moving forward company is going to Focus on its' DNA and strengthen



“The Leading Innerwear Brand’ from India at the Indo – Arab Leaders’ Summit and Awards 2022, held in Dubai.”

on these 3 traits of success and decided not to look back at backward integration which had been the challenge and hurdle for VIP’s growth.

The company has started its marketing goals and is also focusing on brand strategy which has already started showing success.

The hiring of new talent especially in fields of focus marketing, sales and developments has given positive results to the company. Bringing back the innovation culture of launching products and working style of company employees has been Human Resource driven.

We take pride in saying; VIP and its House of Brands does not only have its presence in India but also in the Middle East and Persian- Gulf Nations.

Your Company is happy to announce that it had received a highly acclaimed award ‘The Leading Innerwear Brand’ from India at the Indo – Arab

Leaders’ Summit and Awards 2022, held in Dubai. After successfully setting its base in the Middle East & Persian Gulf, the company will now focus on expanding its territories to the African Nations.

The company has its manufacturing set ups in two locations, one in Tamil Nadu which is spread across 19.2 acres of land and the other one in Kolkata in the state of West Bengal. The company believes in female empowerment hence in Tamil Nadu we have 1000 workers which consist of 85% women employees. Post Pandemic, the company faced challenges of labour adversity but moving forward, to overcome this challenge the company had planned stabilization of labour by building an additional dormitory and doubling the number of in – house workers from 300 to 600 for added efficiency.

In alignment with sustainability, Your Company also focuses on

clean and green energy where it possesses a Windmill for renewable energy at Coimbatore in the state on Tamil Nadu.

Our ambitious upscaling of the business model is a testament to our determination to drive sustainable growth.

By leveraging our existing strengths and exploring new opportunities, we aim to unlock our company's full potential and create long-term value for all stakeholders.

In conclusion, I want to reaffirm our commitment to the principles of transparency, accountability, and shareholder value. With your continued trust and support, we are confident that the year ahead will be filled with even greater achievements.

“Thank you for being an integral part of our journey. Together, we will forge a prosperous future for our company.”

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

CORPORATE INFORMATION



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.

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:
M/S. HARIBHAKTI & CO. LLP
Chartered Accountants

Secretarial Auditor:
M/S. RS & MP ASSOCIATES
Company Secretaries

FINANCIAL HIGHLIGHTS

OPERATING REVENUE

₹ 20,064.00
(IN LAKHS)



PROFIT AFTER TAX

₹ 664.00
(IN LAKHS)



EARNINGS PER SHARE

₹ 0.80



BOOK VALUE PER SHARE

₹ 18.30



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INVESTOR INFORMATION

Market capitalization as at March 31, 2023

BSE ₹ 33,196 (In Lakhs)

NSE ₹ 33,121 (In Lakhs)

CIN L18101MH1991PLC059804

BSE Scrip Code 532613

NSE Symbol VIPCLOTHNG

AGM Date September 14, 2023 at 11.30 a.m. (IST)
Through Video Conferencing

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **VIP Clothing Limited** will be held on **Thursday, September 14, 2023 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, 2023, Statement of Profit and Loss for the financial year ended 31st March, 2023 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, 2023, Statement of Profit and Loss for the financial year ended 31st March, 2023 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. Sunil J. Pathare (DIN: 00192182), 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. Sunil J. Pathare (DIN: 00192182), 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.”

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

Place: Mumbai
Date: August 10, 2023

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



NOTES:

I. GENERAL INFORMATION

1. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated January 13, 2021 and the General Circular No.: 21/2021 dated December 14, 2021 and the General Circular No.: 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022, ("MCA Circulars"), Annual General Meeting (AGM) can be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Accordingly, physical attendance of the Shareholders at venue is not required. 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, circular No. 10/2022 dated 28th December, 2022, the Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in 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 **Thursday, September 07, 2023 to Thursday, September 14, 2023**. (both days inclusive)
6. Link Intime India Private Limited ("LIPL") 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.
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.co>.
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 33rd 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. Mr. Rakesh Sanghani or on failing of him Mr. Marmik Patel, Practising Company Secretary from M/s. RS & MP Associates (Unique Code No. P2017MH061400) has been appointed as the Scrutinizer to scrutinize the e-Voting in a fair and transparent manner.
4. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first count the votes cast during the meeting, thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 hours of conclusion of the meeting, a Consolidated Scrutinizer'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.
5. The Results declared along with the report of the Scrutinizer shall 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>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
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.
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 **Monday, September 11, 2023 at 10.00 a.m.** and ends on **Wednesday, September 13, 2023 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) **Thursday, September 07, 2023** 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:

1. Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e- Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.



2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your 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. Open the internet browser and launch the 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:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

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.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical 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>

Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder 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 minimum 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

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.
- 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 Annual 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. Demat Account No. or Folio No:** Enter your 16 digit Demat Account 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 to Speak during the Annual General Meeting:

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 to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator 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 Annual 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 Annual General Meeting will be eligible to attend/ participate in the Annual 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.

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

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

Place: Mumbai
Date: August 10, 2023

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. Sunil Pathare
Date of Birth/Age	July 17, 1971 / 52 Years
Qualification	B. Com.
Brief resume including nature of expertise	Mr. Sunil Jaykumar Pathare, aged 52 years, is the Promoter and the Chairman and Managing Director of our Company. He holds a Bachelor's degree in Commerce from University of Mumbai obtained in July, 1991. He looks after the overall management of the day to day affairs of the Company. He has been awarded the "Entrepreneurship Excellence Award" by the Small and Medium Business Development Chamber of India in 2007. Mr. Sunil Pathare is having an extensive experience in the field of hosiery industry and well conversant with development of range of product with new design and style, production, operation, marketing, sales promotion and accounts and finance.
Relationship with other Directors	Brother of Mr. Kapil Pathare, Whole-time 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, 2023	1,67,42,008 Equity shares



DIRECTORS' REPORT

To,
THE MEMBERS
VIP CLOTHING LIMITED

The Directors of your Company are pleased to present, the 33rd 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, 2023 and report of the Auditors thereon.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Current Year Ended March 31, 2023	Previous Year Ended March 31, 2022
Revenue from operations	20,063.97	18,297.74
Other income	174.25	252.70
Total income	20,238.22	18,550.44
Less: Total expenditure before finance cost, depreciation & income tax	18,802.68	17,627.27
Profit / (loss) before finance cost, depreciation, exceptional items and taxes	1,435.54	923.17
Less: Finance cost	911.84	950.30
Profit / (loss) before depreciation, exceptional items and taxes	523.70	(27.13)
Less: Depreciation	306.22	384.82
Profit / (loss) before exceptional items & tax	217.48	(411.95)
Add / (less): Exceptional items	613.24	--
Profit / (loss) before taxes	830.72	(411.95)
Less: Income tax expense:		
Current tax	119.62	--
Deferred tax charge / (benefit)	47.42	(190.63)
Profit/(loss) for the period before other comprehensive income	663.68	(221.32)
Add/(less): Other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(33.66)	21.79
Fair value of cash flow hedges through other comprehensive income (net of tax)	18.45	(18.45)
Total other comprehensive income for the year	(15.21)	3.34
Total comprehensive income for the year	648.47	(217.98)

OPERATIONS

Revenue from operations for the financial year 2022-23 stood to ₹ 200.64 crore as against ₹ 182.98 crore in the previous financial year 2021-22. There was an increase in the revenue by 10% as compared to the previous year.

The Earnings before interest, tax, depreciation and amortisation (EBITDA) during the current year stood around 7% as against the 5% in the previous year.

The net profit for the financial year 2022-23, stood around ₹ 6.64 crore as against the net loss of ₹ 2.21 crore in the previous financial year 2021-22.

DIVIDEND

The Board has not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2023.

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 ₹ 44.50/- each ("Warrants") aggregating upto ₹ 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 ₹ 44.50/- each aggregating to ₹ 45,16,75,000/-.
Conversion	Each warrant convertible into one fully paid up equity share of ₹ 2/- each.
Payment terms	25% (₹ 11.13 per warrant) to be called upfront; and balance 75% (₹ 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, 2023, the Company does not have any subsidiary, Joint Ventures and Associate Companies.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company is duly constituted and the Board comprised of Two Executive Directors and Four Non – Executive Directors.

Retirement by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sunil J. Pathare (DIN: 00192182), 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 2022-23.

BOARD INDEPENDENCE

The Board of the Company as on March 31, 2023 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.

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 09, 2023 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 5 (Five) times during the financial year 2022-23. 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 had outstanding unsecured short term borrowing from the Directors of the company which has been repaid during the financial year under review and are in adherence to the provision of the Companies Act, 2013. The details of such borrowing are disclosed in the Annual Account for F.Y 2022-23 and Note No. 39 forming part of the accounts.



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, 2023, 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, 2023 and of the Profit of the Company for the year ended on March 31, 2023;
- (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

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 Thirty Sixth Annual General Meeting.



Accordingly, the Auditors have given the audit report for the year ended on March 31, 2023. 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 2022-23.

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, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended on March 31, 2023 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, 2023 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, 2023.

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 January 27, 2023, CRISIL has affirmed the following rating with respect to the Credit Bank Facilities availed by the Company as follows;

Total Bank Loan Facilities Rated	₹ 123.4 Crores
Long Term Rating	CRISIL BB/Stable (Reaffirmed)
Short Term Rating	CRISILA4+ (Reaffirmed)

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 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.

For and on behalf of the Board

Place: Mumbai
Date: May 26, 2023

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. The present constitution of the CSR Committee is as follows:

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

3. Average net profit of the Company for last three financial years (2020-2022): Not Applicable.

4. Prescribed CSR expenditure (2% of the amount as in item no.3) (2020-2022): Nil

5. Details of CSR amount spent during the financial year (2022-23): 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 26, 2023



ANNEXURE – B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[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, 2023** 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, 2023 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;
 - 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) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:
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 except the following:

- i). The proceeding of the meetings and the minutes of the Board meetings and the Committee meetings held via Video Conference / Audio & Video Mode are not in adherence to the requirements of the Rule 3 of the Companies (Meetings of Board & its Powers) Rules, 2014.
- ii). The Company has not adhered with few applicable provisions of Secretarial Standards as issued by The Institute of Company Secretaries of India.

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 and in case of shorter notice, the Company has not complied with the proviso of Section 173(3) of 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

- i). Issue and allotment of 1,01,50,000 (One Crore One Lac Fifty Thousand) convertible warrants on preferential basis at an issue price [including the warrant subscription price (Rs. 11.13 per warrant) and the warrant exercise price (Rs. 33.37 per warrant)] of Rs. 44.50/- each (Rupees Forty-Four and paise Fifty only) aggregating to Rs. 45,16,75,000/- (Rupees Forty-Five Crores Sixteen Lacs Seventy-Five Thousand only), to specified person(s) under Promoter / Promoter Group of the Company and certain identified non promoter persons.

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

Rakesh Sanghani, Partner
FCS: 7647 **CP:** 6302

UDIN: F007647E000384375

Date: May 26, 2023
Place: Mumbai

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.
7. 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

Rakesh Sanghani, Partner

FCS: 7647 **CP:** 6302

UDIN: F007647E000384375

Date: May 26, 2023

Place: Mumbai



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, 2023	Year ended 31 March, 2022
Units Consumed (In Lakhs)	5.92	6.55
Units Consumed per kg. of Production	0.71	0.75

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.
- Improvised 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 ₹ 1745.18 lakhs (Previous year ₹ 1420.86 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹ 57.94 lakhs (Previous year ₹ 49.72 lakhs).

For and on behalf of the Board

Place: Mumbai
Date: May 26, 2023

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 2022-2023:

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	27.54
Mr. Kapil J. Pathare	24.00
Mr. Robin Banerjee	0.48
Mr. Chetan Sheth	0.61
Mr. Gopal Sehjpal	0.61
Mrs. Meher Castelino	0.61

(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:

Directors: Sunil Pathare: 24.19% and Kapil Pathare: 21.07%, Chief Financial Officer: 20%

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

FY 2022-23: 6.69%

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

340 Employees + 670 Workers (they are covered under Payment of Wages Act) – As on March 31, 2023.

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:

Average percentage increase:

FY: April 2022 - March 2023

M6 & above (Managerial Level) total rise in CTC: 13%

E1 & Below total rise in CTC: 11%

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:

NA

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

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 26, 2023

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 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 2022-23:-

Name	Sunil Pathare	Kapil Pathare	Bhushan Patel	Devendra Vyas	Manmeet Bhasin	Amol Gaur	Shashikant Bhosle	Rupal Ambekar	Ashik Shah	T Promod Reddy
Designation	Chairman & Managing Director	Whole-time Director	VP Sales	Chief Financial Officer	National Sales Manager – Modern Trade & CSD	National Sales Manager – Frenchie, Accessories & Premium	National Sales Manager – Feelings & Brat	Executive Asst. To CMD, Head – Logistics, Debtors' Management	NSM – VIP, Leader	Dy. General Manager Operations (Thingalur)
Remuneration Received during F.Y.2022-23 (in lakhs)	90.27	72.65	64.00	54.00	27.73	23.40	23.00	21.01	21.50	19.07
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	Accounts & taxation	Modern Trade, Retail & Ecommerce	Sales	Sales	Overview of EA to CMD, Head – Logistics, Debtors' Control Packaging	Sales	Operations in Thingalur Factory
Qualification	B.com	B.com, MBA	B.com, MBA	M.com, CA	B.com	B. Com. MBA	B. Com.	BSC	B.S.C, MBA	B.com
Experience	Nearly three decades of extensive experience in Marketing, 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.	Nearly two decades of experience in the field of Distribution Sales.	More than two decades of experience in the field of Distribution Sales.	One decades 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.
Age (in years)	51.09	43.07	50.04	47.07	50.01	45.09	55.00	39.02	49.07	51.11
Last Employment	.	.	Page Garments Export Pvt Ltd	Kanchan International Ltd	MSH - Sarees Pvt Ltd	GnG Knitting Pvt Ltd	Modenik Lifestyles Pvt Ltd	Danone Narang Beverages pvt ltd	.	.
Date of Commencement of Employment	01.01.1992	31.10.2002	23.08.2018	14.03.2012	02.05.2017	17.08.2022	13.01.2023	21.02.1984	15.02.1997	18.08.1994
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	.	.	.	.	.	.	.	.

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, 2023** 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
1.	Mr. Sunil Jaykumar Pathare	Chairman & Managing Director	00192182
2.	Mr. Kapil Jaykumar Pathare	Whole time Director	01089517
3.	Mr. Gopal Sehjpal	Independent Director	00175975
4.	Mr. Chetan Sheth	Independent Director	00202723
5.	Mr. Robin Banerjee	Independent Director	00008893
6.	Mrs. Meher Castelino	Independent Director	07121874

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

Rakesh Sanghani, Partner
FCS: 7647 CP: 6302

UDIN: F007647E000738256

Date: August 10, 2023
Place: Mumbai



CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2023.

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:

During the year under review there was no change in the Board of Directors of the Company.

c) Composition of Board:

As on 31st March 2023, 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 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	Mr. Robin Banerjee	Independent Director (Non-Executive Director)	00008893
4	Mr. Gopal Krishan Sehjpal	Independent Director (Non-Executive Director)	00175975
5	Mr. Chetan Dolatrai Sheth	Independent Director (Non-Executive Director)	00202723
6	Mrs. Meher Bruno Castelino	Independent Director (Non-Executive Director)	07121874

d) Board Meetings:

Five meetings of Board of Directors were held during the year ended 31st March, 2023. These were held on 30.05.2022, 12.08.2022, 10.11.2022, 09.12.2022 and 09.02.2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



- 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 2022-23	Attendance in AGM held on 23.09.2022	Directorship in other listed entities (Category of Directorship)
			As Member	As Chairman			
Mr. Sunil J. Pathare DIN: 00192182	Promoter / Executive Director / Chairman & Managing Director	-	-	-	5	Yes	-
Mr. Kapil J. Pathare DIN : 01089517	Promoter/ Executive Director/ Whole-time Director	-	-	-	5	Yes	-
Mr. Gopal Sehjpal DIN : 00175975	Independent Director	1	1	3	5	Yes	-
Mr. Chetan Sheth DIN: 00202723	Independent Director	-	-	-	5	Yes	-
Mr. Robin Banerjee DIN : 00008893	Independent Director	2	2	1	4	Yes	-
Mrs. Meher Castelino DIN : 07121874	Independent Director	1	2	-	5	No	Rossari Limited (Independent Director)

- 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:**

The Company familiarizes its Independent Directors on nature of the industry in which the Company operates, business model of the Company and its products as a regular practice.

- 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:

Core skills / competencies / expertise	Name of Directors					
	Mr. Sunil J Pathare	Mr. Kapil J Pathare	Mr. Gopal Sehgal	Mr. Chetan Sheth	Mr. Robin Banerjee	Mrs. Meher Castelino
Leadership / Operational experience	√	√	√	√	√	√
Strategic Planning	√	√	√	√	√	√
Sector / Industry Knowledge & Experience, Research & Development and Innovation	√	√	√	√	√	√
Technology	√	√	√	√	√	√
Financial, Regulatory / Legal & Risk Management	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√

- j) **Declaration of Independence given by Independent Directors:**

All the Independent Directors of the Company have declared that, they meet the criteria of independence as prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act and having given necessary confirmations received from the Independent Directors, the Board of Directors confirms the same.



k) Directors seeking re-appointment:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sunil J. Pathare (DIN: 00192182), 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 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 LODR 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:

The terms of reference of the Audit Committee are aligned with the terms of reference provided under section 177(4) of the Companies Act, 2013, Regulation 18(3) of the Listing Regulations.

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 5 (Five) times on 30.05.2022, 12.08.2022, 10.11.2022, 09.12.2022 and 09.02.2023.

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 Sehjpal	Chairman	Independent Director	5	5
Mr. Chetan Sheth	Member	Independent Director	5	5
Mr. Robin Banerjee	Member	Independent Director	5	4
Mr. Sunil J. Pathare	Member	Executive Director	5	5

Mrs. Archana Mungunti is Company Secretary to the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Terms of Reference:

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

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

The composition of Nomination and Remuneration Committee 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 1 (One) time on 10.11.2022.

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	1	1
Mr. Gopal Sehgal	Member	Independent Director	1	1
Mrs. Meher Castelino	Member	Independent Director	1	1
Mr. Robin Banerjee	Member	Independent Director	1	1

Mrs. Archana Mungunti is 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) Criteria of making payment to non-executive director:

The Non-Executive/Independent Directors were paid the sittings fees for attending the Meeting of Board and Committee. The company has not granted any stock options to its non-executive / independent directors.



b) Remuneration of Director:

(₹ 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	-	88.68	-	88.68
Mr. Kapil J. Pathare	Younger brother of Mr. Sunil J. Pathare	Promoter	-	72.06	-	72.06
Mr. Gopal Sehjpal	None	None	2.00	-	-	2.00
Mr. Chetan Sheth	None	None	2.00	-	-	2.00
Mr. Robin Banerjee	None	None	1.60	-	-	1.60
Mrs. Meher Castelino	None	None	2.00	-	-	2.00

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Terms of Reference:

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

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

The composition of Stakeholders Relationship Committee 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 30.05.2022, 12.08.2022, 10.11.2022 and 09.02.2023.

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	Executive Director	4	4
Mr. Kapil J. Pathare	Member	Executive Director	4	4

Mrs. Archana Mungunti is Company Secretary to the Committee.

c) Number of shareholders' complaints received so far:

During the financial year ended on March 31, 2023, 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.

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 met (1) once during the last financial year on 09.02.2023. 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
Mrs. Meher Castelino	Member	Independent Director	1	1

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 09.02.2023. 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

Mrs. Archana Mungunti is 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 09.02.2023.. The attendance details as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Robin Banerjee	Chairman	Independent Director	1	1
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
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
2019-20	30 th AGM	Through Video Conferencing / Other Audio Visual Means	September 24, 2020	11.00 a.m.	NIL

b) Extraordinary General Meeting:

No extraordinary General Meeting was held during the financial year 2022-23.

ii) Postal Ballot: During the year under review, Postal Ballot was conducted Twice, details are as under:

1. For approving following special resolutions, results of which were declared on 30th June, 2022:

Item No.	Brief Particulars of the Special Resolutions passed
1.	ALTERATION OF OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.
2.	RE-APPOINTMENT OF MR. SUNIL PATHARE (DIN: 00192182) AS CHAIRMAN AND MANAGING DIRECTOR FOR THE PERIOD OF THREE (3) YEARS, COMMENCING FROM APRIL 1, 2022.
3.	RE-APPOINTMENT OF MR. KAPIL PATHARE (DIN: 01089517) AS A WHOLE-TIME DIRECTOR FOR THE PERIOD OF THREE (3) YEARS, COMMENCING FROM APRIL 1, 2022.



2. For approving following special resolutions, results of which were declared on 11th January, 2023:

Item No.	Brief Particulars of the Special Resolutions passed
1.	ISSUE OF UPTO 1,01,50,000 (ONE CRORE ONE LAC FIFTY THOUSAND) WARRANTS EACH CONVERTIBLE INTO, OR EXCHANGEABLE FOR, ONE EQUITY SHARE OF THE COMPANY WITHIN THE PERIOD OF 18 (EIGHTEEN MONTHS) IN ACCORDANCE WITH THE APPLICABLE LAW (“WARRANTS”), ON PREFERENTIAL BASIS, TO SPECIFIED PROMOTER(S) OF THE COMPANY AND CERTAIN IDENTIFIED NON-PROMOTER PERSONS.

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 Stock Exchanges, SEBI, MCA or other statutory authorities relating to the above except as mentioned in Secretarial Audit Report.

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. 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.

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, 2023.

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:

- i) 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 2022-23 were undertaken in compliance with the aforesaid regulatory provisions which is available on the website of the Company at www.vipclothing.in.
- ii) There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- iii) 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.
- iv) 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.
- v) The Reconciliation of Share Capital 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 Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.



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- vi) 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.
 - vii) The Company has not accepted any public deposits and no amount on account of public deposit was outstanding as on March 31, 2023.
 - viii) There has been no non-compliance by the Company on any matter. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise.
 - ix) Listing fees for the financial year 2022-23 have been paid to the Stock Exchanges on which the shares of the Company are listed.
 - x) 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.
 - xi) The Company has a Whistle Blower Policy to report genuine concerns or grievances. As per Regulation 46 of SEBI Listing Regulation, the Whistle Blower Policy has been posted on the website of the Company www.vipclothing.in. The Audit Committee shall oversee the Vigil Mechanism. No director or employees of the Company has been denied access to audit committee.
 - xii) The Company has complied with all the applicable Indian Accounting Standards.
 - xiii) The Internal Auditors directly report to the Audit Committee.
 - xiv) The Audit Report contains unmodified audit opinion.
 - xv) Details of total fees paid to the Statutory Auditors of the Company are given in in notes forming part of the Financial statements in this Annual Report.
 - xvi) There were no shares lying in unclaimed suspense account under Regulation 39 and Schedule VI of Listing Regulations as on March 31, 2023.
 - xvii) 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, 2023. 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.
 - xviii) 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 website. Information, 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 is proposed to be held on **Thursday, September 14, 2023 at 11.30 a.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Financial Calendar : April 1, 2022 to March 31, 2023

Book Closure : **Thursday, September 7, 2023 to Thursday, September 14, 2023**
(Both days inclusive)

Dividend Payment : Dividend, if declared, will be paid / dispatched within the time prescribed under the law.

- B)** Registered office of Company : C-6, Road No. 22, MIDC, Andheri (East) Mumbai – 400 093.

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, 2022	34.15	23.05	33.95	23.50
May, 2022	28.00	21.90	28.60	21.85
June, 2022	27.35	20.90	27.00	20.60
July, 2022	25.40	22.05	25.10	22.10
August, 2022	29.40	22.35	29.85	22.30
September, 2022	40.50	27.15	40.65	27.40
October, 2022	38.95	33.70	38.50	33.60
November, 2022	41.90	34.85	42.00	34.60
December, 2022	57.75	38.00	57.65	38.05
January, 2023	50.90	41.50	50.90	41.40
February, 2023	45.80	39.65	46.20	39.60
March, 2023	43.90	37.53	44.20	37.35

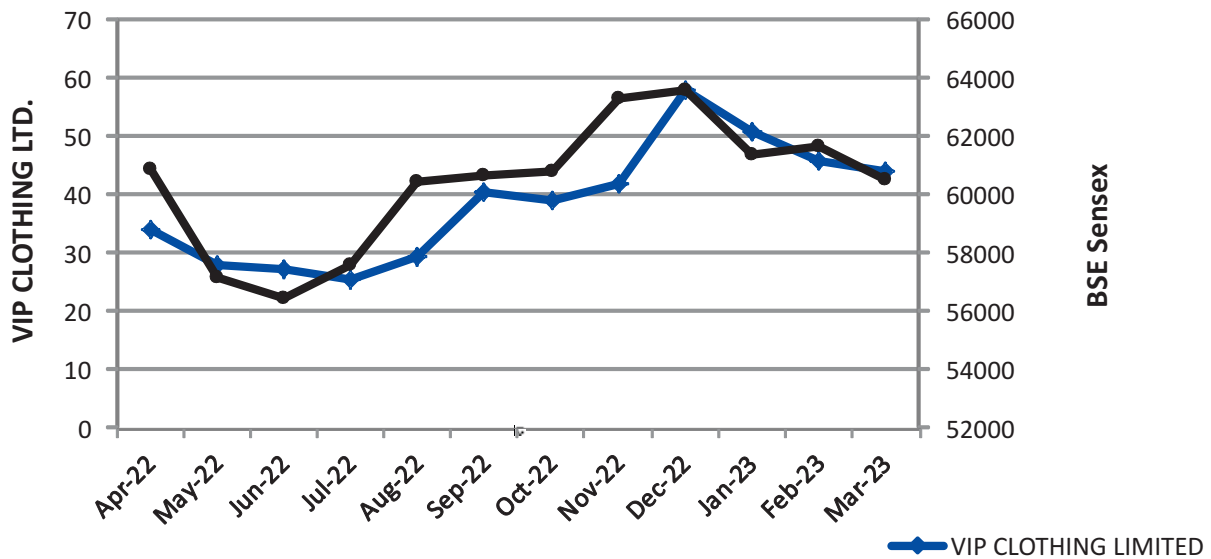
Source: Website of the BSE Limited and National Stock Exchange of India Limited.

Slab of no of Shareholding	No. of Share holders	% of Shareholders	No. of Shares held	% of Shares held
1 – 500	22698	76.50	3133508	3.79
501 – 1000	3002	10.12	2510625	3.04
1001 – 2000	1821	6.14	2879759	3.49
2001 – 3000	636	2.14	1635769	1.98
3001 – 4000	290	0.98	1058207	1.28
4001 – 5000	339	1.14	1618064	1.96
5001 – 10000	421	1.42	3162813	3.83
10001 - *****	463	1.56	66597774	80.63
Total	29670	100	82596519	100

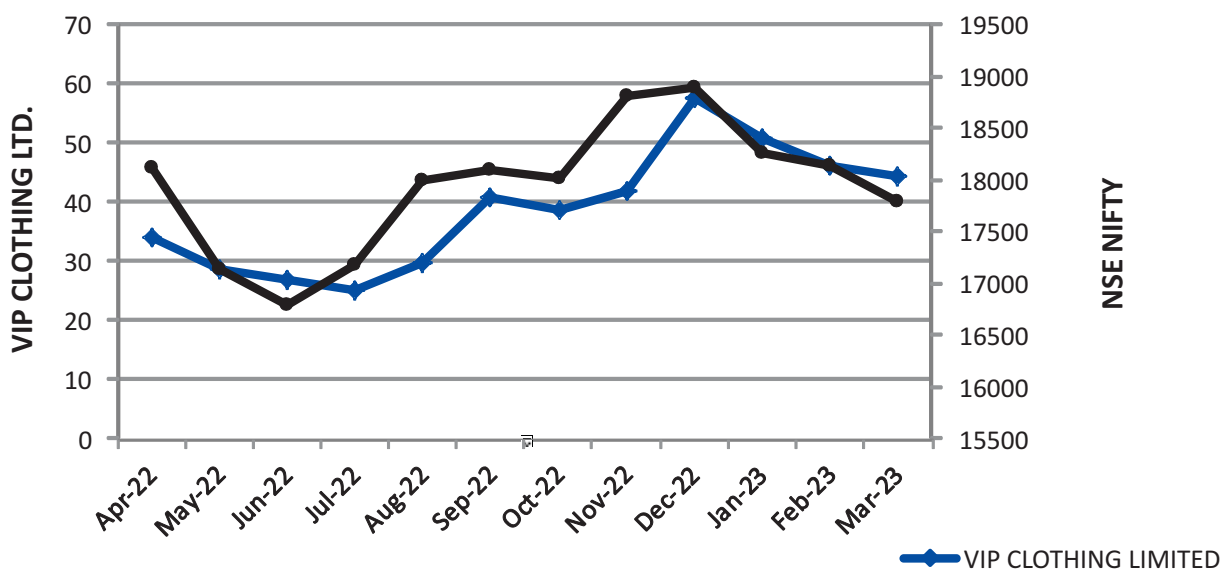


Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty

a) **Share price performance relative to BSE Sensex based on the share price on March 31, 2023**



b) **Share price performance relative to Nifty 50 based on the share price on March 31, 2023.**



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

G) Shareholding pattern as on March 31, 2023

Category	No. of Share held	% of total shares held
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	3,61,271	0.44
Sub-total	3,62,146	0.44
3.1 Bodies Corporate	43,48,059	5.26
3.2 IEPF	9,05,929	1.10
3.3 Indian Public	3,18,45,274	38.56
3.4 Trust	500	0.00
3.5 NRIs. / NRNs.	9,10,722	1.10
3.6 Clearing Members	41,907	0.05
13.7 Hindu Undivided Family	18,22,058	2.20
3.8 NBFCs registered with RBI	0	0
3.9 Body Corp-Ltd Liability Partnership	14,04,386	1.70
Sub-total	4,12,78,835	49.97
Grand Total	8,25,96,519	100.00

H) Dematerialization of Shares:

About 99.06 % of the shares of the Company have been dematerialized as on March 31, 2023. 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	8,18,17,345	99.06
Holding in physical form	7,79,174	0.94
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:

Factory Location	Activity
(I) Chinnakkully Village, Pappampatti Panchayat, Coimbatore, Tamil Nadu - 641 016.	Wind Mill
(iii) S. F. No. 125, 126 & 127, Appachimarmadam, Thingalur, Erode, Tamil Nadu – 638 055.	Stitching Unit

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 40209000
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 2022-23. 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 2022-23.”

Place: Mumbai
Date: May 26, 2023

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 Disclosures Requirements) Regulations, 2015:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 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 26, 2023

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

Devendra Vays
Chief Financial Officer

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, 2023 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 alongwith 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.

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

Rakesh Sanghani, Partner
FCS: 7647 **CP:** 6302

UDIN: F007647E000738223
Date: August 10, 2023
Place: Mumbai



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The outlook for the global economy took a positive turn early in the year. Inflationary pressures began to ease, with global energy prices back at levels last seen prior to the invasion of Ukraine. In addition, base effects from the rise in energy prices following the invasion are now coming off, putting further downward pressure on inflation for the rest of this year. Prices of other commodities as well as global food prices have also eased.

However, domestic inflationary pressures remain relatively elevated in a number of economies, in particular those with tighter labour markets, although even there inflation probably already passed its peak around the second half of last year with headline inflation expected to continue falling this year, and potentially reaching central banks' targets by 2024.

Nevertheless, some positive growth momentum is expected this year from the relatively smooth reopening of the Chinese economy following the lifting of Covid-related restrictions in December last year. The pressure on global supply chains has eased significantly in recent months, while shipping costs have dropped too. This should help alleviate some inflationary pressures and improve supply capacity. Global trade remains relatively weak, although we would expect it to recover this year as trade flows normalize with the reopening of the Chinese economy and a recovery in global growth, while we expect geopolitical tensions to continue to exert some pressure on trade flows over the medium term. Consumer demand is also expected to pick up this year, with excess savings – money saved during the pandemic when spending on certain services was not possible – still relatively high in China and Europe which could potentially be deployed once confidence returns.

INDIAN ECONOMY OVERVIEW

The Indian economy is expected to grow at a healthy pace in the coming year, supported by a number of factors like supply-side reforms and regulatory simplification, which will make it easier for businesses to operate and invest. Strong export growth, as global demand for Indian goods and services continues to rise, will also boost the economy. Budgetary space to increase capital spending, which will boost infrastructure development and job creation, is another factor that will support economic growth.

Inflation is expected to fall in the coming year, to 5% in 2023 and 4% in 2024. This is due to a number of factors, including the government's focus on containing inflation, the decline in global commodity prices, and the improvement in the supply chain.

The gross Goods and Services Tax (GST) collection for FY 2022-23 reached a new high of ₹18.10 lacs crore. This indicates a robust resurgence in the country's economic activities.

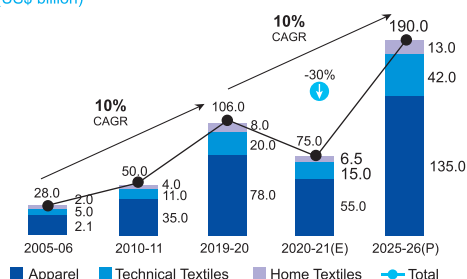
Overall, the outlook for the Indian economy is positive. The government's reforms and initiatives are expected to boost economic growth and create jobs. Inflation is expected to fall, and the GST collection is expected to remain strong.

INDIAN TEXTILE AND APPAREL INDUSTRY OVERVIEW

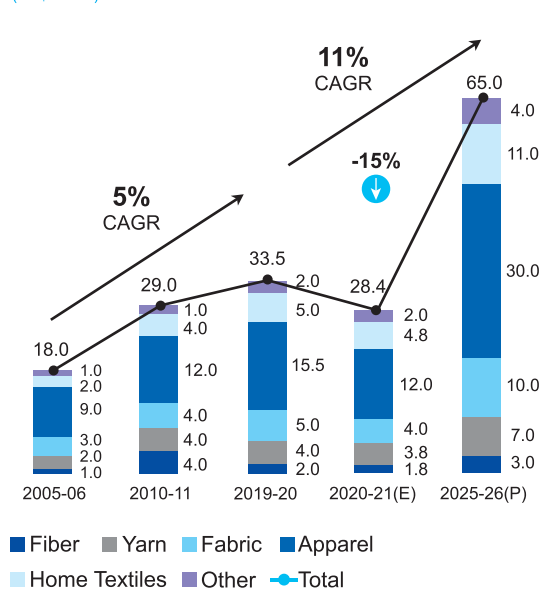
"India, known as one of the world's leading contributors to the global textile industry, has emerged as a key player in the sector. With its status as the largest exporter of cotton and the second-largest producer of fibers worldwide (after China), India's influence on the textile market is substantial. Over the years, the country's garment and textile exports have consistently grown, showcasing its steady expansion in the industry.

The Indian textile industry has exemplified a remarkable journey from "Resilience to Resurgence," owing in large part to the effective handling of the pandemic by Indian authorities. The sector has showcased resilience in overcoming challenges and has now positioned itself for a period of resurgence and renewed growth."

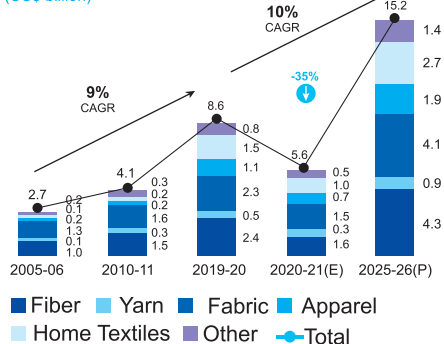
India's Domestic Textile and Apparel Market Size
(US\$ billion)



India's Textile and Apparel Exports
(US\$ billion)



India's Textile and Apparel Imports
(US\$ billion)

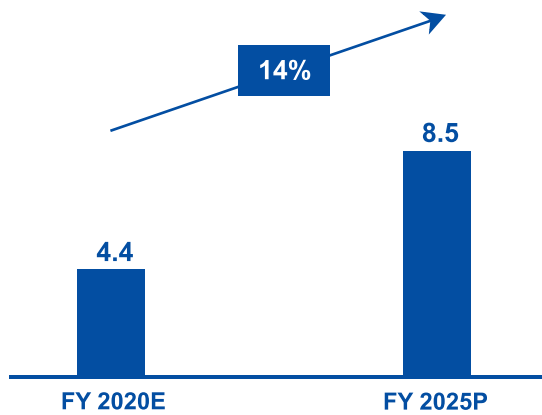


THE EVOLUTION & GROWTH OF INNERWEAR MARKET IN INDIA

"In recent times, the innerwear segment in India has experienced an unprecedented surge in growth, driven by the increasing demand for stylish, sensuous, and high-quality products. What was once considered a basic necessity has now transformed into designer wear, focusing on both style and comfort. Particularly, the women's innerwear, or lingerie, market in India has reached a highly promising phase, witnessing a surge in demand for fashionable, sensuous, and premium innerwear.

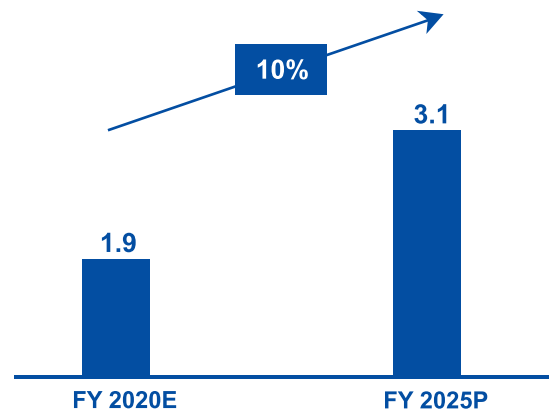
The Indian lingerie industry has shed its hush-hush image and evolved into a more open and confident segment. Women are openly expressing their preferences and seeking the most attractive and innovative pieces with a sense of self-assurance. This shift has created an opportunity for brands to experiment with designs, cuts, colors, and styles, allowing for greater creativity and variety. Additionally, alongside the emphasis on innovation, conscious brands and consumers alike have started exploring eco-friendly options within the innerwear range.

Notably, the innerwear category has become a significant revenue generator for both established brands and start-ups, including those operating in the e-commerce space. The market has witnessed remarkable sales figures, showcasing the strong consumer interest and the potential for further growth in the sector."



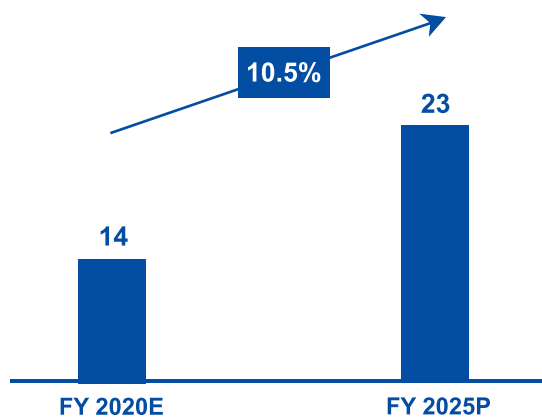
Women's Inner wear (USD bn)

Source: Wazir Analysis



Men's Inner wear (USD bn)

Source: Wazir Analysis



Kids wear (USD bn)

Source: Wazir Analysis

OPPORTUNITIES

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:

Attractive demographics with a large youth population:

India has a large and young population, which is the primary target market for innerwear brands. The youth are more fashion-conscious and are willing to spend on innerwear products.

Shift in market demand from unbranded products to proven branded products:

There is a growing trend of consumers shifting from unbranded to branded innerwear products. This is driven by a number of factors, including increasing awareness about the benefits of branded innerwear, celebrity endorsements, and the availability of branded products at affordable prices.

Premiumisation trends with consumers up-trading from economy to higher value premium and luxury products:

There is a growing trend of consumers up-trading from economy to higher value premium and luxury innerwear products. This is driven by a number of factors, including increasing disposable incomes, changing lifestyles, and the availability of a wide range of premium and luxury innerwear products.

Work from home and hybrid work trends driving demand for comfort wear products:

The work from home and hybrid work trends have led to an increase in the demand for comfort wear products, including innerwear. This is because consumers are looking for comfortable and stylish innerwear that they can wear throughout the day.

Increased awareness among women about intimate wear products:

There is a growing awareness among women about the importance of wearing comfortable and stylish intimate wear. This is driven by a number of factors, including increasing disposable incomes, changing lifestyles, and the availability of a wide range of intimate wear products.

Trends in more women stepping out for work and participating in the formal workforce, driving both-demand for women innerwear and higher discretionary/disposable incomes:

The number of women stepping out for work and participating in the formal workforce is increasing. This is leading to an increase in the demand for women innerwear, as women are looking for comfortable and stylish innerwear that they can wear to work. The increase in disposable incomes of women is also contributing to the growth of the market.

Overall, the Indian innerwear market is expected to grow at a healthy pace during the forecast period. The growth of the market is being driven by a number of factors, including attractive demographics, increasing awareness about the benefits of branded innerwear, premiumisation trends, work from home and hybrid work trends, and increased awareness among women about intimate wear products.



THE FUTURE OF THE INDIAN TEXTILE INDUSTRY IN 2023 AND BEYOND

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

USEFUL MEASURES TAKEN BY THE GOVERNMENT FOR THE INDIAN TEXTILE INDUSTRY

"The recently announced Union Budget for the fiscal year 2023-24 reflects the government's priorities for the textiles sector in India. This budget lays the groundwork for sustained growth in the years to come, while also maintaining fiscal prudence. The budget focuses on three fundamental aspects, often referred to as the 3Cs: CAPEX, Consumption, and Credit."

The Union Budget 2023 captures the spirit of employment generation and has several provisions to promote the textile sector's growth in India. The allocation of funds and the launch of new schemes will create a positive impact on the industry, increase production, and boost exports.

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, 2023 the Company had 1010 people (340 Employees + 670 Workers) 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.

HIGHLIGHTS OF COMPANY FINANCIAL PERFORMANCE

(₹ In Lakhs)

Particulars	2022-23	2021-22
Revenue from operation	20,063.97	18,297.74
Profit before Interest & finance charge, Depreciation & Income Tax	1,435.54	923.17
Less : Finance Cost	911.84	950.30
Less : Depreciation	306.22	384.82
Profit/(Loss) Before exceptional item and Tax	217.48	(411.95)
Profit /(Loss) for the year (excluding OCI)	663.68	(221.32)
Profit/(Loss) for the year (including OCI)	648.47	(217.98)

Key Financial Ratios

Particulars	2022-23	2021-22	Change (%)
Return on Net Worth (%)	4.29%	(1.63%)	5.92%
Return on Capital Employed (%)	6.00%	3.00%	3%
Basic EPS (after exceptional items) in ₹	0.80	(0.27)	396.30%
Debtors Turnover	3.16	3.03	4.29%
Inventory Turnover	1.42	1.28	10.94%
Interest Coverage Ratio	1.24	0.56	121.16%
Current Ratio	1.58	1.36	16.18%
Debt Equity Ratio	0.57	0.75	(24.00%)
Operating Profit Margin (%)	6.29%	3.66%	2.63%
Net Profit Margin (%)	3.31%	(1.21%)	4.52%

ON BEHALF OF THE BOARD OF DIRECTORS
For **VIP Clothing Limited**

SUNIL J. PATHARE

Chairman and Managing Director

DIN: 00192182

Place: Mumbai

Date: May 26, 2023



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, 2023, 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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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, 2023, and profit other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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.

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 report, Chairman's statement, Director's report, etc. 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 Board of Directors 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 statements 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 Board of Directors 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.

Those 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.
 - (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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 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.
 - (1) 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.
 - (2) 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.
 - (3) 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 (1) and (2) above, contain any material mis statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

-
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 of the Act and the rules thereunder.

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

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTVG8447

Place: Mumbai
Date: May 26, 2023



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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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, 2023 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 **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTVG8447

Place: Mumbai
Date: May 26, 2023



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIP CLOTHING LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[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) has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions 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 not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- 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, 2023 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, 2023 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
TNVAT Act, 2006	Value Added Tax	195.46	Nil	2001-02	Madras High Court	
TNVAT Act, 2006	Value Added Tax	5.43	Nil	2001-02	Deputy Commercial Tax Office - Tamil Nadu	
TNVAT Act, 2006	Value Added Tax & Central Service Tax	802.77	Nil	2002-03	Deputy Commercial Tax Office - Tamil Nadu	
Central Sales Tax Act, 1956	Central Service Tax	7.28	Nil	2005-06	Deputy Commercial Tax Office – Delhi	
Income Tax Act, 1961	Income Tax	31.51	Nil	2011-12	Commissioner of Income Tax (Appeals)	
Goods and Service Tax Act, 2017	Goods and Service Tax	76.86	3.48	2017-18	Joint Commissioner of Sales Tax (Appeals)	

- 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. Also, there are no previously unrecorded income which has been now recorded in the books of account. 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 explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (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 Clause 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 Clause 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 made preferential allotment of share warrants during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- 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 nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order are 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.

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- 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 internal audit reports of the Company issued till date, 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, provisions of Section 192 of the Act are not applicable to 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 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)(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) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- 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 Clause 3(xxi) of the Order is not applicable.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 23101739BGXTVG8447

Place: Mumbai

Date: May 26, 2023

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

[Referred to in paragraph 2(f) 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, 2023]

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

Opinion

We have audited the internal financial controls with reference to financial statements of VIP Clothing Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2023, 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").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 23101739BGXTVG8447

Place: Mumbai

Date: May 26, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,527.44	3,194.19
Right of use assets	3	271.23	248.04
Other intangible assets	4	6,937.32	6,937.86
Financial assets			
Investments	5	0.25	0.25
Loans	6	14.52	9.86
Other financial assets	7	88.71	99.98
Other non-current assets	8	868.96	728.85
Total non-current assets		10,708.43	11,219.03
Current assets			
Inventories	9	8,071.70	9,230.90
Financial assets			
Trade receivables	10	6,646.09	6,041.41
Cash and cash equivalents	11	1,127.30	133.82
Bank balances other than cash and cash equivalents	12	383.78	372.37
Loans	13	19.15	8.09
Other financial assets	14	138.18	14.92
Current tax assets (net)	15	35.06	42.78
Other current assets	16	1,360.38	1,412.16
Total current assets		17,781.64	17,256.45
Total assets		28,490.07	28,475.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,651.93	1,651.93
Other equity	18	13,465.46	11,687.31
Total equity		15,117.39	13,339.24
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	685.77	1,002.88
Lease liabilities	38	138.06	133.95
Other financial liabilities	20	526.49	552.89
Provisions	21	109.39	106.50
Deferred tax liabilities (net)	35	663.24	627.14
Total non-current liabilities		2,122.95	2,423.36



Contd... BALANCE SHEET AS AT MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
Borrowings	22	7,864.24	9,026.18
Lease liabilities	38	173.26	173.60
Trade payables	23		
i) total outstanding dues of micro enterprises and small enterprises		875.79	814.14
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,958.72	2,327.09
Other financial liabilities	24	256.67	319.49
Other current liabilities	25	52.69	44.72
Provisions	21	60.39	7.66
Current tax liabilities (net)	26	7.97	-
Total current liabilities		11,249.73	12,712.88
Total liabilities		13,372.68	15,136.24
Total equity and liabilities		28,490.07	28,475.48

Summary of significant accounting policies 2
The accompanying notes 1 to 52 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

Amrish Vaidya
Partner
Membership No: 101739

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

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

Place: Mumbai
Date: May 26, 2023

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)

Place: Mumbai
Date: May 26, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	27	20,063.97	18,297.74
Other income	28	174.25	252.70
Total income		20,238.22	18,550.44
Expenses			
Cost of material consumed	29	9,265.24	12,357.25
Purchase of stock-in-trade		2,049.19	496.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	947.14	(2,012.75)
Employee benefits expense	31	1,930.70	1,761.50
Finance costs	32	911.84	950.30
Depreciation and amortization expense	33	306.22	384.82
Knitting and processing charges		1,704.98	2,301.73
Freight expenses		580.28	697.45
Other expenses	34	2,325.15	2,025.16
Total expenses		20,020.74	18,962.39
Profit / (loss) before exceptional items and tax		217.48	(411.95)
Exceptional items	49	613.24	-
Profit / (loss) before tax		830.72	(411.95)
Income tax expense	35		
Current tax		119.62	-
Deferred tax charge / (benefit)		47.42	(190.63)
Total income tax expense		167.04	(190.63)
Profit / (loss) for the year after tax		663.68	(221.32)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains / (losses) on defined benefit plans (net of tax)		(33.66)	21.79
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	(18.45)
Total other comprehensive income for the year		(15.21)	3.34
Total comprehensive income for the year		648.47	(217.98)



Contd... STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Earnings / (loss) per equity share	36		
Basic (in INR)		0.80	(0.27)
Diluted (in INR)		0.80	(0.27)

Summary of significant accounting policies 2

The accompanying notes 1 to 52 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

Amrish Vaidya
Partner
Membership No: 101739

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

Place: Mumbai
Date: May 26, 2023

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

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)

Place: Mumbai
Date: May 26, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	830.72	(411.95)
Adjustments for:		
Depreciation and amortization expenses	306.22	384.82
Unrealised foreign exchange gain (net)	36.17	58.30
Gain on cancellation of lease (net)	-	(6.64)
Provision for bad and doubtful debts	113.64	250.11
Bad debts	19.13	-
Loss on disposal of property, plant and equipment (net)	13.85	3.28
Re-measurement gains / (loss) on defined benefit plans	(44.98)	28.73
Interest income	(16.82)	(15.18)
Interest on unwinding of security deposits	(4.02)	(3.17)
Finance cost	909.80	922.43
Liabilities no longer required written back	49.74	(168.14)
Exceptional items (refer note 49)	(613.24)	-
	769.49	1,454.54
Operating profit before working capital changes	1,600.21	1,042.59
Changes in working capital		
(Increase) / decrease in inventories	1,159.20	(1,562.49)
Increase in trade receivables	(775.12)	(241.20)
Increase in loans	(15.71)	(3.62)
(Increase) / decrease in other financial assets	(101.82)	1.42
Increase in other assets	(88.32)	(455.47)
Increase / (decrease) in trade payables	(336.51)	1,050.64
Increase / (decrease) in provisions	55.62	(37.27)
Decrease in other financial liabilities	(89.21)	(137.44)
Increase in other current liabilities	7.96	1.14
Total changes in working capital	(183.91)	(1,384.29)
Cash generated from / (used in) operations	1,416.30	(341.70)
Income tax paid (net)	(103.93)	(8.69)
Net cash generated from / (used in) operating activities (A)	1,312.37	(350.39)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(23.43)	(7.02)
Proceeds from sale of property, plant and equipment	1,127.87	0.06
Investment in fixed deposits with maturity of more than three months	(488.12)	(270.37)
Proceeds from fixed deposits with maturity of more than three months	476.71	242.13
Interest received	14.53	18.39
Net cash generated from / (used in) investing activities (B)	1,107.56	(16.81)



Contd... STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings (net)	(1,472.55)	1,115.18
Principal paid on lease liabilities	(163.40)	(142.31)
Interest paid on lease liabilities	(40.15)	(53.62)
Proceeds from issue of warrants convertible into equity shares	1,129.70	-
Finance cost paid	(880.05)	(847.64)
Net cash generated from / (used in) financing activities (C)	(1,426.45)	71.61
Net increase / (decrease) in cash and cash equivalents (A+B+C)	993.48	(295.59)
Cash and cash equivalents at the beginning of the year	133.82	429.41
Cash and cash equivalents at the end of the year	1,127.30	133.82
Cash and cash equivalents comprise (refer note 11)		
(a) Cash on hand	0.03	0.08
(b) Balances with banks		
(i) In current accounts	1,127.27	133.74
Total cash and cash equivalents at end of the year	1,127.30	133.82

(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

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: May 26, 2023

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

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

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

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

Place: Mumbai
Date: May 26, 2023

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

Statement of changes in equity for the year ended March 31, 2023

(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, 2023		As at March 31, 2022	
	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, 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
Profit 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



contd... Statement of changes in equity for the year ended March 31, 2023

For the year ended March 31, 2022

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, 2021	-	4,035.00	7,472.40	817.30	(419.41)	(52.00)	11,853.29
Loss for the year	-	-	-	-	(221.32)	-	(221.32)
Additions for the year	-	-	-	-	-	-	-
Deletions for the year	-	-	-	-	-	52.00	52.00
Other comprehensive income	-	-	-	-	21.79	(18.45)	3.34
Total comprehensive income	-	-	-	-	(199.53)	33.55	(165.98)
Balance as at March 31, 2022	-	4,035.00	7,472.40	817.30	(618.94)	(18.45)	11,687.31

Summary of significant accounting policies, refer note 2

The accompanying notes 1 to 52 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

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: May 26, 2023

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

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

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

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

Place: Mumbai
Date: May 26, 2023

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

Notes forming part of the Financial Statements for the year ended March 31, 2023

(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. Significant accounting policies

Significant 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



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

- Expected to be realised within twelve months after the reporting period, or
- 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 2.22 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, 2023

(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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets and the cost of assets which are not ready for intended use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

Depreciation is recognized (other than on capital work-in-progress) on a straight line method over the estimated useful lives of assets. 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 improvement*	Lease period
Building	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Electrical installations and equipment	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.

Based on the technical expert's assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

2.3 Other intangible assets

Other 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.



Notes forming part of the Financial Statements for the year ended March 31, 2023

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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.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

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.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

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.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods and service tax and amounts collected on behalf of third parties.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with customer, including variable consideration, such as discounts, or other contractual reductions.

Sale of services

The Company recognises revenue as or when the performance obligation in relation the service is satisfied by the Company based on terms of the agreements with customers and there are no unfulfilled obligations.

Revenue in excess of invoices are classified as unbilled revenue, while invoicing in excess of revenue are classified income received in advance.

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

Export incentives under various schemes are accounted in the year of export on accrual basis when there is no uncertainty in receiving the same.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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 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.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

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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.

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.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

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

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

iii. Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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 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.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.



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(Amount in INR lakhs, unless otherwise stated)

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in the Statement of Profit and Loss in the line item relating to the hedged item.

The Company designates only the spot component for derivative instruments in fair value Hedging relationship. The Company defers changes in the forward element of such instruments in hedging reserve and the same is amortized over the period of the contract.

When the Company designates only the intrinsic value of the option as the hedging instrument, it account for the changes in the time value in OCI. This amount is be removed from OCI and recognized in profit and loss, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects profit and loss if the hedge is transaction related.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortized cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit and loss from that date.

(ii) Cash flow hedges

The effective portion of changes in fair value of derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in Statement of profit and loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit and loss.

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 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



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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 Contributed equity

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.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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) Taxes

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.

b) Useful lives of property, plant and equipment

The Company reviews the estimated useful 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.

c) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

d) 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 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.

e) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

f) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

g) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

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
Building warehouse	5.88	-	-	5.88	5.58	-	-	5.58	0.30
Building 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									
Building	551.09	167.17	113.58	604.68	303.05	143.98	113.58	333.45	271.23
Plant and equipment	-	-	-	-	-	-	-	-	-
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

Particulars	Gross block				Depreciation				Net Block
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 1, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022
Owned assets									
Leasehold land	42.24	-	-	42.24	6.52	0.44	-	6.96	35.28
Freehold land	1,290.83	-	-	1,290.83	-	-	-	-	1,290.83
Building warehouse	5.88	-	-	5.88	5.35	0.23	-	5.58	0.30
Building factory	1,885.94	-	4.53	1,881.41	720.34	63.57	1.22	782.69	1,098.72
Plant and machinery	2,191.73	-	0.74	2,190.99	1,420.88	140.30	0.71	1,560.47	630.52
Furniture and fixtures	72.33	-	-	72.33	42.41	6.53	-	48.94	23.39
Office equipment	80.01	1.46	-	81.47	58.11	6.75	-	64.86	16.61
Vehicles	160.99	-	-	160.99	72.29	13.80	-	86.09	74.90
Electrical installation	8.63	-	-	8.63	3.67	0.43	-	4.10	4.53
Computers	201.38	5.56	-	206.94	182.93	4.90	-	187.83	19.11
Total	5,939.96	7.02	5.27	5,941.71	2,512.50	236.94	1.94	2,747.52	3,194.19
Right of use assets									
Building	497.10	149.37	95.38	551.09	191.39	137.35	25.69	303.05	248.04
Plant and equipment	29.95	-	29.95	-	12.48	9.98	22.46	-	-
Total	527.05	149.37	125.33	551.09	203.87	147.33	48.15	303.05	248.04
Grand total	6,467.01	156.39	130.60	6,492.80	2,716.37	384.28	50.08	3,050.57	3,442.23



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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

4 Other intangible assets

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

Particulars	Gross block				Amortisation				Net Block
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 1, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022
License / Brands	6,923.82	-	-	6,923.82	-	-	-	-	6,923.82
Computer Software	268.63	-	-	268.63	254.05	0.54	-	254.59	14.04
Total	7,192.45	-	-	7,192.45	254.05	0.54	-	254.59	6,937.86

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, 2022 and March 31, 2023.

5 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (fully paid-up)		
Unquoted equity shares		
250 (March 31, 2022 - 250) equity shares of INR 100 each fully paid-up in Saraswat Co-operative Bank Ltd.	0.25	0.25
Total (equity instruments)	0.25	0.25
Current	-	-
Non-current	0.25	0.25
	0.25	0.25
Aggregate amount of unquoted investments	0.25	0.25

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

6 Non-current loans

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Loans and advances to employees	14.52	9.86
Total	14.52	9.86

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.

7 Other non-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	78.67	89.82
In Fixed deposit accounts with original maturity for more than 12 month	10.04	8.10
Others-		
Advance payment towards gratuity fund (refer note 37)	-	2.06
Total	88.71	99.98

The Company has kept as a margin of fixed deposits to the extent of INR 10.04 lakhs (March 31, 2022 of INR 8.10 lakhs) with banks for bank guarantees as lien.

8 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Government authorities		
GST receivables	861.17	721.85
Prepaid rent	7.79	7.00
Total	868.96	728.85



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

9 Inventories*

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material (At cost)	1,713.02	1,855.91
Packing material (At cost)	467.77	536.95
Work in progress (At cost)	2,114.49	1,853.46
Finished goods (At lower of cost and net realizable value)	2,509.20	3,804.23
Stock in trade (At lower of cost and net realizable value)	1,267.22	1,180.35
Total	8,071.70	9,230.90

*Hypothecated as charge against borrowings refer note 22.

10 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good	519.83	547.09
Unsecured, considered good	6,126.26	5,494.32
Trade receivables which have significant increase in credit risk	414.80	301.16
	7,060.89	6,342.57
Less: Allowance for bad and doubtful debts	(414.80)	(301.16)
Total	6,646.09	6,041.41
Further classified as:		
Receivable from related parties	-	-
Receivable from others	6,646.09	6,041.41
Total	6,646.09	6,041.41

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Ageing of trade receivables
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	3,789.87	1,397.50	223.58	258.29	403.07	326.05	6,398.36
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	414.80	414.80
(iii) Disputed – considered good	-	-	-	0.02	0.33	247.38	247.73
(iv) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	(414.80)	(414.80)
Total	3,789.87	1,397.50	223.58	258.31	403.40	573.43	6,646.09

As on March 31, 2022

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	2,947.25	1,524.49	194.03	480.25	338.44	298.70	5,783.16
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	301.16	301.16
(iii) Disputed – considered good	-	0.02	-	0.11	41.86	216.26	258.25
(iv) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	(301.16)	(301.16)
Total	2,947.25	1,524.51	194.03	480.36	380.30	514.96	6,041.41

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



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

11 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
in current accounts	1,127.27	129.91
in earmarked balances with banks - Unpaid dividend ^	-	3.33
Fixed deposits with original maturity of less than 3 months *	-	0.50
Cash on hand	0.03	0.08
Total	1,127.30	133.82

^ Unpaid dividend would be transferred to Investors Education and Protection Fund as per statutory requirements as and when due

* The Company has kept as a margin of fixed deposits to the extent of INR Nil lakhs (March 31, 2022 of INR 0.50 lakhs) with banks for bank guarantees as lien.

12 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
In Fixed deposit with original maturity for more than 3 months but less than 12 months ^	383.78	372.37
Total	383.78	372.37

^ The Company has kept as a margin of fixed deposits to the extent of INR 8.74 lakhs (March 31, 2022 of INR 9.68 lakhs) with banks for bank guarantees as lien.

13 Current loans

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Loans and advances to employee	19.15	8.09
Total	19.15	8.09

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, 2023

(Amount in INR lakhs, unless otherwise stated)

14 Other current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	26.17	8.25
Interest accrued on fixed deposits	8.91	6.62
Receivable from skill project	103.10	-
Derivatives contracts	-	0.05
Total	138.18	14.92

15 Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax [net of provisions amounting INR Nil (March 31, 2022: INR Nil)]	35.06	42.78
Total	35.06	42.78

16 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to suppliers	232.54	247.20
Balance with Government authorities		
Sales tax refund receivable	427.88	427.88
GST receivables	553.03	579.84
Prepaid expenses	73.28	55.60
Export incentive receivables	73.65	101.64
Total	1,360.38	1,412.16



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

17 Share capital

(A) Equity shares

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Authorized		
15,00,00,000 (March 31, 2022:15,00,00,000) 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, 2022: 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, 2023		As at March 31, 2022	
	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

(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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(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, 2023		As at March 31, 2022	
	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, 2023			As at March 31, 2022		
	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.

(B) Preference shares

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
45,00,000 (March 31, 2022: 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 preference share capital having a par value of INR 100 per share, referred to herein as preference share capital



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

18 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	4,035.00	4,035.00
Securities premium	7,472.40	7,472.40
General reserve	817.30	817.30
Money received against share warrants	1,129.69	-
Surplus / (deficit) in the statement of profit and loss	11.07	(618.94)
Cash flow hedge reserve (OCI)	-	(18.45)
Total	13,465.46	11,687.31

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 in 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.
Deficit in the Statement of Profit and Loss/ retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
Cash flow hedge reserve (OCI)	Until previous year effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit and loss only when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies. In current year on discontinuation of hedge accounting the Company has reclassified full cash flow hedge reserves to statement of profit and loss.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(A) Capital redemption reserve

Particulars	As at March 31, 2023	As at March 31, 2022
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

(B) Securities premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	7,472.40	7,472.40
Add : Securities premium credited on share issue	-	-
Closing balance	7,472.40	7,472.40

(C) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	817.30	817.30
Add: Transfer during the year	-	-
Closing balance	817.30	817.30

(D) Money received against share warrants

Particulars	As at March 31, 2023	As at March 31, 2022
Amount received on issue of warrants convertible into equity shares [^]	1,129.69	-
	1,129.69	-

[^] During the year under review, 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.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(E) Surplus / (deficit) in the statement of profit and loss

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(618.94)	(419.41)
Add: Net profit / (loss) for the current year	663.68	(221.32)
Less: Re-measurement (gain) / loss on post employment benefit obligation (net of tax)	33.67	(21.79)
Closing balance	11.07	(618.94)

(F) Cash flow hedge reserve (OCI)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(18.45)	(52.00)
Add: Transactions during the year (net of tax)	18.45	33.55
Closing balance	-	(18.45)

19 Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) Term loan - from Bank		
Term loan from IDBI GECL	134.08	204.16
Term loan from SBI GECL	540.00	780.00
(b) Vehicle loan	11.69	18.72
Total non current maturities of long term borrowings	685.77	1,002.88

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	Ranging from 7.65% to 8.70%	Repayable in monthly instalments
Vehicle loan	Ranging from 7.40% to 8.11%	Repayable in monthly instalments

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

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, 2023.

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
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, 2023	As at March 31, 2022
Security deposits from customers	519.82	547.08
Retention money	6.15	5.81
Security deposit from lessee	0.52	-
Total	526.49	552.89



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

21 Provisions

Particulars	Long Term		Short Term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provisions for compensation ^	33.83	33.83	-	-
Provision for employee benefits (refer note 37)				
Provision for gratuity (funded)	-	-	50.60	-
Provision for leave encashment (unfunded)	75.56	72.67	9.79	7.66
Total	109.39	106.50	60.39	7.66

^ 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.

22 Short-term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, from bank -		
Cash credit	1,812.33	2,368.98
FCNRB loan ^	3,780.33	4,554.60
Letter of credit	1,916.02	1,743.70
Unsecured, loans from related parties (refer note 39)	-	50.00
Current maturity of long term debts *	355.56	308.90
Total	7,864.24	9,026.18

^ The Company entered into the Foreign Currency Non-Resident Borrowing ('FCNRB') Agreement (hedged item) with SBI on February 10, 2023 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 (hedging instrument) to hedge the foreign exchange risk on principal & interest in USD. The forward contracts entered into by the Company is a derivative as defined in IndAS 109.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

A. Terms of current borrowing are as under

Particulars	Rate of interest	Repayment terms
Secured, from bank		
Cash credit	Ranging from 10.80% to 15.60%	Repayable on demand
Letter of credit	Ranging from 1.50% to 1.90%	Repayment terms 90 to 120 days
Unsecured, loans from related parties	Nil	Repayable on demand

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.

D. Disclosure as required by Ind AS 7 - "Cash Flow Statements" - changes in liabilities arising from financing activities:

Particulars	As at April 1, 2022	Cash flows		Non-cash changes			As at March 31, 2023
		Receipts/ Additions	Payments/ Deletions	Accrued interest	Foreign exchange loss /gain	Current/ Non-current	
Borrowings - Non-current (refer note19)	1,002.88	-	-	-	-	(317.11)	685.77
Borrowings - Current (refer note 22)	9,026.18	3,714.92	(5,214.15)	38.53	(18.35)	317.11	7,864.24
Lease liabilities (refer note 38)	307.55	207.32	(203.55)	-	-	-	311.32

Particulars	As at April 1, 2021	Cash flows		Non-cash changes			As at March 31, 2022
		Receipts/ Additions	Payments/ Deletions	Accrued interest	Foreign exchange loss /gain	Current/ Non-current	
Borrowings - Non-current (refer note19)	312.58	960.00	(5.83)	-	-	(263.87)	1,002.88
Borrowings - Current (refer note 22)	8,580.12	4,993.43	(4,895.90)	45.03	39.63	263.87	9,026.18
Lease liabilities (refer note 38)	384.29	111.50	(188.24)	-	-	-	307.55



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

23 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	875.79	814.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,958.72	2,327.09
Total	2,834.51	3,141.23

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	852.76	787.50
Interest	23.03	26.64
Total	875.79	814.14
(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.	23.03	26.64
(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.	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Ageing of trade payables
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	574.96	0.52	-	-	875.79
(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	363.99	992.44	1,432.40	20.69	11.34	13.65	2,834.51

As at March 31, 2022

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	26.64	191.51	592.09	2.07	1.83	-	814.14
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	486.30	956.20	792.53	43.12	27.21	21.73	2,327.09
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	512.94	1,147.71	1,384.62	45.19	29.04	21.73	3,141.23

24 Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative forward liability (forward contract)	37.72	-
Others-		
Unpaid dividends *	-	3.33
Advance from skill project	1.68	89.70
Employee benefits payable	217.27	226.46
Total	256.67	319.49

* The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

25 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory due payable	52.69	44.72
Total	52.69	44.72

26 Current tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax [net of advance tax amounting INR 111.65 lakhs (March 31, 2022: INR Nil)]	7.97	-
Total	7.97	-

27 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of products	19,889.04	18,045.83
	19,889.04	18,045.83
Other operating revenue		
- Sale of scrap	64.25	58.54
- Job work	-	32.74
- Export incentives	110.68	73.09
- Sale of export license	-	87.54
	174.93	251.91
Total	20,063.97	18,297.74

A. Disaggregation of revenue from contracts with customers:-

In the following table, revenue is disaggregated by major service lines.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	19,889.04	18,045.83
Total	19,889.04	18,045.83

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Geographic revenue

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- India	18,084.21	16,539.49
- Rest of the world	1,804.83	1,506.34
Total	19,889.04	18,045.83

B. Transaction price allocated to the remaining performance obligation

There are no unsatisfied long-term contracts / performance obligation that have impact on financial statements.

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

C. Reconciliation of revenue recognised:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross revenue	24,653.59	22,156.14
Rebates, discounts	3,908.41	3,343.99
Adjustment for credit notes	856.14	766.32
Total	19,889.04	18,045.83

28 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental income	6.57	19.29
Interest income		
- on fixed deposits designated as amortized cost	16.82	15.18
- on interest on unwinding of security deposit	4.02	3.17
- on others	3.13	1.05
Liabilities no longer required written back	49.74	168.14
Gain on cancellation of lease (net)	-	6.64
Miscellaneous income	93.97	39.23
Total	174.25	252.70



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

29 Cost of material consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material at the beginning of the year	2,392.86	2,843.11
Add: Purchases	9,053.18	11,907.00
Less: Raw material at the end of the year	2,180.80	2,392.86
Cost of raw material consumed	9,265.24	12,357.25

30 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
-Finished goods	3,804.23	1,844.81
-Work-in-progress	1,853.46	1,579.33
-Stock in trade	1,180.36	1,401.16
	6,838.05	4,825.30
Less: Inventories at the end of the year		
-Finished goods	2,509.20	3,804.23
-Work-in-progress	2,114.49	1,853.46
-Stock in trade	1,267.22	1,180.36
	5,890.91	6,838.05
Net decrease / (increase)	947.14	(2,012.75)

31 Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus and other allowances	1,700.30	1,549.93
Contribution to provident fund and other funds (refer note 37)	100.96	101.64
Gratuity and compensated absences expenses (refer note 37)	24.78	28.72
Staff welfare expenses	104.66	81.21
Total	1,930.70	1,761.50

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

32 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowing	660.72	711.71
Interest expense on security deposits	0.77	13.38
Interest expense on lease liability	36.25	43.63
Interest paid to MSME	2.04	24.46
Amortisation of forward premium	73.95	21.13
Other borrowing cost	138.11	135.99
Total	911.84	950.30

33 Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	161.70	236.95
Depreciation on right of use (refer note 3)	143.98	147.33
Amortization of intangible assets (refer note 4)	0.54	0.54
Total	306.22	384.82



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

34 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electricity and water charges	69.57	65.93
Business promotion expenses	124.10	75.12
Rent	5.78	9.63
Repairs and maintenance - building	17.20	19.03
Repairs and maintenance - machinery	22.26	35.29
Repairs and maintenance - others	64.05	39.45
Insurance	59.11	62.91
Garmenting charges	300.85	177.71
Bus hire charges	94.68	104.77
Travel and conveyance	357.74	280.18
Postage and courier	20.01	10.68
Auditor's remunerations [refer note (i) below]	26.04	22.00
Printing and stationery	86.69	93.05
Communication expenses	16.90	21.16
Legal and professional charges	124.76	87.45
Advertisement expenses	304.75	197.50
Commission	217.02	191.23
Loss on disposal of property, plant and equipments	13.85	3.30
Foreign exchange fluctuation (net)	151.09	115.40
Bad debts	19.13	-
Provision for bad and doubtful debts	113.64	250.11
Rates and taxes	45.91	90.30
Security charges	40.66	34.03
Miscellaneous expenses	29.36	38.93
Total	2,325.15	2,025.16
Note (i) : The following is the break-up of Auditors remuneration (exclusive of GST)		
As auditor:		
Statutory audit	21.50	18.50
In other capacity:		
Tax audit	1.50	1.00
Certification fees	0.75	0.25
Reimbursement of expenses	2.29	2.25
Total	26.04	22.00

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

35 Deferred tax and Income tax

A Deferred tax relates to the following:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
On provision for employee benefits	(21.48)	(20.22)
On provision for doubtful debts	(104.40)	(75.80)
On provision for bonus payable	(6.24)	(8.63)
On provision for gratuity	(12.73)	-
On unabsorbed depreciation and carry forward business losses	(1,124.01)	(1,203.13)
On lease liabilities	(78.35)	(77.40)
	(1,347.21)	(1,385.18)
Deferred tax liabilities		
On valuation of brand and license	1,742.59	1,742.59
On property, plant and equipment	267.86	269.73
	2,010.45	2,012.32
Deferred tax liabilities (net)	663.24	627.14
Deferred tax recognised in OCI	11.32	-
Deferred tax (benefit) / charge	47.42	(190.63)

B Recognition of deferred tax asset to the extent of deferred tax liability In the following table, revenue is disaggregated by major service lines.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance sheet		
Deferred tax asset	1,347.21	1,385.18
Deferred tax liabilities	(2,010.45)	(2,012.32)
Deferred tax assets / (liabilities) (net)	(663.24)	(627.14)

During the year ended March 31, 2023, 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, 2022, 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, 2023

(Amount in INR lakhs, unless otherwise stated)

C Income tax expense

Particulars	As at March 31, 2023	As at March 31, 2022
- Current tax taxes	119.62	-
- Deferred tax (benefit) / charge	47.42	(190.63)
Income tax expense	167.04	(190.63)

D Reconciliation of tax expense and profit before tax:

Particulars	As at March 31, 2023	As at March 31, 2022
Profit / (loss) before income taxes	830.72	(411.95)
Corporate tax rate as per Income Tax Act, 1961	25.168%	25.168%
Computed expected tax expense	209.08	(103.68)
Effect of expenses that are not deductible	(3.83)	12.10
Adjustments for tax related to earlier year	-	(99.05)
Effect of capital gain tax computed as per Income Tax Act, 1961	(34.72)	-
Others	(3.49)	-
Income tax expense recognised in statement of profit and loss	167.04	(190.63)

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, 2023	As at March 31, 2022
Profit / (loss) attributable to equity share holders	663.68	(221.32)
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)	0.80	(0.27)
Diluted profit / (loss) per share (INR)	0.80	(0.27)

Notes forming part of the Financial Statements for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Employers' contribution to Provident Fund	94.48	95.21
Employers' contribution to Employee State Insurance	6.48	6.43

(B) Defined benefit plans

- a) Gratuity payable to employees (funded)
- b) Compensated absences for employees

i) Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	311.37	317.47
Interest cost	22.51	21.75
Current service cost	24.30	25.95
Benefits paid	(63.07)	(31.94)
Actuarial (gain) / loss on obligations - due to change in demographic assumptions	-	(0.23)
Actuarial (gain) / loss on obligations - due to change in financial assumptions	3.90	(7.31)
Actuarial (gain) / loss on obligations - due to experience	38.31	(14.32)
Present value of obligation at the end of the year	337.32	311.37



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

iii) Expense recognized in the statement of profit and loss

Particulars	Employee's gratuity fund	
	As at March 31, 2023	As at March 31, 2022
Current service cost	24.30	25.95
Interest cost	22.51	21.75
Interest income	(22.66)	(20.58)
Total expenses recognized in the statement profit and loss	24.15	27.12

iv) Expense recognized in the statement of other comprehensive income

Particulars	Employee's gratuity fund	
	As at March 31, 2023	As at March 31, 2022
Actuarial (gains) / losses on obligation for the period	42.22	(21.87)
Return on plan assets, excluding interest income	2.76	0.08
Net (income) / expense for the period recognized in OCI	44.98	(21.79)

v) Assets and liabilities recognized in the Balance Sheet:

Particulars	Employee's gratuity fund	
	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligation as at the end of the year	(337.32)	(311.37)
Fair value of plan assets at the end of the year	286.72	313.43
Funded status [surplus / (deficit)]	(50.60)	2.06
Unfunded net asset / (liability) recognized in Balance Sheet	(50.60)	2.06

vi) Expected contribution to the fund in the next year

Particulars	Employee's gratuity fund	
	As at March 31, 2023	As at March 31, 2022
Gratuity	77.31	22.24

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

vii) 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, 2023	As at March 31, 2022
Impact on defined benefit obligation		
Discount rate		
Delta effect of 1% increase in rate of discounting	(18.10)	(17.80)
Delta effect of 1% decrease in rate of discounting	20.27	19.97
Rate of increase in salary		
Delta effect of 1% increase in rate of salary increase	19.16	18.81
Delta effect of 1% decrease in rate of salary increase	(17.36)	(17.00)

viii) Maturity profile of defined benefit obligation

Year	Employee's gratuity fund	
	As at March 31, 2023	As at March 31, 2022
1st Following year	62.88	50.28
2nd Following year	15.67	20.05
3rd Following year	34.90	19.13
4th Following year	32.57	34.48
5th Following year	26.86	28.70
Sum of years 6 to 10	168.97	173.44
Sum of years 11 and above	234.70	208.57

(C) Other long term employee benefit obligation

Leave entitlement

The liability for leave encashment is recognised in the same manner as gratuity aggregating INR 85.35 lakhs as at March 31, 2023 (March 31, 2022: INR 80.33 lakhs).



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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	Plant & Machineries	Total
Balance as at April 1, 2021	363.91	20.38	384.29
Additions	57.88	-	57.88
Interest on lease liability	51.02	2.60	53.62
Lease payments	(92.25)	(14.49)	(106.74)
Deletions	(73.01)	(8.49)	(81.50)
Balance as at March 31, 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

(ii) Break-up of current and non-current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	173.26	173.60
Non-current lease liabilities	138.06	133.95

(iii) Maturity analysis of lease liabilities on undiscounted basis

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	201.88	173.60
One to five years	151.42	133.95
More than five years	-	-
Total	353.30	307.55

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(iv) Amounts recognised in statement of profit and loss account

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	40.15	53.63
Short-term leases expensed	5.78	9.63
Total	45.93	63.26

(v) Amounts recognised in statement of cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	(203.55)	(195.93)

(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 5.78 lakhs

39 Related party disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Key Management Personnel (KMP)

Mr. Sunil J. Pathare (Chairman and Managing Director)

Mr. Kapil J. Pathare (Whole Time Director)

Mr. Robin Banerjee (Independent Director)

Mr. Gopal Krishan Sehjpal (Independent Director)

Mr. Chetan Dolatrai Sheth (Independent Director)

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, 2023

(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, 2023	As at March 31, 2022
Transactions - rent, electricity and water charges		
Hybo Hindustan	126.82	108.21
Kapil J. Pathare	8.29	5.56
Loan from Directors		
Sunil J. Pathare	-	200.00
Kapil J. Pathare	-	30.00
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	150.00
Kapil J. Pathare	-	30.00

(ii) Key Management Personnel (KMP)

Particulars	As at March 31, 2023	As at March 31, 2022
Compensation of key management personnel & relatives		
Salaries including bonuses		
Sunil J. Pathare	88.68	84.73
Kapil J. Pathare	79.26	70.92
Kanishk S. Pathare	4.60	-
Devendra Vyas	53.36	46.22
Archana Mungunti	7.80	7.71

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(C) Amount due to/from related party as on:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Entity under common control		
Related parties payables		
Hybo Hindustan	40.41	121.68
(ii) Key Management Personnel (KMP)		
Employee related payables		
Devendra Vyas	1.04	0.28
Other payables / (receivables)		
Sunil J. Pathare	1.93	(0.20)
Kapil J. Pathare	5.98	1.39
Director loans payables		
Sunil J. Pathare	-	50.00

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. 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, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: 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, 2023		As at March 31, 2022	
	Amount (INR)	%	Amount (INR)	%
Sale of products	19,889.04	99.13%	18,045.83	98.62%
Other operating revenue	174.93	0.87%	251.91	1.38%
Total	20,063.97	100.00%	18,297.74	100.00%



Notes forming part of the Financial Statements for the year ended March 31, 2023

(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, 2023		As at March 31, 2022	
	Amount (INR)	%	Amount (INR)	%
India	18,084.22	90.93%	16,539.49	91.65%
Outside India	1,804.83	9.07%	1,506.34	8.35%
Total	19,889.04	100.00%	18,045.83	100.00%

(B) Non-current assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount (INR)	%	Amount (INR)	%
India	10,708.43	100.00%	11,219.03	100.00%
Outside India	-	0.00%	-	0.00%
Total	10,708.43	100.00%	11,219.03	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, investments 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, 2023

(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	14	138.18	-	-	-	138.18
Trade receivable	10	6,646.09	-	-	-	6,646.09
Cash and cash equivalents	11	1,127.30	-	-	-	1,127.30
Bank balances other than cash and cash equivalents	12	383.78	-	-	-	383.78
Current loans	13	19.15	-	-	-	19.15
		8,417.98	-	-	-	8,417.98
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	2,185.95	37.72	-	37.72	256.67
Trade payables	23	2,834.51	-	-	-	2,834.51
		12,441.28	37.72	-	37.72	12,479.00



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2022 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	9.86	-	-	-	9.86
Other non current financial assets	7	99.98	-	-	-	99.98
Other current financial assets	14	14.87	-	0.05	0.05	14.92
Trade receivable	10	6,041.41	-	-	-	6,041.41
Cash and cash equivalents	11	133.82	-	-	-	133.82
Bank balances other than cash and cash equivalents	12	372.37	-	-	-	372.37
Current loans	13	8.09	-	-	-	8.09
		6,680.65	-	0.05	0.05	6,680.70
Financial liabilities						
Non current borrowings	19	1,002.88	-	-	-	1,002.88
Non current lease liability	38	133.95	-	-	-	133.95
Current borrowings	22	9,026.18	-	-	-	9,026.18
Other non current financial liabilities	20	552.89	-	-	-	552.89
Current lease liabilities	38	173.60	-	-	-	173.60
Other current financial liabilities	24	319.49	-	-	-	319.49
Trade payables	23	3,141.23	-	-	-	3,141.23
		14,350.22	-	-	-	14,350.22

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value measurement hierarchy of assets		
Level 3		
Financial assets measured at amortized cost:		
Investments	0.25	0.25
Non current loans	14.52	9.86
Other non current financial assets	88.71	99.98
Other current financial assets	138.18	14.87
Trade receivable	6,646.09	6,041.41
Cash and cash equivalents	1,127.30	133.82
Bank balances other than cash and cash equivalents	383.78	372.37
Current loan	19.15	8.09
Level 2		
Financial assets measured at fair value through OCI:		
Derivatives forward assets	-	0.05
Total	8,417.98	6,680.70



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value measurement hierarchy of liabilities		
Level 3		
Financial liabilities measured at amortized cost:		
Non current borrowings	685.77	1,002.88
Non current lease liability	138.06	133.95
Current borrowings	7,864.24	9,026.18
Other non current financial liabilities	526.49	552.89
Current lease liabilities	173.26	173.60
Trade payables	2,834.51	3,141.23
Other current financial liabilities	218.95	319.49
Level 2		
Financial liability measured at fair value through profit and loss:		
Derivatives forward liability	37.72	-
Total	12,479.00	14,350.22

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		
Forwards Currency Contracts	Foreign currency non resident borrowing (FCNRB)	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, such as equity price risk and commodity 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, 2023

(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
2023		
INR	+45	36.88
INR	-45	(36.88)
2022		
INR	+45	43.74
INR	-45	(43.74)

(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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Particulars	Foreign currency	March 31, 2023		March 31, 2022	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
Trade receivables	USD	5.37	441.29	5.16	391.30



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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
2023	+5	26.84
	-5	(26.84)
2022	+5	25.81
	-5	(25.81)

(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.

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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

Particulars	As at March 31, 2023	As at March 31, 2022
Not due	3,789.87	2,947.25
Less than 6 months	1,397.50	1,524.51
6 months to 12 months	223.58	194.03
beyond 12 months	1,235.14	1,375.62
Total	6,646.09	6,041.41

(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, 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	2,834.50	-	-	2,834.50
Other current financial liabilities	256.67	-	-	256.67
Total	11,157.29	1,363.68	-	12,520.97
As at March 31, 2022				
Long-term borrowings	-	1,002.88	-	1,002.88
Lease liabilities	173.60	133.95	-	307.55
Other non current financial liabilities	-	552.89	-	552.89
Short term borrowings	9,026.18	-	-	9,026.18
Trade payables	3,141.23	-	-	3,141.23
Other current financial liabilities	319.49	-	-	319.49
Total	12,660.50	1,689.72	-	14,350.22



Notes forming part of the Financial Statements for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Debt (i)	8,550.00	10,029.05
Less: cash and cash equivalents	1,127.30	133.82
Net debt	7,422.70	9,895.23
Total capital (ii)	15,117.39	13,339.24
Capital and net debt (iii) = (i) + (ii)	22,540.09	23,234.47
Gearing ratio	0.33	0.43

(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, 2023 and March 31, 2022.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

46 Additional regulatory information - ratios

(A) Accounting ratios

S No.	Ratio	Formula	Particulars		March 31, 2023		March 31, 2022		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2022	March 31, 2021				
(a)	Current Ratio	Current assets / Current liabilities	Current Assets = Inventories + Trade receivable + 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	17,781.64	11,249.73	17,256.45	12,712.88	1.58	1.36	16.18%	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	8,550.00	15,117.39	10,029.05	13,339.24	0.57	0.75	(24.00%)	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	1,996.95	1,083.60	1,064.38	1,043.57	1.84	1.02	80.39%	Increase in net operating profit 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	663.68	14,228.31	(221.32)	13,422.23	5.00%	(2.00%)	(350.00%)	Company has made profit and there is increase in net profit during the year
(e)	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	12,261.57	8,651.30	10,841.43	8,449.66	1.42	1.28	10.94%	N.A.
(f)	Trade Receivables Turnover Ratio	Net credit sales / Average trade receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	20,063.97	6,343.75	18,297.74	6,038.84	3.16	3.03	4.29%	N.A.
(g)	Trade Payables Turnover Ratio	Net credit purchases / Average trade payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	11,102.37	2,987.87	12,403.94	2,689.81	3.72	4.61	(19.31%)	N.A.
(h)	Net Capital Turnover Ratio	Revenue / Working capital	Revenue	Working Capital = Current assets - Current liabilities	20,063.97	5,537.73	18,297.74	4,657.94	3.62	3.93	(7.89%)	N.A.
(i)	Net Profit Ratio	Net profit / Net sales	Net Profit	Net Sales	663.68	20,063.97	(221.32)	18,297.74	0.03	(0.01)	(400.00%)	Increase in net profit 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)	1,742.57	17,393.30	538.35	17,057.56	10.00%	3.00%	233.33%	Increase in EBIT during the year
(k)	Return on Investment	Net profit / Net investment	Net Profit	Net Investment = Net Equity	663.68	14,228.31	(221.32)	13,422.23	5.00%	(2.00%)	(350.00%)	Increase in net profit during the year



Notes forming part of the Financial Statements for the year ended March 31, 2023

(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, 2023.

(C) The Company has not revalued its property, plant and equipment and intangibles during the year ended March 31, 2023 and March 31, 2022.

(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, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off Company, if any
KKS Distribution Pvt Ltd	Hosiery Sales	7.25	7.25	NA
Devram Valji & Co Pvt Ltd	Rent	3.24	1.63	NA

(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.

Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

(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:
- 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 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:
- 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.

(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 (previous 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.

48 Contingencies and commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Guarantees given by bank	102.77	102.77
Claims against the Company not acknowledged as debts -		
Income tax related	31.51	31.51
Sales tax / central sales tax	1,087.80	1,111.15
Letter of credits	651.23	652.95



Notes forming part of the Financial Statements for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

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

50 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and postemployment, 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 26, 2023.

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

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: May 26, 2023

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

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

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

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

Place: Mumbai
Date: May 26, 2023

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

FINANCIAL HIGHLIGHTS

(Amount in INR lakhs, unless otherwise stated)

Particulars	Financial Year									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Share capital	1,652	1,652	1,652	1,652	1,652	1,652	1,652 ¹	1,322	1,322	1,262
Redeemable Pref. Shares Capital	-	-	-	-	-	-	-	-	-	395***
Convertible Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	13,465	11,687	11,853	12,007	13,527 ²	14,199 ²	14,301 ²	8,012	7,944	7,830
Misc exp. not written off	-	-	-	-	-	-	-	-	-	-
Net Worth	15,117	13,339	13,505	13,659	15,179	15,851	15,623	9,334	9,206	9,092
Long term Debts	1,003	-	-	-	-	-	-	-	-	-
Net Asset Block	9,736	10,380	10,653	10,923	10,852 ³	11,130 ³	17,110 ³	6,153	6,658	6,944
Total Income	20,238	18,550	14,512	17,554	20,943	22,366	23,270	19,514	26,160	25,875
Profit before tax	831	(412)	(979)	(2,758)	(651)	(252)	(610)	(947)	1,091	806
Taxation	167	(191)	(875)	(1,263)	(32)	46	35	46	390	273
Profit after tax	664	(221)	(102)	(1,506)	(641)	(303)	(751)	(993)	701	533
Dividend Rate on										
Equity share	-	-	-	-	-	-	-	-	15.00%	10.00%
Redeemable Pref. Shares	-	-	-	-	-	-	-	-	5.00%	5.00%
No of Equity Shares (in Lakhs)	825.96	825.96	825.96	825.96	825.96	825.96	825.96	660.77	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	0.80	(0.27)	(0.13)	(1.81)	(0.75)	(0.39)	(0.97)	(1.50)	1.08	0.73
Book value per share	18.30	16.15	16.35	16.54	18.38	19.19	23.64	14.13	14.59	14.41
Current Ratio	1.58	1.41	1.44	1.50	1.78	1.81	1.35	1.31	1.23	1.34

- ₹ 330 Lakhs increased on account of issue of 1,65,19,304 Equity shares at right issue @ ₹ 26/- (face value of shares is ₹ 2/-)
 - Increase in securities premium account by ₹ 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 given for the first time adoption of INDAS and correction of brand valuation.
- *** ₹. 790 Lakhs 5% Redeemable Preference shares of ₹ 100/- each redeemed.



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

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VIP Clothing Ltd.



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