



VIP Clothing Ltd.



20

ANNUAL REPORT



VIP Clothing Ltd.

A photograph of a man's face and upper torso, split vertically. The left side of the image is set against a light grey background, while the right side is set against a bright yellow background. The man has short, dark hair and a light beard. A thin yellow horizontal line is positioned across the middle of the image, passing through the man's eyes.

OUR VISION

To be in every Indian's
Wardrobe and Go Global

OUR MISSION

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



VIP[®] UNDERWEAR SPECIALIST

VIP is a name synonymous with innerwear in the Indian market.

The style quotient of the Indian male audience is changing from classic to that of a contemporary classic one. With that in mind, as a pioneer in the industry, VIP presents VIP Regal Collection.

This collection caters to the sophisticated needs of the Indian male with classic designs and unmatched fabric quality.

www.vipclothing.in

www.facebook.com/VIP.Innerwear

www.twitter.com/VIP_Innerwear



VIP Inners store is a significant step in the direction of creating a new, unique and holistic product experience for consumers at the retail level. This retail store is positioned as an innerwear studio catering to various intimate-wear, lounge-wear and accessory needs of Men, Women and Kids. The store will offer the latest styles and colors to the customers helping them make a well-informed decision. This store will be a one-stop solution for consumers and will provide exclusivity & uniqueness in terms of range, ambience and visual display.



Corporate Information

Board of Directors

Sunil J. Pathare	Chairman & Managing Director
Kapil J. Pathare	Whole Time Director
Gopal Sehjpal	Independent Director
Chetan Sheth	Independent Director
Robin Banerjee	Independent Director
Meher Castelino	Independent Director

Chief Executive Officer

(Sales, Marketing and Production)
Yogesh Tiwari

Chief Financial Officer & Company Secretary

Ashish Mandaliya

Chief Finance Controller

Devendra Vyas

Statutory Auditors

M/s. Sharp & Tannan
Chartered Accountants

Internal Auditor

M/s. Haribhakti & Co. LLP
Chartered Accountants

Bankers

State Bank of India
IDBI Bank Limited
HDFC Bank Limited
RBL Bank Limited

Plant Location

Stitching Units	: 92/94, New GIDC, Umbergaon, Gujarat - 396171
	: SF-125/126/127, Appachimarmadam, Thingalur, Erode, Tamil Nadu - 638055
Wind Mill	: Chinnakkully Village, Pappampatty Panchayat, Coimbatore, Tamil Nadu - 641016

Registered Office

C-6, Road No.22, MIDC,
Andheri (East),
Mumbai 400 093.
Phone : + 91 22 28257624/27/33,40209000
Fax : + 91 22 28371023/24
E-mail : investor.relations@viporg.com
Website : <http://www.vipclothing.in>
CIN : L18101MH1991PLC059804

Registrar & Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West),
Mumbai - 400 083
Phone : + 91 22 49186000
Fax : + 91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

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28th ANNUAL GENERAL MEETING

Day	: Wednesday
Date	: 26 th September, 2018
Time	: 11.00 a.m.
Venue	: Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai - 400093



NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of VIP Clothing Limited (formerly known as Maxwell Industries Limited) will be held on Wednesday, 26th day of September, 2018 at 11.00 a.m. at Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on March 31, 2018 and the Reports of the Directors and Auditors thereon.

2. Appointment of Directors:

To appoint a Director in place of Mr. Kapil J. Pathare (DIN 01089517), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To Re-appoint Mr. Kapil Pathare (DIN : 01089517) as a Whole-time Director for the period of Three (3) years, commencing from April 1, 2019.

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and subject to such consents and permissions, as may be required, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. Kapil J. Pathare (DIN : 01089517) as a Whole-time Director of the Company for further period of Three (3) years w.e.f. April 1, 2019 to March 31, 2022 and approve payment of remuneration to him on the terms and conditions as set out in the explanatory statement annexed hereto, as a minimum remuneration, in case the Company, has in any financial year no profit or if its profits are inadequate with the liberty to the Board of Directors including any Committee thereof (the “Board”) to revise, amend, alter and vary the terms and conditions of his remuneration, in such manner, as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Mr. Kapil J. Pathare.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution.”

4. To Re-appoint Mr. Sunil Pathare (DIN: 00192182) as Chairman and Managing Director for a period of Three (3) years, commencing from April 1, 2019.

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and subject to such consents and permissions, as may be required, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. Sunil J. Pathare (DIN : 00192182) as a Chairman and Managing Director of the Company for further period of Three (3) years w.e.f. April 1, 2019 to March 31, 2022 and approve payment of remuneration to him on the terms and conditions as set out in the explanatory statement annexed hereto, as a minimum remuneration, in case the Company, has in any financial year, no profits or if its profits are inadequate, with the liberty to the Board of Directors including any Committee thereof (the “Board”) to revise, amend, alter and vary the terms and conditions of his remuneration, in such manner, as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Mr. Sunil J. Pathare.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to this resolution.”

5. To Re-appoint Mr. Robin Banerjee as an Independent Director of the Company for a second term.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Robin Banerjee (DIN : 00008893),



who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years i.e. upto March 31, 2024 .”

“**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. To Re-appoint Mr. Gopal Sehjpal as an Independent Director of the Company for second term.

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gopal Sehjpal (DIN : 00175975), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years i.e. upto March 31, 2024 .”

“**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. To Re-appoint Mr. Chetan Sheth as an Independent Director of the Company for a second term.

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Chetan Sheth (DIN : 00202723), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years i.e. upto March 31, 2024 .”

“**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By order of the Board of Directors
For **VIP Clothing Limited**
(Formerly known as Maxwell Industries Limited)

Place: Mumbai
Date: August 13, 2018

Ashish Mandaliya
Chief Financial Officer & Company Secretary

Registered Office
C-6, Road No. 22, MIDC
Andheri (East), Mumbai – 400 093.
CIN : L18101MH1991PLC059804
E-mail : investor.relations@viporg.com

NOTES:

- A member entitled to attend and vote, at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.**
- The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 19, 2018 to Wednesday September 26, 2018 (both days inclusive).



3. Members requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their unclaimed dividend from the Company, within the stipulated timeline. The Members, whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
4. Members holding shares in electronic form are requested to intimate immediately any change in their 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 the Registrar and Share Transfer Agents, Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083.
5. Members who have not registered the 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 the depository or with Registrar and Share Transfer Agents, Link Intime India Private Limited.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or Link Intime India Private Limited.

A Form for capturing the above details is appended in the Integrated Report 2017-18. Members holding shares in physical form are requested to submit the filled-in form to the Company or its Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

7. Members desirous of obtaining any information concerning accounts of the Company are requested to address their queries to the Company Secretary at least Seven days before the date of the meeting, to enable the information required to be made available at the meeting, to the extent possible.
8. 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 Member of the Company at the Extra Ordinary General Meeting of the Company held on February 1, 2006. The Members who are yet holding their share certificate of ₹10/- each of the Company need 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.
9. Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting and copy of the Annual Report 2017-18. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting. In case of Joint Holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
10. Members are requested to note that in case of transfers, deletion of name of the deceased shareholder, transmission and transposition of names in respect of share held in physical form, the submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transaction, is now mandatory.
11. Mr. Kapil J. Pathare, Whole time Directors of the Company, retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or 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 DP and holdings should be verified.
13. 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.
14. Members are requested to bring their valid photo ID proof at the time of the meeting.
15. The route map showing directions to reach the venue of the twenty-eighth AGM is annexed on page no. 96.

Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).



The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, September 22, 2018 and ends on Tuesday, September 25, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 19, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**



(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Please note that:

1. The voting period begins on Saturday, September 22, 2018 at 10.00 a.m. and ends on Tuesday, September 25, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 19, 2018 may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the company as on this cut-off date. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 25, 2018.
2. Mr. Rakesh Sanghani or on failing of him Mr. Marmik Patel, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members would not be permitted to exercise their voting right at the general meeting.
4. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
5. The Result shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vipclothing.in and communicated to the Stock Exchanges.

By order of the Board of Directors
For **VIP Clothing Limited**
(Formerly known as Maxwell Industries Limited)

Place: Mumbai
Date: August 13, 2018

Ashish Mandaliya
Chief Financial Officer & Company Secretary

Registered Office
C-6, Road No. 22, MIDC
Andheri (East), Mumbai - 400 093.
CIN : L18101MH1991PLC059804
E-mail : investor.relations@viporg.com



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Members at their 26th Annual General Meeting appointed Mr. Kapil J. Pathare as a Whole time Director of the Company for period of Three (3) years w.e.f. April 1, 2016.

The Nomination and Remuneration Committee & Board of Directors of the Company at their meeting held on August 13, 2018 had approved the re-appointment of Mr. Kapil J. Pathare as Whole time Director of the Company for the further period of Three (3) years w.e.f. April 1, 2019.

A brief profile of Mr. Kapil J. Pathare is given below;

Mr. Kapil J. Pathare (age 39), B.com and MBA, he has joined the Company at his early age. He is looking after the whole production, quality control and administration functions of the Company.

He is a dynamic and friendly entrepreneur conceived with an idea of further developing innerwear business in India. Mr. Kapil J. Pathare is looking after overall production, quality control, administrative activities and development of new ranges of product for the Company. He is best suited for the job profile.

He is having directorship in following companies: 1. Maxwell Capital Management Private Limited, 2. Maxwell Venture Private Limited, 3. Maxwell Entertainment Private Limited, 4. Maxwell Retails Private Limited, 5. Maxwell Health & Hygiene Private Limited, 6. Shogun Chemicals Private Limited.

The main terms and conditions of Remuneration of Mr. Kapil J. Pathare are as under:

- 1) Salary: ₹ 3,00,000/- (Rupees Three Lakhs only) per month.
- 2) Commission : Payable based on the subject to availability of profit and at the rate of not more than 0.5% of the net profit for the year as determined under the overall ceiling laid down in Section 197 of the Companies Act, 2013, and Schedule V as may be applicable from time to time.
- 3) Perquisites: entitled to furnished accommodation or house rent allowances, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, being restricted to ₹ 42,00,000/- (Rupees Forty Two Lakhs Only) per annum.
- 4) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Minimum Remuneration: In case the Company has in any financial year no profit or its profits are inadequate with the liberty of the Board of Directors including any committee thereof (the "Board") the remuneration be paid as per the Schedule V of the Companies Act, 2013 and/or any modification thereof and as may be agreed by the Nomination and Remuneration Committee.

The statement as required under clauses (B)(iv) of Section II, Part II of the Schedule V of the Companies Act, 2013.

Disclosure Pursuant to sub-clause (iv) under the proviso to sub-paragraph (B) of paragraph 1 under section II of Part II of Schedule V to the Companies Act, 2013:

I. General Information

1	Nature of Industry	:	Textile Hosiery
2	Date or expected date of commencement of commercial production	:	Existing Company already commenced from 1991
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Existing Company, Not Applicable



4	Financial performance based on given indicators	:	(₹ In Lakhs)			
				2017-18 (IND-AS)	2016-17 (IND-AS)	2015-16 (old GAAP)
			Total Income	22,365.77	23,269.69	19,504.48
			Expenses	22,672.99	24,008.42	20,497.66
			Profit/(Loss)	(307.22)	(738.73)	(993.18)
			EPS(₹)	(0.39)	(0.97)	(1.50)
			P/E Ratio	-	-	-
			Total Assets	36,356.86	34,098.76	24,332.61
5	Export performance and net foreign exchange Collaborations	:	The exports on FOB basis for the year 2017-18 were ₹ 1,731.85 Lakhs 2016-17 were ₹ 1,698.70 Lakhs and for the year 2015-16 were ₹ 1,956.37 Lakhs			
			Share Price as on March 31 (closing at NSE)			
6	Foreign investments or collaborators, if any	:	Not applicable: Company has not entered into foreign collaboration			

II Information about Mr. Kapil J. Pathare, Whole-Time Director :

1) Background Details :

Mr. Kapil J. Pathare (age 39), B.com and MBA, he has joined the Company at his early age. He is looking after the whole production, quality control and administration functions of the Company.

2) Past remuneration:

For the Financial year 2017-18 Mr. Kapil J. Pathare's total remuneration was ₹ 43.49 Lakhs and for the financial year 2016-17 was ₹ 45.03 Lakhs.

3) Recognition or awards:

He had published book "Cricket to Corporate" as an author, where he has stroke the Cricketing field strategy to the field of Board room.

4) Job profile and his suitability:

Mr. Kapil Pathare focuses on various aspects of Manufacturing with clear concept of quality control & services, with his enthusiasm and customer oriented global vision, he has made a great difference in Manufacturing and Marketing styles. He plans to make the Brand a world class name to reckon with. He is looking after overall production, quality control, administrative activities and development of new ranges of product for the Company. He is best suited for the job profile.

5) Remuneration proposed:

The remuneration of Mr. Kapil J. Pathare is set out in the notice Item no. 3.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr. Kapil J. Pathare, the proposed remuneration is competitive with the remuneration paid by other Companies to such similar positions.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel if any;

Other than the remuneration stated above and related party transaction with Mr. Kapil J. Pathare has no other pecuniary relationship with Company, but he is the younger brother of Mr. Sunil J. Pathare, Chairman and Managing Director of the Company.

III Other Information:

1. Reason of loss or inadequate profits:

During the financial year 2017-18, Company incurred the loss of ₹ 3.07 Crs as against the loss of ₹ 7.38 Crs in the financial year 2016-17 and there is a drop in Revenue from operation by 3.5% as compared to previous financial year 2016-17, The Company has shown the sign of improvement and recovery in its working, but the margin of the Company are very much thin as compared to its volume



and also marginally higher spending on marketing and provision on issue of Employee Stock Options and other expenses resulted in loss.

2. Steps taken or proposed to be taken for improvement:

In order to sustain in the competitive market, the Company will adhere and focus on its advertisement and marketing plan, launch of new & innovate product to generate and increase in sales/revenue and also effective steps has been taken in the direction of increasing in the retailer base, so that Company's products can reach to more customer. The step has been taken by focusing on the operating efficiency, strengthening the core competencies and to retain the talent in the Company. The Company had issued the Employee Stock Options to eligible employees of the Company based on the performance criteria.

3. Expected increase in productivity and profits in measurable terms:

The above measures undertaken are expected to yield positive results in the years to come, while it is difficult to give precise figure, the above initiatives are expected to improve the financial performance of the Company.

IV Disclosures:

The remuneration details of Mr. Kapil J. Pathare, Whole-Time Director is as given in the explanatory statement.

The terms and conditions of Mr. Kapil J. Pathare's remuneration as set out above may also be treated as an abstract of the terms of the agreement between Mr. Kapil J. Pathare and the Company under Section 190 of the Companies Act, 2013.

Your Directors recommended the approval of the proposed resolution as by way of Special Resolution for the members.

Mr. Kapil J. Pathare himself, Mr. Sunil J. Pathare being his relative is concerned or interested in the resolution at Item no. 3 of the notice.

ITEM NO. 4

The Members at their 26th Annual General Meeting appointed Mr. Sunil J. Pathare as a Chairman & Managing Director of the Company for period of Three (3) years w.e.f. April 1, 2016.

The Nomination and Remuneration Committee & Board of Directors of the Company at their meeting held on August 13, 2018 had approved the re-appointment of Mr. Sunil J. Pathare as a Chairman and Managing Director of the Company for the further period of Three (3) years w.e.f. April 1, 2019.

A brief profile of Mr. Sunil J. Pathare is given below;

Mr. Sunil J. Pathare (DIN 00192182) aged 47 years, B.com, was appointed as Chairman & Managing Director of the Company by the Members at their 26th Annual General Meeting for a period of Three (3) years w.e.f. April 1, 2016.

He has joined the Company at his early age at 21, when the Company was domestically present, he headed the international business for the Company, at present the Company is present in the more 15 countries. He was the National Vice President of Foreign Trade Development (India) Association from 2003 to 2005 and won Brand Slam award in 2013.

He has been awarded for excellence in manufacturing by CMAI, "Entrepreneurship Excellence Award 2007" by SME Chamber of India, Indra Group of Institutes award for Marketing excellence in March, 2012, IFA – Most admired Innerwear Brand of the year, Inside Fashion Brand, Award to VIP for excellence in Retail, Golden Trophy by CMAI- for best men's innerwear in 2006-07 and best women's innerwear in 2007-08, and also excellence in Advertising at 38th all India award ABBY – 2005.

Mr. Sunil J. Pathare a visionary, dynamic and friendly entrepreneur, determined to take the Company and its brand across the globe, he has extensive experience in the field of Marketing, Production, Operation, Sales & Promotion, Finance and business start-ups in various markets. The execution capabilities and developing the team with capabilities to handle transactions of various natures has been one of the strengths of Mr. Sunil J. Pathare. He is best suited for the job profile.

He is having directorship in following companies: 1. Maxwell Capital Management Private Limited, 2. Maxwell Venture Private Limited, 3. Maxwell Entertainment Private Limited, 4. Maxwell Retails Private Limited, 5. Maxwell Health & Hygiene Private Limited, 6. Shogun Chemicals Private Limited.

The main terms and conditions of remuneration of Mr. Sunil J. Pathare are as under;

- 1) Salary: ₹ 3,70,000/- (Rupees Three Lakhs Seventy Thousand Only) per month.
- 2) Commission : Payable based on the subject to availability of profit and at the rate of not more than 0.5% of the net profit for the year as determined under the overall ceiling laid down in Section 197 of the Companies Act, 2013, and Schedule V as may be applicable from time to time.



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

- 3) Perquisites: entitled to furnished accommodation or house rent allowances, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, being restricted to ₹ 48,00,000/- (Rupees Forty Eight Lakhs Only) per annum.
- 4) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Minimum Remuneration: In case the Company has in any financial year no profit or its profits are inadequate with the liberty of the Board of Directors including any Committee thereof (the "Board") the remuneration be paid as the per Schedule V of the Companies Act, 2013 and/or any modification thereof and as may be agreed to by the Remuneration Committee.

The statement as required under clauses (B)(iv) of Section II, Part II of the Schedule V to the Companies Act, 2013.

Disclosure Pursuant to sub-clause (iv) under the proviso to sub-paragraph (B) of paragraph 1 under section II of Part II of Schedule V of the Companies Act, 2013:

I. General Information

1	Nature of Industry	:	Textile Hosiery																																
2	Date or expected date of commencement of commercial production	:	Existing Company already commenced from 1991																																
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Existing Company, Not Applicable																																
4	Financial performance based on given indicators	:	(₹ In Lakhs) <table border="1"> <thead> <tr> <th></th> <th>2017-18 (IND-AS)</th> <th>2016-17 (IND-AS)</th> <th>2015-16 (old GAAP)</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>22,365.77</td> <td>23,269.69</td> <td>19,504.48</td> </tr> <tr> <td>Expenses</td> <td>22,672.99</td> <td>24,008.42</td> <td>20,497.66</td> </tr> <tr> <td>Profit/(Loss)</td> <td>(307.22)</td> <td>(738.73)</td> <td>(993.18)</td> </tr> <tr> <td>EPS(₹)</td> <td>(0.39)</td> <td>(0.97)</td> <td>(1.50)</td> </tr> <tr> <td>P/E Ratio</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Assets</td> <td>36,356.86</td> <td>34,098.76</td> <td>24,332.61</td> </tr> <tr> <td>Share Price as on March 31 (closing at NSE)</td> <td>55.30</td> <td>50.75</td> <td>43.90</td> </tr> </tbody> </table>		2017-18 (IND-AS)	2016-17 (IND-AS)	2015-16 (old GAAP)	Total Income	22,365.77	23,269.69	19,504.48	Expenses	22,672.99	24,008.42	20,497.66	Profit/(Loss)	(307.22)	(738.73)	(993.18)	EPS(₹)	(0.39)	(0.97)	(1.50)	P/E Ratio	-	-	-	Total Assets	36,356.86	34,098.76	24,332.61	Share Price as on March 31 (closing at NSE)	55.30	50.75	43.90
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5	Export performance and net foreign exchange Collaborations	:	The exports on FOB basis for the year 2017-18 were ₹ 1,731.85 Lakhs and for the year 2016-17 were ₹ 1,698.70 Lakhs and for the year 2015-16 were ₹ 1,956.37 Lakhs																																
6	Foreign investments or collaborators, if any	:	Not applicable: Company has not entered into foreign collaboration																																

II Information about Mr. Sunil J. Pathare, Chairman & Managing Director:

1) Background Details:

Mr. Sunil J. Pathare (age 47), B.com, he has joined the Company at his early age at 21, when the Company was domestically present, he headed the international business for the Company, at present the Company is present in the more 15 countries. He was the National Vice President of Foreign Trade Development (India) Association from 2003 to 2005.

2) Past remuneration:

The Total Remuneration to Mr. Sunil J. Pathare for the Financial year 2017-18 ₹ 61.52 Lakhs and 2016-17 ₹ 54.87 Lakhs.

3) Recognition or awards:

He has been awarded for excellence in manufacturing by CMAI, "Entrepreneurship Excellence Award 2007" by SME Chamber of India, Indira Group of Institutes award for Marketing excellence in March, 2012, IFA – Most admired Innerwear Brand of the year,



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Inside Fashion Brand, Award to VIP for excellence in Retail, Golden Trophy by CMAI- for best men's innerwear in 2006-07 and best women's innerwear in 2007-08, and also excellence in Advertising at 38th all India award ABBY – 2005.

4) Job profile and his suitability:

Mr. Sunil J. Pathare is a visionary, dynamic and friendly entrepreneur, determined to take the Company and its brand across the globe, he has extensive experience in the field of Marketing, Production, Operation, Sales & Promotion, Finance and business start-ups in various markets. The execution capabilities and developing the team with capabilities to handle transactions of various natures has been one of the strengths of Mr. Sunil J. Pathare. He is best suited for the job profile.

5) Remuneration proposed :

The remuneration of Mr. Sunil J. Pathare is set out in the notice Item No. 4.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr. Sunil J. Pathare, the proposed remuneration is competitive with the remuneration paid by other Companies to such similar positions.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel if any;

Other than the remuneration stated above to Mr. Sunil J. Pathare, he is elder brother of Mr. Kapil J. Pathare.

III Other Information:

1. Reason of loss or inadequate profits:

During the financial year 2017-18, Company incurred the loss of ₹ 3.07 Crs as against the loss of ₹ 7.38 Crs in the financial year 2016-17 and there is drop in Revenue from operation by 3.5% as compared to previous financial year 2016-17, The Company has shown the sign of improvement and recovery in its working, but the margin of the Company are very much thin as compared to its volume and also marginally higher spending on marketing and provision on issue of Employee Stock Options and other expenses resulted in loss.

2. Steps taken or proposed to be taken for improvement:

In order to sustain in the competitive market, the Company will adhere and focus on its advertisement and marketing plan and launch of new & innovate product to generate and increase in sales/revenue and also effective steps has been taken in the direction of increasing in the retailer base, so that Company's products can reach to more customer. The step has been taken by focusing on the operating efficiency, strengthening the core competencies and to retain the talent in the Company. The Company had issued the Employee Stock Options to eligible employees of the Company based on the performance criteria.

3. Expected increase in productivity and profits in measurable terms:

The above measures undertaken are expected to yield positive results in the years to come, while it is difficult to give precise figure, the above initiatives are expected to improve the financial performance of the Company.

IV Disclosures:

The remuneration details of Mr. Sunil J. Pathare, Chairman and Managing Director is as given in this explanatory statement. The terms and conditions of Mr. Sunil J. Pathare's remuneration as set out above may also be treated as an abstract of the terms of the agreement between Mr. Sunil J. Pathare and the Company under Section 190 of the Companies Act, 2013.

Your Directors recommended the approval of the proposed resolution, as by way of Special Resolution for the members.

Mr. Sunil J. Pathare himself, Mr. Kapil J. Pathare being his relative is concerned or interested in the resolution at item no. 4 of the notice.

ITEM NOS. 5 TO 7

Appointment of Independent Directors

Section 149 of the Companies Act, 2013 ('Act') and as per SEBI (LODR) Regulations, 2015 all listed public companies requires to have at least one-third of the total number of directors as Independent Directors. Your Company complies with this requirement.

Sub-Section (10) of Section 149 of the Act further provides that Independent Directors are required to hold office for a term up to five consecutive years on the Board of a company and can be re-appointed thereafter subject to the limits under sub-section (11) of Section



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

149 of the Act, which provide that they shall not hold office for more than two consecutive terms.

Independent Directors of your Company as stated below who have completed/expiring their terms on March, 2019, the board on recommendation by the Nomination and Remuneration Committee hereby proposes their re-appointment for a second term upto March, 2024 and the term is not liable for retirement by rotation;

- i) Mr. Robin Banerjee
- ii) Mr. Gopal Sehjpal
- iii) Mr. Chetan Sheth

The Board, based on the performance evaluation as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Robin Banerjee, Mr. Gopal Sehjpal and Mr. Chetan Sheth as an Independent Directors would be beneficial to the company and it is desirable to continue to avail their services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Robin Banerjee, Mr. Gopal Sehjpal and Mr. Chetan Sheth as an Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company, to hold office for a second term up to March 31, 2024.

In case of re-appointment of Mr. Gopal Sehjpal as an Independent Director for a second term who will attain the age of 75 years on May 19, 2019. Mr. Gopal Sehjpal has rich and varied experience in the industry and has been involved in the operational strategies of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint him as an Independent Director. Accordingly, approval of the members of is sought for passing a Special Resolution for re-appointment of Mr. Gopal Sehjpal, as set out in Regulation 17 (1A) of SEBI (LODR) (amendment) Regulations, 2018.

None of the aforesaid named Directors are disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has received declaration from all the above Directors that they meet with the criteria of Independence as prescribed both under sub-section (6) of section 149 of the Act and SEBI (LODR), Regulations, 2015.

In the opinion of the Board, they fulfil the conditions for their appointment as Independent Directors as specified in the Act and the SEBI (LODR) Regulations, 2015. They are Independent of the Management.

Brief resumes of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and Memberships/Chairmanships of Board or Committees, Shareholding and Relationship between Directors inter-se stipulated under the SEBI (LODR), Regulations, 2015, are provided as annexed to the notice and also form a part of Corporate Governance.

Keeping in view their expertise and knowledge, it will be in the interest of the Company that these Directors are appointed as an Independent Directors.

Copy of the draft letter for appointment of these Directors as an Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This statement may also be regarded as a disclosure under SEBI (LODR), Regulations 2015 with the Stock Exchange.

Except for the respective Directors/their relatives who may be deemed to be interested in the respective resolution at item nos. 5 to 7 of the Notice as it concern their appointment as Independent Directors, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolutions set out at Item Nos.5 to 7 of the Notice.

The Board recommends the Special Resolution set out at Item Nos. 5 to 7 of the Notice for approval by the shareholders.

By order of the Board of Directors
For **VIP Clothing Limited**
(Formerly known as Maxwell Industries Limited)

Place: Mumbai
Date: August 13, 2018

Ashish Mandaliya
Chief Financial Officer & Company Secretary

Registered Office
C-6, Road No. 22, MIDC
Andheri (East), Mumbai – 400 093.
CIN : L18101MH1991PLC059804
E-mail : investor.relations@viporg.com



DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015]

Pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 and Clause 1.2.5 of Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India, the particulars of Directors seeking appointment / re-appointment at the Annual General Meeting;

1. Appointment/Re-appointment of Mr. Kapil J. Pathare

Name of the Director	Mr. Kapil J. Pathare
Date of Birth	September 5, 1979
Date of appointment	September 15, 2003
Qualification	B.Com, MBA
No of shares held in the Company as on March 31, 2018	1,48,15,548
Brief profile	Mr. Kapil Jaykumar Pathare, aged 38 years, is the Promoter and the Whole time Director of our Company. He holds a Bachelor's degree in Commerce from University of Mumbai obtained in June, 1999 and a Masters in Business Administration (Entrepreneurship and Family Business) degree from Narsee Monjee Institute of Management Studies obtained in August, 2002. He looks after the overall production activities of the Company.
Nature of expertise	Mr. Kapil J. Pathare having vast knowledge on manufacturing process, production and quality control in the hosiery industry.
List of Directorship in other Companies	1. Maxwell Capital Management Pvt. Ltd. 2. Maxwell Venture Pvt. Ltd. 3. Maxwell Entertainment Pvt. Ltd. 4. Maxwell Retails Pvt. Ltd. 5. Maxwell Health & Hygiene Pvt. Ltd. 6. Shogun Chemicals Pvt. Ltd.
Names of listed entities in which he holds the directorship and the membership of Committees of the board	NIL
Relationships between directors inter-se	Younger brother of Mr. Sunil Pathare – Chairman and Managing Director of the Company.

2. Appointment/Re-appointment of Mr. Sunil J. Pathare

Name of the Director	Mr. Sunil J. Pathare
Date of Birth	July 17, 1971
Date of appointment	September 29, 1992
Qualification	B.Com
No of shares held in the Company as on March 31, 2018	1,67,42,008
Brief profile	Mr. Sunil Jaykumar Pathare, aged 46 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.
Nature of expertise	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.



List of Directorship in other Companies	1. Maxwell Capital Management Pvt. Ltd. 2. Maxwell Venture Pvt. Ltd. 3. Maxwell Entertainment Pvt. Ltd. 4. Maxwell Retails Pvt. Ltd. 5. Maxwell Health & Hygiene Pvt. Ltd. 6. Shogun Chemicals Pvt. Ltd.
Names of listed entities in which he holds the directorship and the membership of Committees of the board	NIL
Relationships between directors inter-se	Elder brother of Mr. Kapil Pathare – Whole time Director of the Company.

3. Appointment/Re-appointment of Mr. Robin Banerjee

Name of the Director	Robin Banerjee
Date of Birth	August 20, 1955
Date of appointment	September 25, 2006
Qualification	C.A., C.S., ICWA
No of shares held in the Company as on March 31, 2018	NIL
Brief profile	Mr. Robin Banerjee aged 63 years, is the Non- Executive Independent Director of our Company. He has been admitted as a Fellow Member of the Institute of Chartered Accountants of India in May, 1991 and as an Associate Member of the Institute of Company Secretaries of India in June, 1984. He has over 35 years of professional experience in finance and corporate management, including strategic planning, mergers and acquisitions, corporate finance and strategic business development
Nature of expertise	He is having a vast experience in finance and corporate management, including strategic planning, mergers and acquisitions, corporate finance and strategic business development.
List of Directorship in other Companies	1. Caprihans India Limited 2. IMICL Dighi Maritime Limited
Names of listed entities in which he holds the directorship and the membership of Committees of the board	Caprihans India Limited <ul style="list-style-type: none"> • Managing Director • Member - Nomination and Remuneration Committee • Member - Corporate Social Responsibility Committee
Relationships between directors inter-se	Not related to any Director / Key Managerial Personnel.

4. Appointment/Re-appointment of Mr. Gopal Krishan Sehjpal

Name of the Director	Mr. Gopal Krishan Sehjpal
Date of Birth	May 19, 1944
Date of appointment	September 23, 2002
Qualification	Master's Degree in Arts (Philosophy) Post Graduate Diploma in Personnel Management from the University of Delhi
No of shares held in the Company as on March 31, 2018	NIL



Brief profile	Mr. Gopal Sehjpal aged 74 years, is the Non- Executive Independent Director of our Company. He holds a Master's Degree in Arts (Philosophy) obtained in 1971 and a Post Graduate Diploma in Personnel Management from the University of Delhi obtained in 1972. He is also a member of the Institute of Management Consultants of India and a Life Member with the Bombay Management Association, Indian Institute of Quality Management and Consultancy Development Centre (Ministry of Science and Technology, Government of India).
Nature of expertise	Mr. Gopal Sehjpal has rich and varied experience in the industry and has been involved in the operational strategies of the Company and also expertise on goal setting, transactional and transformational coaching and leadership development programs.
List of Directorship in other Companies	1. Lovable Lingerie Limited 2. Oracle Management Services Private Limited
Names of listed entities in which he holds the directorship and the membership of Committees of the board	Lovable Lingerie Limited Independent Director <ul style="list-style-type: none"> • Chairman - Audit Committee • Chairman - Nomination and Remuneration Committee • Chairman - Stakeholder Relationship Committee • Member - Corporate Social Responsibility Committee
Relationships between directors inter-se	Not related to any Director / Key Managerial Personnel.

5. Appointment/Re-appointment of Mr. Chetan Dolatrai Sheth

Name of the Director	Mr. Chetan Dolatrai Sheth
Date of Birth	July 12, 1963
Date of appointment	January 30, 2004
Qualification	Diploma in Production Engineering
No of shares held in the Company as on March 31, 2018	NIL
Brief profile	Mr. Chetan Dolatrai Sheth, aged 55 years, is the Non- Executive Independent Director of our Company. He holds a Diploma in Production Engineering awarded by the Board of Technical Examinations on behalf of the Government of Maharashtra on May 22, 1987 and has over 26 years of professional experience in the manufacturing engineering and corporate management.
Nature of expertise	He is a Production Engineering and having a professional experience and expertise in the manufacturing, engineering and corporate management.
List of Directorship in other Companies	1. Prestige Metal Systems (India) Private Limited 2. Sheth Fabricators Private Limited
Names of listed entities in which he holds the directorship and the membership of Committees of the board	NIL
Relationships between directors inter-se	Not related to any Director / Key Managerial Personnel.



DIRECTORS' REPORT

To,
THE MEMBERS
VIP CLOTHING LIMITED
 (Formerly known as Maxwell Industries Limited)

The Directors of your Company are pleased to present, the 28th Annual Report, on the working and the progress of the Company, alongwith audited financial statement of the Company for the financial year ended on March 31, 2018 and Report of the Auditors thereon.

1. FINANCIAL RESULTS

	Current Year Ended March 31, 2018	Previous Year Ended March 31, 2017
	(₹ in Lakhs)	
Profit before Interest, Depreciation & Income Tax	1,179.87	1,665.99
Interest	(1,095.14)	(1,219.07)
Depreciation	(335.41)	(336.10)
Profit/(Loss) Before Tax (Before Exceptional income)	(250.68)	(110.82)
Add: Exceptional (Loss)/Income	(1.63)	(720.64)
Profit/(Loss) Before Tax after Exceptional income	(252.31)	(609.82)
Provision for Income tax Expense for prior period	79.07	-
Deferred Tax	(32.89)	35.40
Profits/(Loss) from continuing operation	(298.49)	(574.42)
Profits/(Loss) from discontinued operation	(8.73)	(164.31)
Profits/(Loss) for the year	(307.22)	(738.73)
Other Comprehensive income (net of tax)	4.21	(12.04)
Total Comprehensive Income attributable to owners of the Company	(303.01)	(750.77)
Profit Brought forward	5,759.62	6,510.34
Profit available for appropriation	5,456.61	5,759.62
Appropriation		
Dividend and Tax on dividend	-	-
Closing balance in retain earnings	5,456.61	5,759.62

2. OPERATIONS

Revenue from operations for the financial year 2017-18 stood to ₹ 22,237.76 Lakhs as against ₹ 23,149.98 Lakhs in the previous financial year 2016-17. There was a decrease in revenue by 3.94% as compared to the previous year. This is mainly on account of drop in sales in Wholesale and institutional channel post GST.

The Earnings before Interest Depreciation and Amortisation (EBIDTA) during the year stood around 5.31% as against the 7.20 % in the previous year.

The Net loss for the F.Y. 2017-18 is stood to ₹ 307.22 Lakhs as against the Net Loss of ₹ 738.73 Lakhs in the previous financial year.

3. DIVIDEND

Due to loss in the financial year 2017-18, the Board does not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2018.

4. TRANSFER TO RESERVE

Due to loss in the current and previous financial year, no amount has been transferred to General Reserve for current and previous financial year.



5. SHARE CAPITAL & RIGHTS ISSUE

During the year, the Company had issued 1,65,19,304 fully paid-up equity shares of face value of ₹ 2 each ("Rights Issue Equity Shares") for cash at a price of ₹ 26 per equity share including a share premium of ₹ 24 per equity share aggregating up to ₹ 4,295.02 Lakhs to the existing equity shareholders on a rights basis in the ratio of 1 fully paid-up equity shares for every 4 fully paid-up equity shares held by the existing equity shareholders on the record date, i.e. November 20, 2017 ("The Issue"). The Issue was open for subscription from November 28, 2017 to December 12, 2017. The Rights Issue Committee, in its meeting held on December 21, 2017, approved the allotment of 1,65,19,304 Rights Issue Equity Shares to the successful applicants, based on the 'basis of allotment' approved by BSE Limited, the designated Stock Exchange for the issue. The shares were listed on BSE Limited & National Stock Exchange of India Limited and were admitted for dealing by both the exchanges with effect from December 27, 2017. The paid-up equity share capital of the Company has increased from ₹ 13,21,54,430 to ₹ 16,51,93,038.

6. COMPLETION OF TRANSACTION FOR SALE OF LAND & BUILDING SITUATED AT NANI DAMAN - DAMAN.

During the financial year, Company has completed transaction for sale of Land and Building situated at Nani Daman – Daman for a consideration of ₹ 1.50 Crs with Daman Polythread Limited and had the capital loss of ₹ 35.39 Lakhs from the sale.

7. SALE OF NON-CORE LAND SITUATED AT GOBICHETTIPALAYAM.

During the financial year Company has sold the non-core land admeasuring 0.41 acre situated at Kollappaluar Village, Gobichettipalayam, Erode district, Tamil Nadu – 638 456 for a consideration of ₹ 73.76 Lakhs and had the capital profit of ₹ 33.76 Lakhs from the sale.

8. SUBSIDIARY

The Company does not have any subsidiary Company.

9. FIXED DEPOSIT

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

10. CORPORATE GOVERNANCE

As per Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Agreement with the Stock Exchange, 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.

11. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 as on March 31, 2018, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure - A**.

12. NUMBER OF MEETING OF THE BOARD

The Board of Directors met 8 (Eight) times during the financial year 2017-18. The maximum interval between any two meetings did not exceed 120 days. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

13. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. As per Regulation 46 of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Whistle Blower Policy has been posted on the website of the Company (www.vipclothing.in). The Audit Committee shall oversee the Vigil Mechanism.

14. 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.

15. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, your Company has formulated a Policy on Related Party Transactions. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval and also the Company has developed Related Party Transactions frame work through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.



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All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that provisions of Section 188 of the Companies Act, 2013 are not attracted. The policy is available on the website of the Company www.vipclothing.in.

16. 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 - B** to this Report. The policy is available on the website of the Company www.vipclothing.in.

17. 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 audit committee has additional oversight in the area of through mitigating actions on a continuing basis.

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.

18. 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 ended March 31, 2018, no complaints pertaining to sexual harassment was received by the Committee.

19. 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 term of Section 134(3)(c) of the Companies Act, 2013 that:

- (a) the preparation of the annual financial statement of the Company for the financial year ended on March 31, 2018, 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, 2018 and of the loss of the Company for the year ended on March 31, 2018;
- (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 financial statement on a going concern basis; and;
- (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.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Arbitration Petition No. 24 of 2002 was filed by Cotton Corporation of India against our Company seeking compensation for Breach of Contract which Company lost and preferred an appeal in appropriate Appellate Courts and the said matter was concluded by Madras High Court in CMA No. 3274 of 2010 by giving Judgement against our Company and pursuant to the said order Company requires to pay the principle compensation amount of ₹ 3,82,963/- jointly and severally along with additional cost to Cotton Corporation of India. Presently the Company has not paid the aforesaid amount due to dispute on additional cost. The Company had made the provision of ₹ 33,82,963/- in the books of accounts.

Except above, there are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.



21. AUDITORS

M/s. Sharp & Tannan, Chartered Accountants, Mumbai, [Firm Registration No. 109982W] the Statutory Auditors of the Company, were appointed by the Shareholders at their meeting held on September 27, 2016 for a period of 5 years i.e. upto conclusion of Thirty First Annual General Meeting.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018 ratification of appointment of Statutory Auditors at ever Annual General Meeting is no more a legal requirement. Accordingly, the Notice convening the ensuing Annual General Meeting does not carry any resolution on ratification of appointment of Statutory Auditors. However M/s. Sharp & Tannan has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly M/s. Sharp & Tannan will continue to be the Statutory Auditors of the Company for the Financial Year ending March 31, 2019.

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

22. COST AUDITORS

There has been no notification till date, covering our industry for the purpose of Cost Audit for the financial year 2017-18.

23. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed Mr. Rakesh Sanghani, Practicing Company Secretary (FCS No. 7647) (C.P No.6302) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure - C** and forms an integral part of this Report.

There is no qualifications, reservations or adverse remarks in the report.

24. BOARD OF DIRECTORS

There has been no change in the composition of Board of Directors of the Company during the year under review.

Retirement by rotation

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Kapil Pathare would retire by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment.

Re-appointment of Whole time Director

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee has re-appointed Mr. Kapil J. Pathare as Whole time Director of the Company for a period of 3 (Three) years with effect from April 1, 2019, subject to approval of members, as his current term of office is upto March 31, 2019

Re-appointment of Chairman and Managing Director

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee has re-appointed Mr. Sunil J. Pathare as Chairman and Managing Director of the Company for a period of 3 (Three) years with effect from April 1, 2019, subject to approval of members, as his current term of office is upto March 31, 2019.

Re-appointment of Independent Directors

The terms of office of following Independent Director, will expire on March 31, 2019. The Board of Director of the Company, on recommendation of the Nomination and Remuneration Committee to re-appoint them as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office.

- a) Mr. Robin Banerjee
- b) Mr. Gopal Sehjpal
- c) Mr. Chetan Sheth

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independence prescribed under the Act and the SEBI (LODR), Regulation.

25. BOARD INDEPENDENCE

The board of the Company as on March 31, 2018 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 derived from 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.

26. 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 it's Committees and the Directors individually. At the meeting of the Independent Directors held on March 22, 2018 and as per the guideline given by SEBI all the relevant factors for evaluating the performance of the Committees and of the Board was discussed.



27. 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.

28. FAMILIARISATION PROGRAMMES FOR DIRECTORS

Familiarisation programs are conducted for the directors. The details of familiarisation programmes imparted to independent directors have been posted on the website of the Company at www.vipclothing.in.

29. 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 – 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. Accordingly, no particulars of Employees are given pursuant to Section 197(12) of the Companies Act, 2013 read with amended Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and forming part of the Directors Report for the year ended March 31, 2018 is given in a separate **Annexure - E** to this Report.

None of the employees listed in the said Annexure is 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 of Chapter IV of Regulation 16(b) of Chapter IV of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2018.

30. EMPLOYEE STOCK OPTION SCHEME

The Company's Employees Stock Option Scheme viz ESOS – 2017 is in place from 2017-18 and the Company has made grant under ESOS – 2017 to the eligible employees of the Company. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administer and monitor the Employees' Stock Option Scheme of the Company.

The Schemes are in line with the SEBI (Share Based Employee Benefits) Regulation, 2014 ("SBEB Regulation"). The Company has received a certificate from the Auditors of the Company that the Scheme are implemented in accordance with SBEB Regulations and resolution passed by the members. The Certificate would be available at the Annual General Meeting for inspection by members. The details as required to be disclosed under SBEB Regulations is given in **Annexure – F** to this report.

31. UNCLAIMED SHARES SUSPENSE ACCOUNT

In compliance with the requirements of Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements), Regulations, 2015 (hereinafter referred to as 'SEBI (LODR) Regulations'), the Company had transferred - 3,89,330 equity shares belonging to 292 shareholders to Investor Education and Protection Fund Authority" Ministry of Corporate Affairs, after sending three reminders to the concerned shareholders and following the procedures laid down under Schedule VI of the aforesaid Regulations. As on March 31, 2018, equity shares 3,89,330 belonging to 292 shareholders were lying unclaimed in the aforesaid account. In compliance with the requirements of the SEBI (LODR) Regulations, all corporate benefits declared by the Company in future, in respect of the aforesaid shares shall be transferred to the aforesaid account until the rightful shareholders claim for the aforesaid shares. The voting rights on the aforesaid shares shall also remain frozen till the rightful owners claim the shares.

32. 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, BSE Limited, National Stock Exchange of India Limited, Members, Suppliers and Esteemed Customers of the Company.

33. 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: August 13, 2018

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

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



ANNEXURE - A

MGT – 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management & Administration Rules, 2014)

I. REGISTRATION & OTHER DETAILS

1	CIN	L18101MH1991PLC059804
2	Registration Date	January 14, 1991
3	Name of the Company	VIP Clothing Limited (Formerly known as Maxwell Industries Limited)
4	Category/ Sub-Category of the Company	Public Limited Company
5	Address of the Registered Office & Contact Details	C-6, Road No.22, MIDC, Andheri (East), Mumbai – 400 093 Tel : 022-28257624/27/33, 40209000 Fax : 022-28371023/24 Email: investor.relations@viporg.com Website: www.vipclothing.in
6	Whether listed company	Yes
7	Name, Address & Contact details of the Registrar & Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 Phone : + 91 22 49186000 Fax : + 91 22 49186060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of Main Products	NIC Code of the Products/Services	% to total turnover of the Company
1	Hosiery Product	14309	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

There are no Holding, Subsidiary and Associate Companies.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	43097868	-	43097868	65.22	43502574	-	43502574	52.67	(12.55)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1) :	43097868	-	43097868	65.22	43502574	-	43502574	52.67	(12.55)



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	43097868	-	43097868	65.22	43502574	-	43502574	52.67	(12.55)
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/UTI	875	-	875	-	875	-	875	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	362973	-	362973	0.55	358262	-	358262	0.43	(0.12)
f) Financial Institutions/Banks	95690	-	95690	0.14	176645	-	176645	0.21	0.07
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :-	459538	-	459538	0.70	535782	-	535782	0.65	(0.05)
2) Central Government / State Government (s) / President of India									
Central Government / State Government (s)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2) :-	-	-	-	-	-	-	-	-	-
3) Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	8739965	1020944	9760909	14.77	12550008	683706	13233714	16.02	1.25
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	3671069	341250	4012319	6.07	6401575	341250	6742825	8.16	2.09
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
i) Trusts	-	-	-	-	-	-	-	-	-
ii) Hindu Undivided Family	607782	-	607782	0.92	1011917	-	1011917	1.23	0.30
iii) Non Resident Indians (Non Repat)	2619126	-	2619126	3.96	198962	-	198962	0.24	(3.72)
iv) Non Resident Indians (Repat)	225297	7000	232297	0.35	285253	6125	291378	0.35	-
v) Clearing Member	722726	-	722726	1.09	676158	-	676158	0.82	(0.28)
vi) Bodies Corporate	4182717	381933	4564650	6.91	15668256	345623	16013879	19.39	12.48
vii) IEPF	-	-	-	-	389330	-	389330	0.47	0.47
Sub-total (B)(3) :	20768682	1751127	22519809	34.08	37181459	1376704	38558163	46.68	12.60
Total shareholding of Promoter (B)=(B)(1)+(B)(2)+(B)(3)	21228220	1751127	22979347	34.78	37717241	1376704	39093945	47.33	12.55
Total (A+B)	64326088	1751127	66077215	100.00	81219815	1376704	82596519	100.00	-
C) Non Promoter - Non Public									
1) Custodian/DR Holder									
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	64326088	1751127	66077215	100.00	81219815	1376704	82596519	100.00	-



ii) Shareholding of Promoters (including Promoter Group)

Sr No.	Shareholders Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Sunil Jaykumar Pathare	16110925	24.38	-	16742008	20.27	-	(4.11)
2	Kapil Jaykumar Pathare	14184465	21.47	-	14815548	17.94	-	(3.53)
3	Jaykumar Khanderao Pathare*	5420625	8.20	-	115500	0.14	-	(8.06)
4	Lalita Jaykumar Pathare	5002812	7.57	-	10307937	12.48	-	4.91
5	Jaykumar K. Pathare - HUF*	1262166	1.91	-	-	-	-	(1.91)
6	Heena Sunil Pathare	612500	0.93	-	834443	1.01	-	0.08
7	Ashwini Kapil Pathare	504375	0.76	-	687138	0.83	-	0.06
	Total	43097868	65.22	-	43502574	52.67	-	(12.55)

*Late Shri Jaykumar Pathare who held 66,86,291 Equity Shares in the Company on joint holding basis, individual basis and also in capacity as a Karta of HUF, passed away on January 16, 2016 intestate. The Equity Shares held by him on joint holding basis have been transferred to the surviving / joint holder. However, the Equity Shares held by him on individual capacity have not yet been transferred, inter alia due to pending process of obtaining a succession certificate under the Hindu Succession Act, 1956 or any other alternative legal mechanism for the completing the transfer formalities and in capacity as a Karta of HUF have been transferred to the surviving holders on equal proportion. While, the Company has taken and will in the future continue to take all precautions to ensure that the transfer of Equity Shares is done in accordance with the provisions of the applicable laws.

iii) Change in Promoters' Shareholding (including Promoter Group)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Cumulative Shareholding during the year - 2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SUNIL JAYKUMAR PATHARE				
	At the beginning of the year	16110925	24.38	16110925	24.38
	01.09.2017 - Transmission	631083	0.96	16742008	25.34
	At the end of the year			16742008	20.27
2	KAPIL JAYKUMAR PATHARE				
	At the beginning of the year	14184465	21.47	14184465	21.47
	01.09.2017 - Transmission	631083	0.96	14815548	22.42
	At the end of the year			14815548	17.94
3	LALITA JAYKUMAR PATHARE				
	At the beginning of the year	5002812	7.57	5002812	7.60
	12.05.2017 - Transmission	5305125	8.03	10307937	15.60
	At the end of the year			10307937	12.48
4	HEENA S PATHARE				
	At the beginning of the year	612500	0.93	612500	0.93
	21.12.2017 (Allotment pursuant to Rights Issue)	221943	0.27	834443	1.20
	At the end of the year			834443	1.01
5	ASHWINI KAPIL PATHARE				
	At the beginning of the year	504375	0.76	504375	0.76
	21.12.2017 (Allotment pursuant to Rights Issue)	182763	0.22	687138	0.98
	At the end of the year			687138	0.83
6	JAYKUMAR KHANDERAO PATHARE				
	At the beginning of the year	5420625	8.20	5420625	8.20
	12.05.2017 - Transmission	(5305125)	(8.03)	115500	0.17
	At the end of the year			115500	0.14



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Cumulative Shareholding during the year - 2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	JAYKUMAR K PATHARE (HUF)				
	At the beginning of the year	1262166	1.91	1262166	1.91
	01.09.2017 - Transmission	(1262166)	(1.91)	0	0
	At the end of the year			0	0

- Note:**
- There is change in promoters shareholding, Mr. Sunil J. Pathare and Mr. Kapil J. Pathare, due to transmission of shares, on demise of Late Mr. Jaykumar Pathare.
 - On rights issue of the Company following promoter and their relative had renounced their right entitlement, in favour of this person:
Mr. Sunil J. Pathare - 41,85,502, Mr. Kapil J. Pathare - 37,03,886 and Mrs. Lalita Pathare - 25,76,984 rights shares.
 - During the year Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 8,25,96,519 Shares. 1,65,19,304 Equity shares are issued by way of Rights Issue.

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	For each of the Top 10 Shareholders Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Cumulative Shareholding during the year - 2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SUBHKAM PROPERTIES LLP				
	At the beginning of the year	0	0	0	0
	21.12.2017 - (Allotment pursuant to Rights Issue)	9500000	11.50	9500000	11.50
	At the end of the year			9500000	11.50
2	ASHISH AGARWAL				
	At the beginning of the year	1613118	2.44	1613118	2.44
	21.12.2017 - (Allotment pursuant to Rights Issue)	584525	0.71	2197643	3.15
	At the end of the year			2197643	2.66
3	SURYAVANSHI COMMOTRADE PRIVATE LIMITED				
	At the beginning of the year	1677724	2.54	1677724	2.54
	12.05.2017 - Transfer	(36462)	(0.06)	1641262	2.48
	19.05.2017 - Transfer	(94100)	(0.14)	1547162	2.34
	21.12.2017 - (Allotment pursuant to Rights Issue)	560625	0.68	2107787	3.02
	At the end of the year			2107787	2.55
4	MADHULIKA AGARWAL				
	At the beginning of the year	1275000	1.93	1275000	1.93
	12.05.2017 - Transfer	(36462)	(0.06)	1238538	1.87
	19.05.2017 - Transfer	(94100)	(0.14)	1144438	1.73
	21.12.2017 - (Allotment pursuant to Rights Issue)	414684	0.50	1559132	2.23
	At the end of the year			1559132	1.89
5	JOHAR H ZOJWALLA				
	At the beginning of the year	0	0	0	0
	21.12.2017 - (Allotment pursuant to Rights Issue)	581372	0.70	581372	0.70
	At the end of the year			581372	0.70
6	RVB ENTERPRISES LLP				
	At the beginning of the year	0	0	0	0
	21.12.2017 - (Allotment pursuant to Rights Issue)	500000	0.61	500000	0.61
	At the end of the year			500000	0.61



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

Sr No.	For each of the Top 10 Shareholders Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	TASNEEM JOHAR ZOJWALLA				
	At the beginning of the year	0	0	0	0
	21.12.2017 - (Allotment pursuant to Rights Issue)	385000	0.47	385000	0.47
	At the end of the year			385000	0.47
8	ALTITUDE INVESTMENTS PVT LTD				
	At the beginning of the year	250000	0.38	250000	0.38
	21.12.2017 - (Allotment pursuant to Rights Issue)	90588	0.11	340588	0.49
	At the end of the year			340588	0.41
9	VIJAYKUMAR MANGTURAM KHEMANI				
	At the beginning of the year	0	0	0	0
	15.12.2017 – Transfer	359910	0.54	359910	0.54
	23.03.2018 – Transfer	(20000)	(0.02)	339910	0.52
	At the end of the year			339910	0.41
10	PREMIER INVESTMENT FUND LIMITED				
	At the beginning of the year	162973	0.25	162973	0.25
	21.12.2017 - (Allotment pursuant to Rights Issue)	59053	0.09	222026	0.34
	At the end of the year			222026	0.27

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 8,25,96,519 Shares due to issue of 1,65,19,304 shares by way of Rights Issue.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Cumulative Shareholding during the year - 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunil J. Pathare				
	At the beginning of the year	16110925	24.38	16110925	24.38
	Bought during the year*	631083	0.96	16742008	25.34
	Sold during the year	-	-	16742008	25.34
	At the End of the year			16742008	20.27
2	Kapil J. Pathare				
	At the beginning of the year	14184465	21.47	14184465	21.47
	Bought during the year*	631083	0.96	14815548	22.42
	Sold during the year	-	-	14815548	22.42
	At the End of the year			14185548	17.94

*12,62,166 Equity share belong to M/s. Jaykumar Pathare - HUF, was transferred in equal proportion to Mr. Sunil Pathare and Mr. Kapil Pathare due to partition of M/s. Jaykumar Pathare - HUF on account of demise of Late Mr. Jaykumar Pathare.

Mr. Sunil J. Pathare, had renounced 41,85,502 rights entitlement of shares, Mr. Kapil J. Pathare had renounced 37,03,886 rights entitlement of shares and Mrs. Lalita Pathare had renounced 25,76,984 rights entitlement of shares.

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 8,25,96,519 Shares due to issue of 1,65,19,304 shares by way of Rights Issue.
2. There are no shares held by Key Managerial Personnel excluding Mr. Sunil J. Pathare and Mr. Kapil J. Pathare.



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

V. Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9485.92	150.00	-	9635.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9485.92	150.00	-	9635.92
Change in Indebtedness during the financial year				
*Addition	31.44	-	-	31.44
*Reduction	1497.49	150.00	-	1647.49
Net Change	1466.05	150.00	-	1616.05
Indebtedness at the end of the financial year				
i) Principal Amount	8019.87	-	-	8019.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8019.87	-	-	8019.87

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager;

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		CMD	WTD	
		Sunil Pathare	Kapil Pathare	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.12	42.60	93.72
	b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	10.40	0.89	11.29
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Swear Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	61.52	43.49	105.01
	Ceiling as per the Act	(10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		



B. Remuneration to other Director :

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Name of Director				Total Amount
		Gopal Sehgal	Chetan Sheth	Robin Banerjee	Meher Castelino	
1.	Independent Directors					
	* Fees for attending board committee meeting	1.20	1.20	0.75	1.20	4.35
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	Total (1)	1.20	1.20	0.75	1.20	4.35
2.	Other Non-Executive Directors					
	* Fees for attending board committee meeting	-	-	-	-	-
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.20	1.20	0.75	1.20	4.35
	Ceiling as per the Act	(1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)				
	Total Managerial Remuneration (A + B)					109.36
	Overall Ceiling as per the Act	(11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer (Sales, Production & Marketing)	CFO & Company Secretary	Chief Finance Controller	
		Yogesh Tiwari	Ashish Mandaliya	Devendra Vyas	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58.55	22.40	18.94	99.89
	b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	29.01	16.06	19.54	64.61
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Swear Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	87.56	38.46	38.48	164.50

VII. Penalties/punishment/compounding of offences :

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act against the Company or its directors or other officer in default, if any, during the year.

On behalf of the Board

Place: Mumbai
Date: August 13, 2018

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



ANNEXURE - B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:** 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.

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of sanitation and environment sustainability. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

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 Committee shall consist of minimum of three members with at least one being an 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

The Board has authority to reconstitute this Committee from time to time.

3. **Average net loss of the Company for last three financial years (2015-2017): ₹ 183.28Lacs.**
4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2015-2017):** The Company is required to spend ₹ Nil towards CSR due to losses in past.
5. **Details of CSR spent during the financial year (2017-18):**

- (a) Total amount to be spent for the financial year : ₹ Nil
- (b) Amount spent : ₹ 6.52 Lakhs
- (c) Amount unspent, if any : ₹ Nil
- (d) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) (Direct expenditure on projects or programs. (2) Overheads :	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Sanitation & Environment sustainability	Sanitation	Andheri, Mumbai (Maharashtra)	₹ 6.00 Lakhs	₹ 6.52 Lakhs	₹ 6.52 Lakhs	Implementing agency

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
(Formerly known as Maxwell Industries Limited)

**For and on behalf of the
Corporate Social Responsibility Committee
VIP Clothing Limited**
(Formerly known as Maxwell Industries Limited)

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

Sunil J. Pathare
Chairman of the Corporate Social Responsibility Committee

Place: Mumbai
Date: August 13, 2018



ANNEXURE - C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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
(Formerly known as Maxwell Industries Limited)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VIP CLOTHING LIMITED** (Formerly known as Maxwell Industries Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2018** 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:

I 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, 2018 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**

I 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 period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I 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 me 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

I 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 complied with the proviso of Section 173(3) of the Companies Act, 2013 and 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.

I 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.

I further report that during the audit period there were instances of:

- i) Rights issue and allotment of 16,519,304 Equity Shares of ₹ 2/- each at premium of ₹ 24/- per Share on December 21, 2017;
- ii) Suspension / Termination of VIP Clothing Limited Employees' Stock Option Scheme – 2016;
- iii) Approving VIP Clothing Limited Employees' Stock Option Scheme – 2017 for the employees of the Company;
- iv) Nomination and Remuneration Committee, at its meeting dated: February 14, 2018, approving granting of options under Employees' Stock Options Scheme - 2017 as under:
 - a) 825,000 at the rate of ₹ 26/- per shares to be granted over a period of 4 years from F.Y. 2018-19 to F.Y. 2021-22.
 - b) 84,000 option at the rate of ₹ 2/- per share and will be vested within a period of one year from date of grant.

However, during audit period, there were no instances of:

- i) Public/Preferential issue of shares / debentures / sweat equity.
- ii) Buy-back of securities
- iii) Merger / amalgamation / reconstruction, etc.
- iv) Foreign technical collaborations

Place: Mumbai
Date: August 13, 2018

Rakesh Sanghani
Practising Company Secretary
FCS No. 7647
P No.: 6302

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



To,
The Members,
VIP CLOTHING LIMITED
(Formerly known as Maxwell Industries Limited)

My 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. My responsibility is to express an opinion on secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for the same I have relied on the report of Statutory Auditors.
5. Wherever required, I 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. My 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.

Place: Mumbai
Date: August 13, 2018

Rakesh Sanghani
Practising Company Secretary
FCS No. 7647
C P No.: 6302



ANNEXURE - D

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 and overhauled and maintained them in good condition. This has impact on lesser energy consumption.

During the year under review, Company had completed the sale of land & building situated at Daman, which were discontinued its operation, as results it has an impact on reduction in unit of 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 as per FORM A of the Annexure in respect of Industries specified in scheme thereto:

	Year ended March 31, 2018	Year ended March 31, 2017
Units Consumed (In Lakhs)	9.31	9.58
Units Consumed per kg. of Production	0.44	0.45

B) TECHNOLOGY ABSORPTION

Efforts are made in technology absorption (to the extent applicable) : as per Form B

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:

Company continues to carry out in-house research on Product Development for developing the products and processes for its manufacturing businesses to meet the requirements of the market.

2. Quality control across all the manufacturing location is in place and it operated from input of raw material to finished product. The dedicated team is ensuring the quality products available in the market for consumer and take a step on improvising the quality in case any defect highlighted from the market

II. Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation

The stitching unit at Thingallur and Umbergaon are having the state of art cutting machine, which has optimise the fabric cutting operation and reduces the wastage of fabric. The machine at both place were imported from outside.

2. Benefit derive as a result of the above efforts

Raw Material cost control.
Reduce the Wastage of Raw Material.
Efficient use of manpower and improvised the productivity

C) FOREIGN EXCHANGE EARNING AND OUTGOING

The Company has earned ₹ 1,731.85 lakhs (Previous year ₹ 1,698.70 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹ 144.67 lakhs (Previous year ₹ 131.53 lakhs).

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2018

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



ANNEXURE - E

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 2017-18

A1: The ratio of the remuneration between:-

Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Sunil J. Pathare	27.69
Mr.Kapil J. Pathare	23.99
Mr. Robin Banerjee	0.28
Mr. Chetan Sheth	0.44
Mr.GopalSehgal	0.44
Mrs.MeherCastelino	0.44

(remuneration includes sitting fees paid to Independent Director)

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

A2: Director : 0%, Chief Financial Officer & Company Secretary: 0% and Chief Finance Controller: 0%

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

A3: FY 2017-18 : 7.89%

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

A4: 367Employees + 1556 workers (they are covered under Payment of Wages Act) – As on March 31, 2018.

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

A5: Average percentage increase:

FY 2017-18

M6 & above (Managerial Level) total rise in CTC: 3.63%

Average of % rise given to selected Managerial Personnel 14.12%

E1 &Below total rise in CTC: 4.63%

Average of % rise given to selected Executive Personnel : 18.85%

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

A6: 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, 0.70 : 1.

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

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

For and on behalf of the Board of Directors

Date: August 13, 2018

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



ANNEXURE - F

Disclosures with respect to Employees' Stock Option Scheme, 2017 of the Company pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2018:

(A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time.

Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2017-18.

(B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33.

Diluted EPS for the year ended March 31, 2018 is Rs.(0.39) calculated in accordance with Ind-AS 33 (Earnings Per Share).

(C) Details related to Employees' Stock Option Scheme, 2017 ("ESOS-2017")

i) The description including terms and conditions of ESOS-2017 is summarized as under:

(a) Date of shareholder's approval	December 11, 2017
(b) Total number of options approved under ESOS	Not exceeding 20,00,000 Employee Stock Options convertible into not more than 20,00,000 shares of face value of ₹ 2/- each fully paid-up, with each such option conferring a right upon to the eligible employees to be issued one equity share of the Company. This will be adjusted for any future shares split, merger, demerger, sale of division, consolidation, rights issue, bonus issue or any other corporate actions at the discretion of the board of directors.
(c) Vesting requirements	The options granted under the Scheme would vest not less than one year and not later than seven years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of five years from the date of vesting.
(d) Exercise Price or pricing formula	The exercise price for 8,25,000 options, the exercise price will be ₹ 26/- per option with condition attached to it and 84,000 options will be exercise at a price of ₹ 2/- per option without any condition.
(e) Maximum term of option granted	Exercise Period would commence from the vesting date and would expire not later seven years from the date of grant of Options or such other period as may be decided by the Nomination and Remuneration Committee and Board.
(f) Source of shares (Primary, secondary or combination)	Primary
(g) Variation in terms of options	None

ii) Method used to account for ESOS-2017:

The fair value of the option on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

As per the Indian Accounting Standard -102, ESOS-2017 will be accounted using fair value method of accounting.

iii) The impact of difference on profit and EPS of the Company:

Particulars	March 31, 2018	March 31, 2017
Net Profit/(Loss) as reported	(307.22)	(738.69)
Add: Stock based Employee compensation expenses charged to P&L account	30.44	-
Net Profit/(Loss) before Stock base Employee compensation	(276.78)	(738.69)
Earnings per share: Basic (in Rs.)		
As Reported	(0.39)	(0.97)
Before Stock base Employee compensation	(0.35)	-
Earnings per share: Diluted (in Rs.)		
As Reported	(0.39)	(0.97)
Before Stock base Employee compensation	(0.35)	-



iv) **Option movement during the year ESOS-2017:**

(a) Number of options outstanding at the beginning of the period	NIL
(b) Number of options granted during the year	9,09,000 Options
(c) Number of options forfeited / lapsed during the year	NIL
(d) Number of options vested during the year	NIL
(e) Number of options exercised during the year	NIL
(f) Number of options arising as a result of exercise of options	NIL
(g) Money realized by exercise of options (₹)	NIL
(h) Loan repaid by the Trust during the year from exercise price received	NIL
(i) Number of options outstanding at the end of the year	NIL
(j) Number of options exercisable at the end of the year	NIL

v) **Weighted-average exercise prices and weighted-average fair value of options shall be disclosed separately for options whose exercise price either equal or exceeds or is less than the market price of the stock**

Weighted average exercise price of the options whose:	Grant – I	Grant – II
Exercise price equal to market price	Nil	Nil
Exercise price exceeds market price	Nil	Nil
Exercise price less than market price	Exercise price of stock option granted during the year is ₹ 26/-	Exercise price of stock option granted during the year is ₹ 2/-
Weighted average fair value of the options whose:		
Exercise price equal to market price	Nil	Nil
Exercise price exceeds market price	Nil	Nil
Exercise price less than market price	Fair value of stock option granted during the year is ₹ 52.72/-	Fair value of option granted during the year is ₹ 71.18

vi) **Employee wise details of options granted during the year**

Sr. No	Particulars	Name of Employee	Designation of Employee	No of options granted during the year	Exercise Price
1	Details of grant to Senior managerial personnel	Mr. Yogesh Tiwari	Chief Executive Officer (CEO)	6,50,000	₹ 26.00
				75,000	₹ 2.00
		Mr. Ashish Mandaliya	CFO & Company Secretary	37,500	₹ 26.00
				3,000	₹ 2.00
		Mr. Devendra Vyas	Chief Finance Controller	37,500	₹ 26.00
		Mr. Vikas Pathare	Vice President – Manufacturing and Technical	25,000	₹ 26.00
				3,000	₹ 2.00
		Mr. Avadhoot Sansare	Business Head - VIP	25,000	₹ 26.00
Mr. Amit Mhatre	Business Head - FRENCHIE	25,000	₹ 26.00		
Mr. Prashant Mulki	Business Head - Feelings	25,000	₹ 26.00		
		3,000	₹ 2.00		
Mr. R. C. Joshi	Business Head – Leader & Strategic analyst	3,000	₹ 2.00		
2.	Employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year	Mr. Yogesh Tiwari	Chief Executive Officer (CEO)	6,50,000	₹ 26.00
				75,000	₹ 2.00



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

3.	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	None	NIL	NIL
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CORPORATE GOVERNANCE REPORT

Corporate governance is the system of rules, practices and processes by which a firm is directed and controlled. Essentially it involves balancing the interest of a company's stakeholders. It also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and disclosures.

The Company's Report on Corporate Governance for the financial year ended March 31, 2018, in compliance with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

VIP Clothing Limited (Formerly known as Maxwell Industries Ltd) is committed to corporate transparency, accountability, responsibility, fairness and lays emphasis on business ethics in all its dealings. The Company believes in meeting its obligations to all its stakeholders, including amongst others, customers, employees and the community in which the Company operates.

Corporate Governance is a process that aims to meet stakeholder's aspirations and social expectations. It's not a discipline imposed by a regulator, rather a culture that guides the Board, Management and Employees to function towards best interest of stakeholders.

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 Committee. Each of the said Committee has been mandated to operate within a given framework.

Your Directors are happy to inform you that, your Company's existing practices and policies are in conformity with the requirements as stipulated by the Stock Exchanges and SEBI and has gone well beyond simple statutory compliance, by instituting such systems and procedures, as are required to make the management completely transparent and institutionally sound.

(2) BOARD OF DIRECTORS:

(a) Change in the Board:

During the year there were no changes in the Board

(b) Composition of Board:

The composition of your Company's Board, complied with the Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements, which 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.

(c) Board Meetings:

The Board meets at least once in every quarter to review quarterly results and other items of agenda, additional meetings are held as and when required. Board met 8 (Eight) times during the financial year ended March 31, 2018, on 22.04.2017, 11.05.2017, 10.08.2017, 13.09.2017, 24.10.2017, 08.11.2017, 14.12.2017 and 14.02.2018.

The Annual General Meeting (AGM) for the financial year ended on March 31, 2017 was held on September 13, 2017. The gap between 2 (Two) Board Meeting does not exceed more than 120 (One Hundred and Twenty days). Leave of absence is granted to the Directors as and when requested. All Directors have made necessary Disclosures regarding Directors and Committee positions in other Company



(d) 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 last Annual General Meeting are as follows;

Name of the Director	Category	Other Directorship		Membership of Other Board Committees		No. of Board Meetings attended	Attendance at the last AGM held on September 13, 2017
		As Member	As Chairman	As Member	As Chairman		
Mr. Sunil J. Pathare Chairman & Managing Director,	Promoter Executive Director	6	-	-	-	8	Yes
Mr. Kapil J. Pathare Whole-time Director	Promoter, Executive Director	6	-	-	-	8	Yes
Mr. Gopal Sehjpal	Independent Director	2	-	1	3	8	Yes
Mr. Chetan Sheth	Independent Director	2	-	-	-	8	Yes
Mr. Robin Banerjee	Independent Director	2	-	2	-	5	No
Mrs. Meher Castelino	Independent Director	-	-	-	-	8	Yes

(e) **Disclosure of relationships between directors inter-se:**

Mr. Sunil J. Pathare is an elder brother of Mr. Kapil J. Pathare and Mr. Kapil Pathare is a younger brother of Mr. Sunil J. Pathare, except for this there is no inter-se relationship among the Directors.

(f) **Number of shares and convertible instruments held by non-executive directors:**

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

(g) **Familiarisation programmes for Directors:**

The details of familiarization programmes held for the Independent Directors are available on the website of the Company at www.vipclothing.in.

(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) and Part C of Schedule II 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 11.05.2017, 13.09.2017, 24.10.2017, 14.12.2017 and 14.02.2018.

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

Name of Members	Designation	Status	No. of committee meeting	
			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	3
Mr. Sunil Pathare	Member	Promoter Director	5	5

Mr. Ashish Mandaliya, Company Secretary, is the 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) and Para A of Part D of Schedule II 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 5 (Five) times on 22.04.2017, 11.05.2017, 13.09.2017, 14.12.2017 and 14.02.2018.

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

Name of Members	Designation	Status	No. of committee meeting	
			Held	Attended
Mr. Chetan Sheth	Chairman	Independent Director	5	5
Mr. Gopal Sehjpal	Member	Independent Director	5	5
Mrs. Meher Castelino	Member	Independent Director	5	5
Mr. Robin Banerjee	Member	Independent Director	5	4

Mr. Ashish Mandaliya, Company Secretary, is the Secretary to the Committee.

c) Performance evaluation criteria for independent director

Performance evaluation of all directors (including independent directors) is undertaken on the basis of guidance note issued by SEBI.

(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 stock options to any of its non-executive/independent directors.

b) Remuneration of Director

(₹ in Lakhs)

Name of Director	Relationship with other Director/s	Business relationship with the company	Sitting Fees	Salary / Perquisites	Commission	Total
Mr. Sunil J. Pathare, Chairman & Managing Director	Elder brother of Mr. Kapil J. Pathare	Promoter	-	61.52	-	61.52
Mr. Kapil J. Pathare, Whole-time Director	Younger brother of Mr. Sunil J. Pathare	Promoter	-	43.49	-	43.49
Mr. Gopal Sehjpal	None	None	1.20	-	-	1.20
Mr. Chetan Sheth	None	None	1.20	-	-	1.20
Mr. Robin Banerjee	None	None	0.75	-	-	0.75
Mrs. Meher Castelino	None	None	1.20	-	-	1.20

(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 and Part D(B) of Schedule II 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 11.05.2017, 13.09.2017, 14.12.2017 and 14.02.2018.

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

Name of Members	Designation	Status	No. of committee meeting attended	
			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	Promoter Director	4	4
Mr. Kapil J. Pathare	Member	Promoter Director	4	4

Mr. Ashish Mandaliya, Company Secretary, is the Secretary to the Committee.

c) Number of shareholders' complaints received so far :

During the financial year ended March 31, 2018, 6 (Six) complaint received from shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2018. The statement as follows:

Particulars	Complaints Received	Complaints Redressed	Pending
Non-Receipt of Share Certificate(s) - Transfer	3	3	0
Non- Receipt of Dividend /Interest /Redemption warrant	3	3	0
Total	6	6	0

(7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Terms of Reference:

The term 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 (One) times during the last financial year on 22.03.2018.

Name of Members	Designation	Status	No. of committee meeting	
			Held	Attended
Mr. Sunil J. Pathare	Chairman	Promoter Director	1	1
Mr. Kapil J. Pathare	Member	Promoter 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

Mr. Ashish Mandaliya, Company Secretary, is the 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. During the financial year Risk Management Committee met 1 (One) time during the last financial year on 22.03.2018.

The Composition of Risk Management Committee and the number of meetings attended were as under:

Name of Members	Designation	Status	No. of committee meeting	
			Held	Attended
Mr. Sunil J. Pathare	Chairman	Promoter Director	1	1
Mr. Kapil J. Pathare	Member	Promoter Director	1	1
Mr. Chetan Sheth	Member	Independent Director	1	1
Mr. Gopal Sehjpal	Member	Independent Director	1	1
Mr. Robin Banerjee	Member	Independent Director	1	1

Mr. Ashish Mandaliya, Company Secretary, is the Secretary to the Committee

(9) RIGHTS ISSUE COMMITTEE:

The Board of Directors of the Company had in its meeting held on April 22, 2017, constituted a Rights Issue Committee to oversee the proposed Rights Issue and take all decisions as may be required in respect of the same. The Committee consisted of Mr. Sunil Pathare, Mr. Kapil Pathare, Mr. Gopal Sehjpal and Mr. Chetan Sheth with Mr. Sunil Pathare as the Chairman of the Committee. Mr. Ashish Mandaliya, Company Secretary acted as the secretary of the Committee.

Three meetings of the Committee were held on July 28, 2017, November 20, 2017 and December 21, 2017 during the financial year 2017-18.

Consequent to the successful conclusion of the Rights Issue by the Company during the previous financial year, the Board of Directors in their meeting held on August 13, 2018, has dissolved the Committee.

(10) 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 March 22, 2018 to review the performance of the board as a whole, without presence of the Executive Directors or members of the Company.

Name of Members	Designation	Status	No. of committee meeting	
			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

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

The Company has framed an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

(12) GENERAL BODY MEETING:
i) General Meeting :
a) Annual General Meeting :

Location and time, where last three Annual General Meetings held and special resolution(s) passed thereat as follows:



Financial Year	AGM	Venue	Date	Time	Special Resolution if passed
2016-17	27 th AGM	Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Andheri (East), Mumbai – 400 093	September 13, 2017	11.00 a.m.	Nil
2015-16	26 th AGM	Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Andheri (East), Mumbai – 400 093	September 27, 2016	11.00 a.m.	<ol style="list-style-type: none"> To change the name of the Company. To approve VIP Employee Stock Option Scheme – 2016. To extend approval of VIP Employee Stock Option Scheme - 2016 to the employees of Holding/Subsidiary Company (ies). To Re-appoint Mr. Kapil Pathare (DIN : 01089517) as a Whole-time Director for the period of Three (3) years, commencing from 1st April, 2016. To Re-appoint Mr. Sunil Pathare (DIN: 00192182) as Managing Director for a period of Three (3) years, commencing from 1st April, 2016 and Designated as Chairman.
2014-15	25 th AGM	The All India Plastics Manufacturers Association, MIDC, Andheri East, Mumbai 400 093	September 26, 2015	11.00 a.m.	<ol style="list-style-type: none"> Appointment of Mrs. Meher Castelino (DIN : 07121874) as an Independent Director. To alter the Articles of Association of the Company.

b) Extraordinary General Meeting :

No extraordinary General Meeting was held during the financial year 2017-18.

ii) Postal Ballot:

During the year company sought for the members approval, by way of Special Resolutions through notice of postal ballot dated October 24, 2017;

- To approve VIP Employee Stock Option Scheme – 2017 (ESOS – 2017)
- To extend approval of VIP Employee Stock Option Scheme – 2017 (“ESOS – 2017”) for the employees of Holding / Subsidiary Company (ies).

Which was duly passed by requisite majority and result of the same were announced on December 11, 2017. M/s. RS & MP Associates, Company Secretaries, Mumbai, was appointed as the scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner.

iii) Special Resolution proposed to be conducted through Postal Ballot:

At present there is no proposal to pass any Special Resolution through Postal Ballot.

(13) OTHER DISCLOSURE:

- The Company's transaction with related parties, as per requirement of Indian Accounting Standard - 24, are disclosed elsewhere 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 2017-18 were undertaken in compliance with the aforesaid regulatory provisions which is available on the website of the Company at www.vipclothing.in.
- There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- The Company having the policy on materiality in relation to group companies which is available on the website of the Company at www.vipclothing.in.
- The Company has not entered into any other transactions of material nature with its promoters, Directors or the Management, their subsidiaries or relatives etc., which may have potential conflict with the interests of the Company at large.



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- v) Secretarial Audit was carried out by a qualified Practising Company Secretary to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is an agreement with the total number of dematerialized shares held with NSDL and CDSL.
- 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, 2018.
- 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 2017-18 have been paid to the Stock Exchanges on which the shares of the Company are listed.
- x) **The company has complied with the Corporate Governance requirement specified in Regulation 17 to 27 of the SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015.**
- xi) The Company has a Whistle Blower Policy to report genuine concerns or grievances. As per Regulation 46 of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 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) The Members of the Board and Senior Management Personal have affirmed compliance with the code of conduct applicable to them during the year ended March 31, 2018. 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.
- xvi) **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

(14) MEANS OF COMMUNICATION:

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

- a) **Quarterly Results:** The quarterly results are published in English, Hindi and Marathi Newspapers. These results are submitted to the stock exchanges within the stipulated time. The quarterly results for the quarters of the financial years 2017-18 was published in the below mentioned news papers on the following dates:

Quarterly Results	Newspaper and publishing dates	
	Business Standard (English+ Hindi edition)	Sakal (Regional Language)
June 30, 2017	15.09.2017	15.09.2017
September 30, 2017	15.12.2017	15.12.2017
December 31, 2017	16.02.2018	16.02.2018
March 31, 2018	18.05.2018	18.05.2018

- b) **Website :** The Company's website www.vipclothing.in contains a separate section 'Investor Relation' where shareholders information is available. Complete Annual Report is available on the website of the company and can be easily downloadable



format. Apart from this official news, presentations etc are displayed on the website of the company.

- c) **Presentations to institutional investors and analysts:** Details of presentation are made to institutional investors or to the analysts is 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 complaint electronically on the SEBI Website. The investor complaints are processed in a centralized web based complaints redressal system. The silent features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ARTs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

All complaints received through SECORES are resolved in a timely manner by the Company, similar to other complaints.

- 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) Separate post of chairperson and chief executive officer: Mr. Sunil J. Pathare having a position of Chairman and Managing Director in the Company, and he act as a Chairman of the Board. Company having Mr. Yogesh Tiwari as a Chief Executive Officer who is taking care of the Sales, Marketing and Advertisement.
- iv) 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 the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF, established by the Central Government. Accordingly, the Company has transferred eligible Shares to IEPF Demat Account maintained by the IEPF authority within statutory timelines.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF. The communication was also published in national English and local Marathi newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, due for refund, or interest thereon, has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs www.iepf.gov.in

GENERAL SHAREHOLDERS INFORMATION

- A) Annual General Meeting is proposed to be held on Wednesday, the 26th day of September, 2018 at 11.00 a.m. at Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai 400 093.
- B) Financial Calendar : April 1, 2018 to March 31, 2019
- Quarterly Results : Results for quarter ending June 30, 2018- Second week of August, 2018
Results for quarter ending September 30, 2018-Second week of November, 2018
Results for quarter ending December 31, 2018-Second week of February, 2019
Audited Results for year ended March 31, 2019 - May, 2019
- Annual Results : May, 2019
- C) Book Closure : 19/09/2018 to 26/09/2018
(Both days inclusive)



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- D) Dividend Payment : -
- E) Registered office of the Company : C-6, Road No. 22, MIDC, Andheri (East)
Mumbai – 400 093.
- F) Registrar & Transfer Agent : Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West),
Mumbai - 400 083
- G) Listing of Equity Share on Stock Exchanges : The BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
- The National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
- H) Stock code : 532613 (BSE)
VIP CLOTHNG (NSE)
- I) ISIN : INE450G01024
- J) Stock Market Data

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (in ₹)	Low (in ₹)	Volume (Nos.)	High (in ₹)	Low (in ₹)	Volume (Nos.)
April, 2017	60.50	51.05	370723	60.50	50.75	1860313
May, 2017	72.20	52.80	1825268	72.40	52.60	6175101
June, 2017	71.30	59.35	1142711	71.30	59.95	4883930
July, 2017	73.75	60.75	931037	73.45	60.85	4006217
August, 2017	64.25	52.40	299052	64.20	52.50	1856589
September, 2017	65.50	53.10	376757	65.60	53.65	2227067
October, 2017	63.50	55.50	275418	63.80	55.35	2107050
November, 2017	64.10	51.80	533257	64.20	51.75	3141742
December, 2017	85.40	52.00	1792668	85.30	52.50	10531142
January, 2018	101.50	74.40	2107600	101.2	74.45	12010367
February, 2018	79.30	58.30	721019	79.40	58.00	2910626
March, 2018	68.40	52.55	628588	68.35	53.15	2252207

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

Distribution of Shareholders as on March 31, 2018.

Slab of no of Shareholding	No. of Share holders	% of Shareholders	No. of shares held	% of total shares held
1 – 500	17,268	76.23	27,54,227	3.33
501 – 1000	2,432	10.74	19,58,784	2.37
1001 – 2000	1,492	6.59	23,09,218	2.80
2001 – 3000	460	2.03	11,73,939	1.42
3001 – 4000	185	0.82	6,63,321	0.80
4001 – 5000	230	1.02	10,84,682	1.31
5001 – 10000	307	1.36	23,33,621	2.83
10001 – *****	279	1.23	7,03,18,727	85.14
Total	22,653	100.00	8,25,96,519	100.00



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

Share price performance relative to BSE Sensex based on the share price on March 31, 2018

Period	% Change in		
	VIP Share Price	BSE Sensex	VIP Relative to Sensex
Year on year	9.33	11.30	(1.97)
2 Years	26.33	30.10	(3.76)
3 Years	(19.29)	17.92	(37.21)
4 Years	271.00	47.27	223.73
5 Years	293.29	75.03	218.25
6 Years	172.13	89.43	82.70

Share price performance relative to Nifty based on the share price on March 31, 2018

Period	% Change in		
	VIP Share Price	Nifty	VIP Relative to Nifty
Year on year	8.79	10.25	(1.28)
2 Years	25.97	30.69	(4.73)
3 Years	(19.45)	19.11	(38.56)
4 Years	280.07	50.86	229.21
5 Years	297.84	77.98	219.86
6 Years	169.76	90.98	78.77

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

K) Shareholding pattern as on March 31, 2018

Category	No. of Share held	% of total shares held
1. Indian Promoters & Person Acting in Concert	4,35,02,574	52.67
Sub-total	4,35,02,574	52.67
2.1 Mutual Funds & UTI	875	0.00
2.2 Banks, FIs, Insurance Companies	1,76,645	0.21
2.3 Foreign portfolio investors	3,58,262	0.43
Sub-total	5,35,782	0.65
3.1 Bodies Corporate	1,60,13,879	19.39
3.2 IEPF	3,89,330	0.47
3.3 Indian Public	1,99,76,539	24.19
3.4 Trust	-	-
3.5 NRIs. / NRNs.	4,90,340	0.59
3.6 Clearing Members	6,76,158	0.82
3.7 Hindu Undivided Family	10,11,917	1.23
Sub-total	3,85,58,163	46.68
Grand Total	8,25,96,519	100.00

L) Dematerialization of Shares:

About 98.33% of the shares of the Company have been dematerialized as on March 31, 2018. The Company has entered into an agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialize 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.



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

No. of shares held in dematerialized and physical mode:

	No. of Shares	% of shares
Holding in dematerialized form	8,12,19,815	98.33
Holding in physical form	13,76,704	1.67
Total	8,25,96,519	100.00

The names and addresses of the Depositories are as under:

- | | |
|---|---|
| 1. National Securities Depository Ltd.
Trade World, 4th Floor
Kamala Mills Compound
Senapathi Bapat Marg, Lower Parel,
Mumbai - 400 013 | 2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28 th Floor, Dalal Street
Mumbai - 400 023 |
|---|---|

M) Share Transfer System

Application for transfer of shares held in physical form is 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.

N) Plant Locations of VIP Clothing Limited (Formerly known as Maxwell Industries Limited):

Factory Location	Activity
(i) Plot No. 92/94, New GIDC, Umbergaon, Valsad, Gujarat - 396 171	Stitching Unit
(ii) S. F. No. 125, 126 & 127, Appachimarmadam, Thingalur, Erode – 638 055	Stitching Unit
(iii) Chinnakkully Village, Pappampatty Panchayat, Coimbatore, Tamil Nadu - 641016	Wind Mill

O) Address for Correspondence:

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

M/s. 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 (E), Mumbai – 400093
(Formerly known as Maxwell Industries Limited) Tel No.: 022 28257624 Fax No.: 022 28371023
Email: investor.relations@viporg.com

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2017-18. 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 2017-18.”

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

Place: Mumbai
Date: August 13, 2018



CEO & CFO CERTIFICATION

To
The Board of Directors
VIP Clothing Limited
(Formerly known as Maxwell Industries 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 Ashish Mandaliya, Chief Financial Officer and Company Secretary of VIP Clothing Limited (Formerly known as Maxwell Industries Limited) as per the Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, hereby certify that the following:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 13, 2018 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 that;
- 1. significant changes in internal control over financial reporting during the year;
 - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. 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.

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

Ashish Mandaliya
Chief Financial Officer
& Company Secretary

Date : August 13, 2018
Place : Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from M/s. Sharp & Tannan, Statutory Auditor of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is attached to the Board's Report forming part of the Annual Report.



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI [LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS] REGULATION, 2015

To The Members of
VIP Clothing Limited (Formerly known as Maxwell Industries Limited)
Mumbai

Introduction

1. We have examined the compliance of conditions of Corporate Governance by VIP Clothing Limited (Formerly known as Maxwell Industries Limited) (the Company), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations, including preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company for the year ended March 31, 2018.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of schedule V of the Listing Regulations as applicable during the year ended March 31, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

9. The certificate is issued solely for the purpose to enable the Company to comply with the requirements of aforesaid SEBI Listing Regulations and it 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Sharp and Tannan
Chartered Accountants
Firm's Registration No.:109982W
By the hand of

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Place: Mumbai
Date: August 13, 2018



MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy:

Indian economy grew at its weakest pace in FY2017-18 during the first four years of government's term. The GDP growth slowed down to 6.7% from 7.1% in the previous year. This can be attributed to Government's decision to implement major structural reforms such as the Goods & Services Tax (GST) and Insolvency & Bankruptcy Code (IBC), apart from lingering effect of demonetisation of high denomination currency notes, in the first half of the year. The GDP growth however had recovered by the end of year and economic activity had gathered steam to clock 7.7% growth in Q4 of FY2017-18. There was acceleration in most parts of the economy with Agriculture growing by 4.5%, Manufacturing by 9.1% and Construction by 11.5%. India also regained the top spot as the fastest growing large economy in the world.

Reserve Bank of India has projected a 7.4% growth for the Indian economy in FY2018-19. Apart from the pick-up in economic activity seen during last quarter of FY2017-18, the positive outlook for the coming year is based on the sustaining global growth momentum, projections of normal monsoon in India, reviving export growth and high capacity utilisation leading to expected pick-up in private investments. Governments' commitment to reform and their implementation, the world economy has begun to view the country more favourably. Consequently, the World Bank ranked India 30 places higher, at 100th place in its 'Ease of Doing Business' report for 2018.

To ensure sustainability of this growth, the government aims to reduce the fiscal deficit from its level of 3.5% in FY2017-18 to 3.3% in FY2018-19. The RBI's inflation estimate for the second half of FY2018-19 has been raised to 4.7% to accommodate rising global crude prices and perhaps, a rise in minimum support prices for agricultural commodities. Against this backdrop, and towards aligning policy rates with market rates, the RBI has raised its benchmark repo rate to 6.25%, at its monetary policy review in June 2018.

All these factors indicate a conducive economic environment for manufacturing growth and construction activity, which in turn suggest elevated levels of growth. High oil prices, which stand the risk of rising further, are an externality that could dampen the economic recovery by adversely impacting the inflation outlook. On the flip side, the forecast of a normal monsoon by India's weather bureau could mitigate farm distress and boost rural demand in FY2018-19 and FY2019-20

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain.

India's textile sector is one of the mainstays of the national economy. The country continues to be the only country other than China to have the full textile chain i.e. from fibre to clothing. Indian Textiles and Apparels Industry has gone through major Taxation reform in term of GST implementation which had short term impact in FY2017-18 but this will boost the organised sector.

The Indian textile Industry has inherent agriculture, culture, and traditional of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile Industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation the country.

The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector. Employing around 35 million people, textiles industry stands as a major foreign currency revenue generator and further proves it in its 14% share of industrial production and the 16% of export revenues it generated.

In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best in class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sectors.

INNERWEAR: A THRIVING MARKET IN INDIA

Innerwear is all poised to be a prospectively nourishing segment with a slew of comfortable and innovative products that have the modern customer spoilt for choice. Today, inner wear has come out of its dark closet from being just a fundamental wear to becoming a fashion quotient, innerwear has brilliantly created a niche for itself in this contemporary market.

The Indian Innerwear market is expected to grow at a CAGR of 14% from ₹ 240 bn in 2015 to ₹ 470 bn in 2020, with its share in the total ₹ 3.3 tn apparel market rising from 7% to 8%.

The evolution of inner wear market in India is majorly rooted in urban India. With attention towards western outfits and an increasing demand for occasion and outfit-based inner wear, the market has seen a holistic boom. Today, people look for inner wear with optimum functionality and comfort.

A shift in the paradigm is visible as innerwear has transformed from being just a functional category to one that offers an additional fashion quotient. It is shifting from a price sensitive category to a brand sensitive one. This changing preference is no longer restricted to just



metros but has spread to mini metros, Tier I, II and III cities. This openness to indulge in branded innerwear has led to a growth in the number of international and domestic innerwear brands in India.

Indian innerwear industry is almost 50% unorganized presenting a huge potential for organized players to gain market share in the Indian innerwear industry. The Indian innerwear market is a classic glass half full.

The men's innerwear market contributes 40% and is characterized by the presence of numerous Indian and international brands. The economy segment contributes around 56% in the men's wear market, the mid-price segment 30% and the remaining 14% comes from premium and super-premium segments. Further, the premium and super-premium segments are expected to grow at a faster pace as the consumer seeks higher fashion orientation and higher comfort, as well as a strong brand name.

The women's innerwear market, which is driven by value added innerwear products, contributes around 60% to the market and is one of the fastest growing categories within the women's apparel segment. This category is growing at a CAGR of 15%. Branded innerwear contributes to 20% of the total women's innerwear market and the share is expected to increase to 25% by 2020. The market is largely dominated by mid-priced and economy segment contributing 80% of the market, while remaining comes from the premium and super-premium segments. The trend towards western outfits, combined with the demand for occasion and outfit-based innerwear, is acting as a boost for the market. The demand for innerwear with higher functionality and greater comfort is rising fast.

The future of the Indian apparel market and innerwear category appears promising. The purchasing power of Indians is expected to keep increasing over the medium-to-long-term. During FY2010-15, the share of innerwear in the total apparel market increased from 6.4% to 7.1%. The innerwear market is estimated to continue at the same growth rate till 2020 and is expected to become ~ ₹ 470 bn market which is nearly 8.1% of the total estimated apparel market by FY2019-20.

The growth opportunity for the Indian inner wear market is beyond imagination. Moreover, the growth story of Indian customer is also expected to revive.

Brands are widening their reach and extending their product ranges. While elevating the fashion quotient various international and domestic inner wear brands in India are also expanding their collection beyond just innerwear. This includes active-wear, comfort wear and sleep-wear. Therefore, there are a plethora of prospects for all the innerwear brands in the Indian market.

Finance review: Please refer Board Report for financial performance review.

Segment-wise or product-wise performance:

The company is engaged in the business of manufacturing garments. Therefore there is no separate reportable segment.

Outlook on Strengths and Opportunities:

Strengths:

The Company has state of art machinery and infrastructure of manufacturing of Company product. It starts from procuring the fabric and converting to finished product. The Company has the strong recall value of brand in the market with robust distribution and wholesale to model to cater the needs of the consumer.

Opportunities:

There is huge scope in textile, apparel and innerwear market. There is availability of raw material and manpower and couple with increase in demand from the consumers towards more premiumisation of innerwear because of their higher aspirational towards brands, fashion consciousness. There is increasing in trend modern retailer by way of EBO's who gives the experience of MBO's. The e-trade business is also booming as a result of change in the consumption pattern, increase in the income levels of individual customers, shift in buying pattern in terms of ready to wear, growing urbanisation and emergence of educated working women.

Outlook on Weakness and Threats:

The industry is highly fragmented but growing at very higher pace and it mainly dependent on the availability of skilled labour. The prices of raw materials are highly fluctuating specially the cotton and it depends upon the monsoon and export policies of the government, which has impact on the manufacturing industry. The Competition with domestic and international player in the industry is very high and it has been growing the years to come.

Risk and concerns:

Company is exposed to business risk which can be internal risks as well as external risks.

One of the key risks faced by the Company in today's scenario is the fluctuations in the price of raw material. Our raw material is Cotton & Yarn will remain volatile due to inflationary tendencies in the economy and deterioration of macro-economic indicators, coupled with unseasonal and sometime heavy rain in India damaging the cotton crop to grate extent, which are beyond our control and may results in rise in the price. 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 FMCG environment is competition intensive and to ensure survival in this industry one has to focus on branding, product development and innovative but such expenditure carry the inherent risk of failure.

With fresh capital through Rights Issue and introduction of new collections in the premium segment, your company expects robust growth in coming year. The marketing initiatives should strengthen the brand and offer a credible alternative in the oligopolistic premium segment and help the company reduce dependence in the hyper competitive economy segment of innerwear.

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 also ensures that internal controls are operating effectively.

Internal audit covers all areas of activities and periodical internal audit reports are submitted to the management for review to strengthen any areas which requires more focus. The Audit Committee reviews all financial statements, performance and ensures adequacy of internal control systems. The Company has a well-defined organization structure, authority levels and internal rules and guidelines for conducting business transactions.

The SAP system provides the Company to plan its sales, production and monitor and control the processes in case any deviation. Presently the SAP system is running smoothly.

Human resource & industrial relations:

This year, while we understood that to be a successful enterprise, we have to do two things quite well: To stay innovative and creative in terms of product development and design, but at the same time we have to be tightly controlled about certain aspect of our Corporate behaviour and culture – The HR function as a whole, acted as a change agent and were able to identify and implement the change management role behaviours.

In terms of Talent acquisition, we have been able to acquire Key senior managerial & Senior Leadership talent from the organisation of repute with an industry acceptable lead time and were also instrumental to attract diverse talents across levels from the Industry.

In order to attract, retain and motivate the best available talent, Company is proposing to issue Stock Options to its employees with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands. As the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees for their continuous hard work, dedication and support, which has led the Company on the growth path.

At our manufacturing units, we handle the health, hygiene, safety issues by conducting awareness programs and imparting periodic training to employees on the proper use of automated machines & equipment in order to obtain / achieve manufacturing excellence.

With the implementation of SAP system, we have attained the integration of all systems & processes across the organisation. As a part of digitalization of processes and paper-less office, we are pursuing with Employees' Self Service Portal in the name of 'Task Manager'. This online platform will take many of HR activities online and will ensure real-time control system."

Strengthening the employer-employee relationship is the strategic role of our Human Resource Department. We have continuously facilitated and formulated the work strategy and determined the functional processes necessary for smooth transition of the organisation goals and objectives. We constantly strive to develop strategic solution to employment-related matters that affect the organisation's ability to meet its productivity and performance goals.

As on March 31, 2018 the Company had 1923 (Executives 367 + Workers 1556) people on its payroll. The industrial relations at the Company's units, head office were cordial throughout the year.

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2018

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



INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

To the Members of
VIP Clothing Limited
(formerly known as Maxwell Industries Limited)

We have audited the accompanying standalone financial statements of **VIP Clothing Limited** (Formerly known as Maxwell Industries Limited), ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the cash flow statement, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the companies (Accounting Standards) Rules, 2006 which were audited by us and the predecessor auditor respectively, on which we have expressed an unmodified opinion dated May 11, 2017 and predecessor auditor has expressed unmodified opinion dated May 30, 2016. We have audited the transition date opening balance sheet as at April 1, 2016 and adjustments for the differences in the accounting principles adopted by the company subsequent to the transition to Ind AS.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; a statement on the matters specified in paragraphs 3 and 4 of the Order.



INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report, are in agreement with the relevant books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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 does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements, refer note no. 36 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Sharp and Tannan
Chartered Accountants
Firm's Registration No.:109982W
By the hand of

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Place: Mumbai
Date: May 16, 2018



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's report to the members of **VIP Clothing Limited (formerly known as Maxwell Industries Limited)** ("the Company") for the year ended 31st March 2018. We report that:

We report that:

1. (a) The Company has maintained adequate records to show full particulars including quantitative details and situation of the property, plant & equipment (fixed assets).
 - (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased manner program of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and 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 deed of immovable property is held in the name of the Company.
2. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, Paragraph 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable, Therefore, Paragraph 3 (iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
6. As per the information and explanations given to us, in respect of the class of industry the Company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, Paragraph 3 (vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods & service tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no material undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, Service Tax, duty of customs, duty of excise, value added tax, goods & service tax and any other material statutory dues as applicable to the Company outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods & service tax and profession tax. However, according to the information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of dispute

Name of statute	Nature of the disputed dues	Amount of tax (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty under Section 158 BFA (2)	1173.39	AY 1993-1994 to AY 2002-2003	High Court of Mumbai
TNVATACT, 2006	Non submission of form "H"	8.54	FY 1999-2000	High Court of Chennai
TNVATACT, 2006	Claim of Concessional rate of tax disallowed	195.46	FY 2001-2002	High Court of Chennai
TNVATACT, 2006	Disallowance of CSD Sales	13.30	FY 2001-2002	Deputy Commercial Tax Office - Tamil Nadu
TNVATACT, 2006	Disallowance of concessional rate of tax on BT	5.43	FY 2001-2002	Deputy Commercial Tax Office - Tamil Nadu
TNVATACT, 2006	CST rate of Hosiery Goods	802.77	FY 2002-2003	Deputy Commercial Tax Office - Tamil Nadu
Central Sales Tax Act, 1956	Non Submission of form "C"	7.33	FY 2005-2006	Deputy Commercial Tax Office - Delhi
Income Tax Act, 1961	Penalty under Section 271(1)(c)	18.04	AY 2012-2013	Commissioner of Income Tax
Central Sales Tax Act, 1956	Non Submission of Form "C" & Form "H", (collected and pending for submission-Refer note no 36 to the financial statement)	3615.62	FY 2007-2008 to FY 2015-2016	Deputy Commercial Tax Office - Tamil Nadu



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks and financial institution during the year. The Company has not borrowed from government and debenture holders during the year.
9. During the year Company has raised monies by way of right issue of equity shares. Based on our audit procedures and according to the information and explanations given to us, the monies raised were applied for the purpose for which those were raised. The monies raised by way of term loan has been applied for the purpose for which it was raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
13. 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 standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sharp and Tannan
Chartered Accountants
Firm's Registration No.:109982W
By the hand of

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Place: Mumbai
Date: May 16, 2018



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure - B to the Independent Auditors' Report dated May 16, 2018 to the members of VIP Clothing Limited (formerly known as Maxwell Industries Limited) ("the Company") on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Sharp and Tannan
Chartered Accountants
Firm's Registration No.:109982W
By the hand of

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Place: Mumbai
Date: May 16, 2018



VIP CLOTHING LIMITED (Formerly known as Maxwell Industries Limited)

Balance Sheet as at March 31, 2018

(₹ in Lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,101.29	4,564.35	5,986.05
Capital work-in-progress		-	-	14.52
Other intangible assets	4	12,501.95	12,545.69	12,590.19
Financial assets				
i. Investments	5	1.15	1.15	1.15
ii. Others (Specify Nature)	6	124.19	121.62	126.67
Other non-current assets	7	37.02	37.45	37.89
Total non-current assets		16,765.60	17,270.26	18,756.47
Current assets				
Inventories	8	11,348.92	10,331.67	11,556.08
Financial assets				
i. Trade receivables	9	6,516.53	5,285.34	4,328.22
ii. Cash and cash equivalents	10	0.68	2.72	30.78
iii. Bank balance other than (ii) above	11	510.23	396.56	262.25
iv. Employee loans and advances	12	23.89	23.95	19.19
v. Other financial assets	13	0.96	0.41	0.86
Current tax assets (Net)	14	6.96	129.19	118.20
Other current assets	15	1,183.09	658.66	703.08
Total current assets		19,591.26	16,828.50	17,018.66
TOTAL ASSETS		36,356.86	34,098.76	35,775.13
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	1,651.93	1,321.54	1,321.54
Other equity				
Reserves and surplus	17	17,811.75	14,301.41	15,052.13
Total equity		19,463.68	15,622.95	16,373.67
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	18	31.44	42.37	212.26
ii. Other financial liabilities	19	545.09	498.17	458.08
Provisions	20	90.21	56.48	71.47
Deferred tax liabilities	21	5,403.30	5,434.02	5,475.62
Total non-current liabilities		6,070.04	6,031.04	6,217.43
Current liabilities				
Financial liabilities				
i. Borrowings	18	7,979.48	9,423.96	10,160.24
ii. Trade payables	22	2,408.54	2,267.66	2,391.05
iii. Other financial liabilities	19	192.35	467.13	456.66
Provisions	20	212.16	191.92	99.82
Other current liabilities	23	30.61	94.10	76.26
Total current liabilities		10,823.14	12,444.77	13,184.03
TOTAL EQUITY AND LIABILITIES		36,356.86	34,098.76	35,775.13
Summary of significant accounting policies	2			

See accompanying notes forming parts of financial statements

As per our report of even date
For Sharp & Tannan
Chartered Accountants
Registration No - 109982W
By the hand of

Ashish Mandaliya
C.F.O. & Company Secretary
(M.No.ACA-114044)
(M.No.ACS-17289)

For and on behalf of Board

Tirtharaj Khot
Partner
Membership No. (F) 037457
Place: Mumbai
Dated : May 16, 2018

Devendra Vyas
C.F.C.
(M.No.ACA-150498)

Yogesh Tiwari
C.E.O.

Sunil J. Pathare
Chairman & Managing Director
(DIN:00192182)
Place: Mumbai
Dated : May 16, 2018

Kapil J. Pathare
Whole-time Director
(DIN:01089517)



Statement of Profit and Loss for the year ended on March 31, 2018

(₹ in Lakhs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
CONTINUING OPERATIONS			
Revenue from operations	24	22,237.76	23,149.98
Other income	25	128.01	119.71
Total revenue		22,365.77	23,269.69
Expenses			
(a) Cost of materials consumed	26	13,187.84	13,079.96
(b) Changes in inventories of finished goods and work-in-progress	27	(354.43)	1,012.64
(c) Employee benefits expense	28	1,827.82	1,700.49
(d) Advertisement & Publicity Expenses		885.17	326.10
(e) Finance costs	29	1,095.14	1,219.07
(f) Depreciation and amortization expense	3 & 4	335.41	336.10
(g) Other expenses	30	5,639.50	5,484.51
Total expenses		22,616.47	23,158.87
Profit / (Loss) before exceptional items and tax		(250.68)	110.82
Exceptional items	31	(1.63)	(720.64)
Profit / (Loss) before tax		(252.31)	(609.82)
Tax expense:			
(a) Current tax expense for current year		-	-
(b) Current tax expense relating to prior years		79.07	-
(c) Deferred tax		(32.89)	(35.40)
Income Tax expense:		46.18	(35.40)
Profit / (Loss) from continuing operations		(298.49)	(574.42)
DISCONTINUED OPERATIONS			
Profit / (Loss) from discontinued operations (before tax)	31	(8.73)	(164.31)
Add / (Less): Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations		(8.73)	(164.31)
TOTAL OPERATIONS		(307.22)	(738.73)
Profit / (Loss) for the year		(307.22)	(738.73)
Other comprehensive income			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		4.21	(12.04)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		4.21	(12.04)
Total comprehensive income for the period		(303.01)	(750.77)
Earnings per share for continuing operation			
Basic	34	(0.38)	(0.75)
Diluted	34	(0.38)	(0.75)
Earnings per share for discontinued operation			
Basic	34	(0.01)	(0.22)
Diluted	34	(0.01)	(0.22)
Earnings per share for continuing and discontinued operation			
Basic	34	(0.39)	(0.97)
Diluted	34	(0.39)	(0.97)
Summary of significant accounting policies	2		

See accompanying notes forming parts of financial statements

As per our report of even date

For Sharp & Tannan

Chartered Accountants
Registration No - 109982W
By the hand of

Ashish Mandaliya
C.F.O. & Company Secretary
(M.No.ACA-114044)
(M.No.ACS-17289)

Tirtharaj Khot
Partner
Membership No. (F) 037457
Place: Mumbai
Dated : May 16, 2018

Devendra Vyas
C.F.C.
(M.No.ACA-150498)

Yogesh Tiwari
C.E.O.

For and on behalf of Board

Sunil J. Pathare
Chairman & Managing Director
(DIN:00192182)
Place: Mumbai
Dated : May 16, 2018

Kapil J. Pathare
Whole-time Director
(DIN:01089517)



Statement of change in equity for the year ended March 31, 2018

(₹ in Lakhs)

	Nos.	Amount in ₹
a. EQUITY SHARE CAPITAL:		
Equity shares of ₹ 2/- each issued, subscribed and fully paid		
At April 1, 2016	6,60,77,215	1,321.54
Changes in equity share capital during the year	-	-
At March 31, 2017	6,60,77,215	1,321.54
Changes in equity share capital during the year	1,65,19,304	330.39
At March 31, 2018	8,25,96,519	1,651.93

b. OTHER EQUITY: (₹ in lakhs)

Particulars	Reserves and Surplus					
	Capital Redemption Reserves	Securities Premium	General Reserves	Surplus / (Deficit) in Profit & Loss	Share based payment Reserves (Equity)	Total equity
	(Note 17)	(Note 17)	(Note 17)	(Note 17)	(Note 17)	
As at April 1, 2017	4,035.00	3,689.49	817.30	5,759.62	-	14,301.41
Profit for the year	-	-	-	(307.22)	-	(307.22)
Addition for the year	-	3,782.91	-	-	30.44	3,813.35
Other comprehensive income						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	4.21	-	4.21
Total comprehensive income	4,035.00	7,472.40	817.30	5,456.61	30.44	17,811.75
Dividend paid on redemption of Preference Shares	-	-	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
As at March 31, 2018	4,035.00	7,472.40	817.30	5,456.61	30.44	17,811.75
For the year ended March 31, 2017						
As at April 1, 2016	4,035.00	3,689.49	817.30	6,510.34	-	15,052.13
Profit for the year	-	-	-	(738.68)	-	(738.68)
Other comprehensive income						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	(12.04)	-	(12.04)
Total comprehensive income	4,035.00	3,689.49	817.30	5,759.62	-	14,301.41
Dividend paid on redemption of Preference Shares	-	-	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
As at March 31, 2017	4,035.00	3,689.49	817.30	5,759.62	-	14,301.41

Summary of significant accounting policies 2

See accompanying notes forming parts of financial statements

As per our report of even date
For Sharp & Tannan
 Chartered Accountants
 Registration No - 109982W
 By the hand of

Ashish Mandaliya
 C.F.O. & Company Secretary
 (M.No.ACA-114044)
 (M.No.ACS-17289)

For and on behalf of Board

Tirtharaj Khot
 Partner
 Membership No. (F) 037457
 Place: Mumbai
 Dated : May 16, 2018

Devendra Vyas
 C.F.C.
 (M.No.ACA-150498)

Yogesh Tiwari
 C.E.O.

Sunil J. Pathare
 Chairman & Managing Director
 (DIN:00192182)
 Place: Mumbai
 Dated : May 16, 2018

Kapil J. Pathare
 Whole-time Director
 (DIN:01089517)



Cash Flow Statement for the year ended on March 31, 2018

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow from Operating Activities		
Profit before tax from		
Continuing operations before exceptional items	(250.68)	110.87
Discontinued operations	(8.73)	(164.31)
Profit before tax including discontinued operations	(259.41)	(53.44)
Adjustment for:		
Depreciation and Amortization	340.32	407.46
(Profit)/Loss on sale of Assets (Net)	7.08	12.47
Re-measurement of defined benefit plans	6.38	(18.23)
Other Income	(80.08)	(67.99)
Interest Received	(46.86)	(50.96)
Rental Income from Investment Properties	(0.75)	(0.75)
Financial Cost	1,095.14	1,219.06
Net exchange differences	-	-
	1,321.23	1,501.06
Operating Profit before Working Capital Changes	1,061.82	1,447.62
<u>Changes in Working Capital</u>		
Adjustments for (increase) / decrease in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase) / Decrease in inventories	(1,017.24)	1,224.40
(Increase) / Decrease in trade receivables	(1,231.18)	(957.12)
(Increase) / Decrease in employee benefit obligations	0.07	(4.76)
(Increase) / Decrease in other financial assets	(0.54)	0.45
(Increase) / Decrease in other current assets	(526.57)	49.91
Increase / (Decrease) in trade payables	140.88	(123.39)
Increase / (Decrease) in other financial liabilities	(120.97)	23.05
Increase / (Decrease) in provisions	53.96	77.11
Increase / (Decrease) in other current liabilities	(63.50)	17.84
(Increase)/Decrease in Working Capital	(2,765.09)	307.49
Cash Generated From Operations	(1,703.27)	1,755.11
Add/(Less):		
Direct Tax Refunds	49.27	-
Direct Taxes Paid	(6.12)	(10.99)
	43.15	(10.99)
Cash Flow from Exceptional items		
Add:		
Profit on Slum Sale	(1.63)	(720.64)
	(1.63)	(720.64)
Net Cash Flow from / (used in) Operating Activities (A)	(1,661.75)	1,023.48
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(83.70)	(50.00)
Capital Work in Progress	-	14.52
Proceed from sale of property, plant and equipment	243.09	1,096.27
Other Income	80.07	67.99
Interest Income	46.86	50.96
Rental Income from Investment Properties	0.75	0.75
Net Cash Flow from / (used in) Investing Activities (B)	287.07	1,180.49



Cash Flow Statement for the year ended on March 31, 2018

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow From Financing Activities		
Proceeds from issues of shares	330.39	-
Proceeds from securities premium	3,782.91	-
Proceeds from Share Based Payment Reserves	30.44	-
Proceeds from borrowings (Net)	(1,616.03)	(911.78)
Proceeds from security deposit from customer	45.22	36.61
Proceeds from retention money	12.13	-
Financial cost	(1,095.14)	(1,219.06)
Unclaimed Dividends transferred to IEPF	(3.61)	(3.49)
Net Cash Flow from / (used in) Financing Activities (C)	1,486.31	(2,097.72)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	111.63	106.25
Cash and Cash Equivalents at the beginning of the year	399.28	293.03
Cash and Cash Equivalents at the end of the year	510.91	399.28
* Comprises:		
(a) Cash on Hand	0.08	0.12
(b) Balances with Banks		
(i) In Current Accounts	0.60	2.60
(ii) In Deposit Accounts	500.36	383.07
(iii) In Earmarked Accounts: - Unpaid Dividend Account	9.87	13.49
Net Increase in Cash & Cash Equivalents	510.91	399.28

Notes:

(i) These earmarked account balances with banks can be utilized only for the specific identified purposes.

See accompanying notes forming parts of financial statements

As per our report of even date

For Sharp & Tannan

Chartered Accountants
Registration No - 109982W
By the hand of

Ashish Mandaliya
C.F.O. & Company Secretary
(M.No.ACA-114044)
(M.No.ACS-17289)

For and on behalf of Board

Tirtharaj Khot

Partner
Membership No. (F) 037457
Place: Mumbai
Dated : May 16, 2018

Devendra Vyas

C.F.C.
(M.No.ACA-150498)

Yogesh Tiwari

C.E.O.

Sunil J. Pathare

Chairman & Managing Director
(DIN:00192182)
Place: Mumbai
Dated : May 16, 2018

Kapil J. Pathare

Whole-time Director
(DIN:01089517)



Notes forming part of the financial statements as of March 31, 2018

1 Corporate Information

VIP Clothing Limited (formerly known as Maxwell Industries Ltd.) (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 Eminence. The Company's equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

2 Summary of Significant Accounting Policies

2.1 Compliance with Ind AS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles in India ("Indian GAAP"), which includes standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016 (transition date). Refer note 2.19 for the details of first time adoption exemptions availed by the Company.

The financial statements are approved for issue by the Company's Board of Directors on May 16, 2018.

2.2 Basis for Preparation of Financial Statements:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

The financial statements are presented in INR (₹) and all the values are rounded off to the nearest rupees in lakhs except when otherwise indicated.

2.3 Current versus Non-current classification

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

An asset is current when it is:

- 1) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- 2) Held primarily for the purpose of trading;
- 3) Expected to be realised within twelve months after the reporting period; or
- 4) 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:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as Non-current assets and liabilities.
Advance tax paid is classified as Current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



Notes forming part of the financial statements as of March 31, 2018

2.4 Property, plant and equipment and Other intangible assets:

Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

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. The estimated useful lives of assets are stated below:

Particulars	Useful Life (in years)
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
Computer Equipment	3 years / 6 years
Software	5 years

Useful life of assets consistent with the useful life specified in the Schedule II of the Companies Act, 2013.

The useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

Subsequent Expenditure relating to PPE is capitalised only when it is probable that future economic benefits will flow to the Company and cost of the item can be measured reliably.

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment except land recognized as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date. Land is recognize at fair value.

Intangible assets:

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.

Amortisation is recognized on a straight line basis over their estimated useful lives, which reflects the pattern in which the asset's economic benefits are consumed.



Notes forming part of the financial statements as of March 31, 2018

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

2.5 Leases:

At the inception of a lease, the lease arrangement is classified either as a finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets taken on finance lease

Assets held under finance leases are initially recognized as an asset and a lease obligation at the lower of the fair value of the asset and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Minimum lease payments are apportioned between finance expense and reduction of the outstanding lease obligation. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. Finance expense is recognized immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying asset, in which case they are capitalized in accordance with the policy on borrowing costs.

Assets taken on operating lease

Rental expenses from operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease, unless the payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.6 Impairment of tangible and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount.

2.7 Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, stores and spare parts and traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

2.8 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns,



Notes forming part of the financial statements as of March 31, 2018

trade allowances, rebates, value added taxes, Goods and service tax and amounts collected on behalf of third parties.

Sale of goods

Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points. Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes. Sales exclude Sales tax, value added tax and goods and service tax.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.9 Foreign currencies:

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.10 Employee Benefits:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

The cost of short term compensated absences are provided for based on estimates. Long term compensated absence are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the statement of profit and loss.

2.11 Share based payments

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

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of



Notes forming part of the financial statements as of March 31, 2018

specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.13 Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.14 Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



Notes forming part of the financial statements as of March 31, 2018

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 recognized as a finance cost.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts.

2.15 Financial instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Classification and subsequent measurement

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Impairment

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition

The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

Financial liabilities

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.



Notes forming part of the financial statements as of March 31, 2018

Subsequent measurement

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

De-recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

2.16 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and unencumbered, highly liquid bank and other balances (with original maturity of three months or less) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of the effects of all dilutive potential ordinary shares of dilutive potential equity shares (except where the results are anti-dilutive).

2.18 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2.1, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.18.1 Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

2.18.2 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 currently year, the directors have determined that no changes are required to the useful lives of assets.



Notes forming part of the financial statements as of March 31, 2018

2.18.3 Discount rate - defined benefit obligation

The Company's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

2.18.4 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.

2.19 First time adoption of Ind AS – Mandatory exceptions and optional exemptions:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the company as detailed below:

2.19.1 De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

2.19.2 Classification of debt instruments

The Company has determined that classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through profit or loss criteria based on facts and circumstances that existed as of the transition date.

2.19.3 Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.19.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there has been significant increase in credit risk since the initial recognition, as permitted by Ind AS 101.

2.19.5 Past Business Combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements. The Company has not recognized assets and liabilities that were not recognized in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquire. The Company has excluded from its opening balance sheet those items recognized in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS.

2.19.6 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make an assessment on basis of facts and circumstances existing at the date of transition to Ind AS, except where impact is expected not to be material. The company has elected to apply this exemption for such contracts under Para D9A of Ind AS 101.



Notes forming part of the financial statements as of March 31, 2018

Note No.3: Property, plant and equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Building (Warehouse)	Building (Factory)	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Boiler	Computers and accessories	Total
Gross Block												
As April 1, 2016	1,334.91	95.41	5.88	2,408.93	4,323.32	178.59	206.79	79.78	142.99	65.00	224.27	9,065.88
Additions -	-	-	-	21.20	23.15	1.16	-	1.94	-	-	2.55	50.00
Deletions/(Adjustment)	-	95.41	-	420.33	2,059.39	112.88	0.25	18.10	113.48	65.00	11.77	2,896.61
At March 31, 2017	1,334.91	-	5.88	2,009.81	2,287.08	66.87	206.54	63.62	29.51	-	215.05	6,219.27
Additions -	-	-	-	2.68	10.11	6.21	48.24	3.67	0.81	-	11.23	82.95
Deletions/(Adjustment)	44.08	-	-	126.55	126.94	7.65	77.72	8.57	22.04	-	11.54	425.09
At March 31, 2018	1,290.83	-	5.88	1,885.94	2,170.25	65.43	177.06	58.72	8.28	-	214.74	5,877.13
Depreciation												
As April 1, 2016	-	-	3.10	530.59	1,900.31	102.89	119.32	65.69	120.10	50.89	186.94	3,079.83
Depreciation for the year	-	-	0.45	74.04	229.76	16.76	21.20	3.72	3.77	0.48	12.78	362.96
On disposals	-	-	-	109.94	1,375.29	112.70	0.25	17.56	110.29	51.37	10.47	1,787.87
At March 31, 2017	-	-	3.55	494.69	754.78	6.95	140.27	51.85	13.58	-	189.25	1,654.92
Depreciation for the year	-	-	0.45	63.57	179.71	14.77	21.67	3.53	0.63	-	11.50	295.83
On disposals	-	-	-	28.75	49.89	3.88	61.48	8.14	11.80	-	10.97	174.91
At March 31, 2018	-	-	4.00	529.51	884.60	17.84	100.46	47.24	2.41	-	189.78	1,775.84
Net Block												
As April 1, 2016	1,334.91	95.41	2.78	1,878.35	2,423.01	75.70	87.47	14.09	22.89	14.11	37.33	5,986.05
At March 31, 2017	1,334.91	-	2.33	1,515.12	1,532.30	59.92	66.27	11.77	15.93	-	25.80	4,564.35
At March 31, 2018	1,290.83	-	1.88	1,356.43	1,285.65	47.59	76.60	11.48	5.87	-	24.96	4,101.29

Total Depreciation for the year is ₹ 340.33 Lakhs which includes continued operation and discontinued operation related depreciation. As mentioned below:

* ₹ 335.41 Lakhs relating to continuing operation (previous year ₹ 336.10 Lakhs)

** ₹ 4.92 Lakhs relating to discontinued operation (previous year ₹ 49.81 Lakhs)

Refer note 18 for hypothecation of property, plant and equipment against borrowing.

Note No.4: Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	License / Brands	Total
Gross Block			
As April 1, 2016	234.16	12,397.10	12,631.26
Additions	-	-	-
Deletions/(Adjustment)	-	-	-
At March 31, 2017	234.16	12,397.10	12,631.26
Additions	0.75	-	0.75
Deletions/(Adjustment)	-	-	-
At March 31, 2018	234.91	12,397.10	12,632.01
Depreciation			
As April 1, 2016	41.07	-	41.07
Depreciation for the year	44.49	-	44.49
On disposals	-	-	-
At March 31, 2017	85.56	-	85.56
Depreciation for the year	44.50	-	44.50
On disposals	-	-	-
At March 31, 2018	130.06	-	130.06
Net Block			
As April 1, 2016	193.09	12,397.10	12,590.19
At March 31, 2017	148.60	12,397.10	12,545.70
At March 31, 2018	104.85	12,397.10	12,501.95

Note: The carrying value of License / brand as per IGAAP was ₹ 1189.65 Lakhs as on transition date. The License / brand has been fair valued at ₹ 12397.10 Lakhs.



Notes forming part of the financial statements as of March 31, 2018

Note No. 5: Financial assets - Non Current Investment

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) Investment in Government or trust securities			
(i) Government securities NSC	0.90	0.90	0.90
(B) Investment in Shares			
(i) Investment in Saraswat Bank	0.25	0.25	0.25
	1.15	1.15	1.15

Note No.6: Financial assets - Non Current Others

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits	124.19	121.62	126.67
	124.19	121.62	126.67

Note No.7: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance payment lease rent	37.02	37.45	37.89
	37.02	37.45	37.89

Note No.8: Inventories

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(As certified by the Management)			
Raw materials	3,953.81	3,290.99	3,502.76
Stock in Process	2,076.79	2,991.58	3,192.29
Finished goods	5,318.32	4,049.10	4,861.03
Total	11,348.92	10,331.67	11,556.08



Notes forming part of the financial statements as of March 31, 2018

Note no.9: Financial Assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables outstanding for a period exceeding six months			
Unsecured, considered good	1,319.28	372.96	735.10
Doubtful	560.70	1,375.58	1,206.68
	1,879.98	1,748.54	1,941.78
Less: Provision for doubtful trade receivables	560.70	1,375.58	1,206.68
	1,319.28	372.96	735.10
Other Trade receivables			
Secured, considered good	510.81	465.59	428.98
Unsecured, considered good	4,686.44	4,446.79	3,164.14
	5,197.25	4,912.38	3,593.12
Total	6,516.53	5,285.34	4,328.22

Note No.10: Financial Assets - Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Cash on hand	0.08	0.12	0.19
(ii) Balances with banks			
In current accounts	0.60	2.60	30.59
Total	0.68	2.72	30.78

Note No.11: Financial Assets - Bank balance other than (ii) above

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In deposit accounts	479.84	366.02	243.39
Interest receivable	20.52	17.05	1.89
In earmarked accounts			
Unpaid dividend accounts	9.87	13.49	16.97
Total	510.23	396.56	262.25

The company has kept as a margin of fixed deposits to the extent of ₹ 6.95 lakhs with banks for bank guarantees as lien.

Note No.12: Financial Assets - Employee loans and advances

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan/advances to employee	23.89	23.95	19.19
Total	23.89	23.95	19.19



Notes forming part of the financial statements as of March 31, 2018

Note No.13: Financial Assets - Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rent receivables	0.96	0.41	0.86
Total	0.96	0.41	0.86

Note No.14: Current tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax assets (net)			
Advance income tax (net of provision for taxation)	-	114.66	114.66
SA income tax	-	10.00	-
TDS receivable	6.96	4.53	3.54
Net Income tax assets / (liabilities)	6.96	129.19	118.20

Taxes on income

The major components of income tax expense

a) Statement of Profit or loss

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax:		
Current tax	-	-
Short / (Excess) provision of tax for earlier years	79.07	-
Deferred tax	(32.89)	(35.40)
Income tax expenses reported in the statement of profit or loss	46.18	(35.40)

b) Other comprehensive income

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax relating to Net Gain/(Loss) on re-measurement of defined benefit plans	4.21	(12.04)
Income tax expense charged to OCI	4.21	(12.04)

c) Reconciliation of Effective tax rate

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Profit / (Loss) before tax	(261.04)	(774.13)
b) Enacted tax rate in India 34.61% (31 March 2017: 34.61%)		
c) Expected tax expense	-	-
d) Effect of expenses that are not deductible in determining taxable profit		
Interest on late payment of taxes / MSME	-	-
Corporate Social responsibility expenses	-	-
e) Net tax expense to be recognized	(261.04)	(774.13)
f) Tax expense recognized in the statement of profit and loss (excluding provision pertaining to prior years)	-	-
g) (Excess)/Short provision for tax relating to prior year	46.18	(35.40)
h) Tax expense recognized in statement of profit or loss	(307.22)	(738.73)



Notes forming part of the financial statements as of March 31, 2018

Note No.15: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	-	4.93	-
Advances other than capital advances			
Advances to vendor	206.88	105.05	159.01
Others			
Sales tax refund receivable	480.86	463.78	422.46
Duty drawback receivable	34.08	24.41	42.04
Others	13.02	2.56	1.44
GST receivables	400.42	-	-
Prepaid expenses	47.83	57.93	78.13
Total	1,183.09	658.66	703.08

Note No.16: Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised :			
15,00,00,000 Equity Shares of ₹ 2/- each	3,000.00	3,000.00	3,000.00
45,00,000 Preference Shares of ₹ 100/- each	4,500.00	4,500.00	4,500.00
	7,500.00	7,500.00	7,500.00
Issued and Subscribed :			
8,25,96,519 Ordinary Shares of ₹ 2/- each (Previous year 6,60,77,215 Ordinary Shares of ₹ 2/- each)	1,651.93	1,321.54	1,321.54
	1,651.93	1,321.54	1,321.54

Note:

During the year, your Company had issued 1,65,19,304 fully paid-up equity shares of face value of ₹ 2/- each ("Rights Issue Equity Shares") for cash at a price of ₹ 26/- per equity share including a share premium of ₹24/- per equity share aggregating up to ₹ 4295.02 Lakhs to the existing equity shareholders on a rights basis in the ratio of 1 fully paid up equity shares for every 4 fully paid-up equity shares held by the existing equity shareholders on the record date, i.e. November 20, 2017 ("The Issue"). The Issue was open for subscription from November 28, 2017 to December 12, 2017.

16.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2018 Nos.	As at March 31, 2017 Nos.	As at April 1, 2016 Nos.
Opening	6,60,77,215	6,60,77,215	6,60,77,215
Add/(Less): Issued/(bought back) of shares	1,65,19,304	-	-
Closing	8,25,96,519	6,60,77,215	6,60,77,215



Notes forming part of the financial statements as of March 31, 2018

16.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2018	
	Number of shares	% Held
Equity shares		
Sunil J Pathare	1,67,42,008	20.27%
Kapil J. Pathare	1,48,15,548	17.94%
Lalita J. Pathare	1,03,07,937	12.48%
Subhkam Properties LLP	95,00,000	11.50%

Class of shares / Name of shareholder	As at March 31, 2017	
	Number of shares	% Held
Equity shares		
Sunil J Pathare	1,61,10,925	24.38%
Kapil J. Pathare	1,41,84,465	21.46%
Jaykumar K Pathare	54,20,625	8.20%
Lalita J. Pathare	50,02,812	7.57%

Class of shares / Name of shareholder	As at April 1, 2016	
	Number of shares	% Held
Equity shares		
Sunil J Pathare	1,61,07,425	24.37%
Kapil J. Pathare	1,41,84,465	21.46%
Jaykumar K Pathare	54,24,125	8.21%
Lalita J. Pathare	50,02,812	7.57%

16.3 Rights, Preference and Restriction attached to Shares.

The Company has two class of shares, one is Equity shares having face value of ₹ 2/- each per share and other is Preference shares of ₹ 100/- each. Each holder of equity share is entitled to one vote per share. The Preference shares does not carry voting rights but entitled to get the dividend. The dividend, if any, proposed by the Board of Directors is subject to the approval of the equity shareholder in their ensuing general meeting. In the event of liquidation of the Company, the holder of equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts (including redeemable Preference Shares). The distribution will be in proportion to the number of equity shares held by the shareholder.

16.4 The Company does not have any Holding Company or Subsidiary Company, Hence disclosure of shares held by Holding Company and Subsidiary Company does not arise.

Note No.17: Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves and Surplus			
(a) Capital Redemption Reserve	4,035.00	4,035.00	4,035.00
(b) Securities Premium	7,472.40	3,689.49	3,689.49
(c) General Reserve	817.30	817.30	817.30
(d) Surplus / (Deficit) in Statement of Profit and Loss	5,456.61	5,759.62	6,510.34
(e) Share based payment reserves (Equity)	30.44	-	-
	17,811.75	14,301.41	15,052.13



Notes forming part of the financial statements as of March 31, 2018

Note No.18: Financial Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) Non Current borrowings			
Term loan from RBL	-	41.96	207.32
Vehicle loan	31.44	0.41	4.94
	31.44	42.37	212.26
(B) Current borrowings			
From bank			
Cash credit	5,657.44	7,608.71	7,717.71
SBI SLOC	-	505.37	504.54
IDBI bank purchase bill discounting	455.30	57.40	415.13
LC bill discounting	1,866.74	1,102.48	1,137.95
Foreign bill discounting	-	-	13.85
From related parties	-	150.00	371.06
From other financial institutes	-	-	-
Total	7,979.48	9,423.96	10,160.24

Notes:

- (i) Working capital loan secured by way of hypothecation of inventories, book debts and movable fixed assets of the company and further secured by way of first charge of property situated at GIDC-Umbergaon (Gujarat), Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra)
- (ii) The unsecured loan received from the Promoter Directors of the Company.

Note No.19: Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) Non Current other financial liabilities			
Security deposits from customers	510.81	465.59	428.98
Retention money	12.13	-	-
Others	22.15	32.58	29.10
	545.09	498.17	458.08
(B) Current other financial liabilities			
Current maturities of long-term debt	8.95	169.59	175.20
Unpaid dividends #	9.87	13.48	16.97
Others	173.53	284.06	264.49
Total	192.35	467.13	456.66

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 as of March 31, 2018

Note No.20: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) Non Current provisions			
Provision for employee benefits:			
Leave encashment payable	48.49	51.31	71.47
Gratuity payable	7.88	5.17	-
Provision for compensation:			
Provision for compensation	33.84	-	-
	90.21	56.48	71.47
(B) Current provisions			
Provisions for expenses	200.03	180.58	99.82
Leave encashment payable	12.13	11.34	-
Total	212.16	191.92	99.82

Note: 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 ₹ 33.84 Lakhs in form of compensation for the loss suffered. However the Company has appeal in Supreme Court, therefore provision has been recognized.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) Provision for Employee benefits			
Balance at the beginning of the year	67.82	71.47	33.90
Additions during the year	2.71	5.17	45.75
Utilised during the year	2.03	8.82	8.18
Balance at the end of the year	68.50	67.82	71.47
(B) Provision for others than employee benefits			
Balance at the beginning of the year	180.58	99.82	309.86
Additions during the year	226.30	172.69	95.92
Utilised during the year	173.01	91.93	305.96
Balance at the end of the year	233.87	180.58	99.82

Note No.21: Deferred tax liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	5,434.02	5,475.62	1,238.57
<u>Tax effect of items constituting deferred tax liability</u>			
Depreciation	-	-	32.89
Leave Encashment	6.25	-	-
Valuation of Brand / Trade marks	-	-	4,213.77
Tax effect of items constituting deferred tax liability	6.25	-	4,246.66
<u>Tax effect of items constituting deferred tax assets</u>			
Depreciation	28.14	26.31	-
Gratuity	8.83	14.40	6.06
Leave Encashment	-	0.89	3.55
Tax effect of items constituting deferred tax assets	36.97	41.60	9.61
Net deferred tax liability	(30.72)	(41.60)	4,237.05
Closing Balance	5,403.30	5,434.02	5,475.62

The Company has recognized deferred tax assets on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income tax. On conservatism basis management has not recognized the deferred tax assets on brought forward business losses. The Company has recognized deferred tax liability on account of revaluation of License / brand amounting to ₹ 4213.77 Lakhs.



Notes forming part of the financial statements as of March 31, 2018

Note No.22: Financial Liabilities - Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other than Acceptances	2,408.54	2,267.66	2,391.05
Total	2,408.54	2,267.66	2,391.05

Payment against supplies from Small scale and ancillary undertakings are generally made in accordance with agreed credit terms.

Note No.23: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances others			
Advances from customers	(0.01)	14.42	31.27
Others	-	-	-
Other statutory payables	30.62	79.68	44.99
Total	30.61	94.10	76.26

Note No.24: Revenue from operations

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
(a) Sale of products (Refer Note (i))	22,071.68	22,877.30
(b) Other operating revenues # (Refer Note (ii))	166.08	272.68
Total	22,237.76	23,149.98
Note(i) Sale of products:-		
Manufactured goods	22,034.77	22,350.92
Knit wear	36.91	526.38
Fabric		
Total	22,071.68	22,877.30
Note (ii) Other operating revenues:-		
Sale of scrap	46.73	37.28
Job Work	37.88	93.00
Duty drawback and other export incentives	62.94	142.40
ROSL Income Received	18.53	-
Total	166.08	272.68

Note No.25: Other Income

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
(a) Interest income	46.86	50.96
(b) Rental income from investment properties	0.75	0.75
(c) Profit on sale of fixed assets (net of expenses directly attributable)	0.33	0.01
(d) Miscellaneous income	80.07	67.99
Total	128.01	119.71



Notes forming part of the financial statements as of March 31, 2018

Note No.26: Cost of Material consumed

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
Opening stock	3,290.99	3,502.76
Add: Purchases	13,850.67	12,868.19
	17,141.65	16,370.95
Less: Closing stock	3,953.81	3,290.99
Cost of material consumed	13,187.84	13,079.96

Note No.27: Change of Inventory of Finished Goods and Work in Progress

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
<u>Inventories at the end of the year:</u>		
Finished goods	5,318.32	4,049.10
Work-in-progress	2,076.79	2,991.58
	7,395.11	7,040.68
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,049.10	4,861.03
Work-in-progress	2,991.58	3,192.29
	7,040.68	8,053.32
Net (increase) / decrease	(354.43)	1,012.64

Note No.28: Employee benefit expenses

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
Salaries and wages	1,611.37	1,515.18
Contributions to provident and other fund (Gratuity Fund)	131.94	117.28
Staff welfare expenses	84.51	68.03
Total	1,827.82	1,700.49

Note No.29: Finance cost

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
(a) Interest expense on:-		
(i) Borrowings	868.04	997.35
(ii) Interest on security deposit	35.57	37.78
(b) Other borrowing costs :-		
Processing Charges	44.65	50.61
Bank charges	146.88	133.33
Total	1,095.14	1,219.07



Notes forming part of the financial statements as of March 31, 2018

Note No.30: Other expenses

(₹ in lakhs)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
Books & Periodicals	3.85	2.83
Business promotion	355.88	323.38
Communication (Postage & Telephone)	46.93	40.14
Festival Expenses	9.89	6.35
Freight and forwarding	520.18	548.50
Freight Inward	145.72	135.82
Garmenting charges	644.50	1,681.79
Insurance	40.32	44.40
Knitting and processing charges	2,328.81	892.81
Legal and professional	142.13	108.60
Loss on fixed assets sold / scrapped / written off	7.41	2.84
Membership & Seminar Expenses	1.62	3.84
Expenditure towards Corporate Social Responsibility (CSR) Activities	6.52	16.00
Miscellaneous expenses	16.17	22.82
Net loss on foreign currency transactions and translation (other than considered as finance cost)	8.78	14.72
Payments to auditors (Refer Note (i) below)	19.56	21.33
Power and fuel	94.78	98.55
Printing & stationery and Computer Expenses	66.88	43.52
Bad Debts Written Off	37.87	354.80
Rates and taxes	59.10	30.82
Rent	142.37	161.90
Lease Rent	0.44	0.44
Purchases trading items	48.03	23.40
Repairs and maintenance - Buildings	66.17	26.60
Repairs and maintenance - Machinery	58.07	91.03
Repairs and maintenance - Others	67.29	70.45
Sales commission	165.84	198.63
Sales Tax & Turnover Tax	16.44	78.90
GST Tax expenses	4.46	-
Security Service Charges	55.32	52.53
Travelling, conveyance and motor car	418.75	382.90
Water Expenses	5.58	3.87
Compensation	33.84	-
Total	5,639.50	5,484.51

Notes: (i)

Payments to the auditors comprises (net of service tax/GST input credit, where applicable):		
As auditors - statutory audit	14.13	15.53
For taxation matters	3.00	3.45
For company law matters	0.50	0.58
For other services	0.10	-
Reimbursement of expenses	1.83	1.77
Sub-Total	19.56	21.33
For Right issue expenses*	10.00	-
Total	29.56	21.33



Notes forming part of the financial statements as of March 31, 2018

Note No. 31: Exceptional item and Discontinued Operations

During the financial year, Company had sold off the Knitting unit on 17.11.2017 situated at 360/13, Ganesh Industrial Estate, Village Kachigam, Nani Daman, Daman - 396210, for a consideration of ₹ 150 Lakhs and booked the capital loss of ₹ 35.39 Lakhs and loss on account of discontinued operation is ₹ 8.73 Lakhs. Also Company had completed its sale transaction of Gobi land on 28.03.2018 and realised the sale consideration of ₹ 73.76 Lakhs and incurred the capital gain of ₹ 33.76 Lakhs on the transaction. Previous year Company had sold off the process unit situated at 13-15, SIPCOT, Perundurai, Erode, Tamil Nadu - 638052, for a consideration of ₹ 444 Lakhs and booked the capital loss of ₹ 721 Lakhs and loss on account of discontinued operation was ₹ 122 Lakhs.

Additional information to financial statements and disclosures under Accounting Standards:

Note No.32: Employee Benefits:

Defined benefit plans:

A. Gratuity:

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The contributions are managed through a third party which acts as the administrator of the fund.

B. Other defined benefit plan (Leave encashment)

Amount recognized in the balance sheet and movement in the net defined benefit obligation for the year are as follows:

Particulars	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
i) Reconciliation of defined benefit obligation		
Liability at the beginning of the year	62.65	71.47
Current Service Cost	4.56	4.23
Interest cost	4.57	5.75
Financial (Gain)/Loss on Plan Liabilities	(2.26)	3.54
Experience (Gain)/Loss on Plan Assets	0.56	(11.21)
(Benefits Paid)	(9.46)	(11.13)
Projected benefit obligation at the end of the year	60.62	62.65
ii) Reconciliation of Fair Value of Plan Asset		
Fair value of the Plan assets at the beginning of the year	-	-
Expected return on plan Assets	-	-
Contribution	-	-
(Benefits Paid)	-	-
Actuarial (Gain)/ Loss on plan assets	-	-
Fair value of plan asset at the end of the year	-	-
iii) Amount recognized in Balance Sheet		
Present value of defined benefit obligation	(60.62)	(62.65)
Fair value of plan assets	-	-
Net (Liability)/ Asset recognized in the Balance Sheet	(60.62)	(62.65)
iv) Expenses recognized in statement of profit or loss under the head employee benefit expenses		
Current Service Cost	4.56	4.23
Interest (Income) on plan assets	(1.70)	(7.67)
Net Interest Cost	4.57	5.75
Expenses recognized in Statement of Profit or Loss	7.43	2.31



Notes forming part of the financial statements as of March 31, 2018

Particulars	March 31, 2018	March 31, 2017
v) Re-measurement for the period		
Experience (Gain)/Loss on Plan Liabilities	0.56	(11.21)
Financial (Gain)/Loss on Plan Liabilities	(2.26)	3.54
Total Actuarial (Gain)/Loss included in OCI	(1.70)	(7.67)
vi) Amount recognized in Other Comprehensive Income (OCI)		
Opening Amount recognized in OCI	-	-
Re-measurement for the period – Obligation (Gain)/loss	-	-
Re-measurement for the period – Plan Assets (Gain)/loss	(1.70)	(7.67)
Total re-measurement cost/(credit) for the period recognized in OCI	(1.70)	(7.67)
Closing Amount recognized in OCI	(1.70)	(7.67)
vii) Principal Actuarial Assumptions		
Financial Assumptions		
Discount Rate	7.78%	7.29%
Salary Escalation	4.00%	4.00%
Employee Turnover	2.00%	2.00%
Demographic Assumptions		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	N.A.	N.A.
Retirement age	58 years	58 years

*The Company maintains gratuity fund, which is being administered by Life Insurance Corporation of India. Fund Value confirmed by Life Insurance Corporation of India as at March 31, 2018 is considered to be the fair value.

C. Sensitivity Analysis:

Defined Benefit Obligation	March 31, 2018	March 31, 2017
Discount rate		
a. Discount rate - 100 basis points	278.36	262.51
b. Discount rate + 100 basis points	246.01	227.51
Salary increase rate		
a. Rate - 100 basis points	245.35	226.87
b. Rate + 100 basis points	278.85	262.95

Note No.33: Corporate Social Responsibility (CSR)

During the financial year, the Company spend ₹ 6.52 Lakhs (P.Y ₹ 16.00 Lakhs) as per the section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR). The Company was focus on implementing the project identified by the CSR Committee and successfully completed the project.



Notes forming part of the financial statements as of March 31, 2018

Note No.34: Earning per share

Particulars	As at March 31, 2018	As at March 31, 2017
Face Value per Equity Share	₹ 2/-	₹ 2/-
Basic Earnings per Share	(0.39)	(0.97)
Net profit / (loss) after tax (₹ in lakhs)	(307.22)	(738.73)
Less: Preference dividend and tax thereon (₹ in lakhs)	-	-
Net profit / (loss) for the year attributable to the equity shareholders (₹ in lakhs)	(307.22)	(738.73)
Weighted average number of equity shares for Basic	7,80,85,087	7,63,82,660
Diluted Earnings per Share	(0.39)	(0.97)
Net profit / (loss) after tax (₹ in lakhs)	(307.22)	(738.73)
Less: Preference dividend and tax thereon (₹ in lakhs)	-	-
Net profit / (loss) for the year attributable to the equity shareholders (₹ in lakhs)	(307.22)	(738.73)
Weighted average number of equity shares for Diluted	7,81,50,379	7,63,82,660
Reconciliation of Weighted Average number of shares outstanding		
Weighted Average No. of Equity Shares used as denominator for calculating Basic EPS	7,80,85,087	7,63,82,660
Add: Total Weighted Average Employee Stock Option	65,292	-
Weighted Average No. of Equity Shares used as denominator for calculating Diluted EPS	7,81,50,379	7,63,82,660

Basic and Diluted earning per share for the year ended March 31, 2017 have been adjusted retrospectively for the bonus element in respect of right issue during the year ended March 31, 2018.

Note No.35: Related Party transactions

a. Details of related parties:

- Associates
- Maxwell Ventures Private Limited
- Maxwell Capital Management Private Limited
- Maxwell Entertainment Private Limited
- Maxwell Retails Private Limited
- Maxwell Health and Hygiene Private Limited
- HYBO Hindustan
- PAKO Hindustan
- Pats Treasures
- Unnati Ventures
- Kanishk Capital Partners
- K. 3 Realtors
- Global Construction
- Pathare Agro Farms
- Shogun Chemicals Private Limited

Key Managerial Personnel

- Shri Sunil J. Pathare
- Shri Kapil J. Pathare
- Shri Ashish Mandaliya
- Shri Devendra Vyas
- Shri Yogesh Tiwari

Note: Related parties have been identified by the Management as per IndAS 24.



Notes forming part of the financial statements as of March 31, 2018

b. Details of related parties transactions and Balance outstanding as at 31st March 2018

(i) Transactions with related parties

(₹ in lakhs)

Name of Party	Nature of Transactions	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Hybo Hindustan	Rent, Electricity & Water charges	116.37	102.21	98.10
Pako Hindustan	Job work	0.14	0.05	0.10
Pats Treasures	Rent, Electricity	-	0.39	3.27
Kapil J. Pathare	Rent	3.29	3.23	3.79

(ii) Balance outstanding at the end of the year

(₹ in lakhs)

Name of Party	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Hybo Hindustan	-	19.82	2.19
Pako Hindustan	0.19	0.05	(51.75)
Pats Treasures	-	(0.11)	(0.11)
Kapil J. Pathare	(1.20)	(0.46)	6.29

Note: Negative indicates receivables.

Remuneration of Directors / Key Managerial Personnel

Name of Party	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Salary and short-term employee benefits	259.64	222.29	177.00
Contribution to provident fund	9.86	9.65	10.19
Directors sitting fees	-	-	-
Directors-commission	-	-	-

Note No.36: Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Guarantees given by bank	21.64	20.47	20.47
Claims against the company not acknowledged as debts - Cotton Corporation of India	-	33.83	33.83
Income Tax Liability in Appeal by IT department	1,191.43	1,175.53	1,175.53
Sales Tax Liability	1,032.78	-	-
Letter of Credits	1,014.50	851.12	630.65

The Company has availed a concessional rate of tax of 1% on the taxable sales without filing the forms "C" and "H" within the time frame stipulated under rule 12 (7) of the Central Sales Tax (Registration and Turnover) Rules, 1957 and is therefore liable to pay ₹ 3,615.63 Lakhs. The Company has since collected and in possession of forms required to be submitted to the concerned Sales Tax Officer and requested for time period to submit the relevant forms at the time of assessment.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.



Notes forming part of the financial statements as of March 31, 2018

Note No.37: Earnings and expenditure in Foreign currency:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Expenditure in Foreign currency:			
Royalty	2.50	14.57	15.19
Travelling	23.46	8.73	9.97
Others	118.71	108.23	76.03
Earnings in Foreign currency:			
Export inward Remittance	1,731.85	1,698.70	1,956.37

Note No.38: Segment Reporting

The Company is engaged in the business of manufacturing garments. Therefore there is no separate reportable segment.

Note No. 39. FINANCIAL INSTRUMENTS:

Note No. 39.1 Capital Management:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to the shareholders and benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

Total debt includes all long and short term debts as disclosed in notes no. 18 to the financial statements.

The gearing ratio at the end of the reporting period was as follows

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt (Rs. lakh)	8,010.92	9,466.33	10,372.51
Total Equity (Rs. lakh)	36,356.86	34,098.77	35,775.13
Debt to Equity Ratio	0.22	0.28	0.29



Notes forming part of the financial statements as of March 31, 2018

Note No. 39.2 Categories of financial instruments :

(₹ in lakhs)

Particulars	Carrying amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Financial assets measured at amortised cost						
Non-Current Assets						
Security deposits	124.19	121.62	126.67	124.19	121.62	126.67
Current Assets						
Trade receivable	6,516.53	6,660.92	5,534.90	6,516.53	5,285.34	4,328.22
Loans to employees	23.89	25.76	20.48	23.89	23.95	19.19
Cash in hand	0.08	0.12	0.20	0.08	0.12	0.20
Balance with banks in current account	0.60	2.60	30.59	0.60	2.60	30.59
Balance with banks in earmarked account	9.87	13.49	16.98	9.87	13.49	16.98
Balance with banks in deposit account – original maturity from 3 to 12 months	500.36	383.07	245.28	500.36	383.07	245.28
FINANCIAL LIABILITIES						
Financial liabilities measured at amortised cost						
Non-Current Liabilities						
Borrowing	31.44	42.18	213.35	31.44	42.36	212.25
Current liabilities						
Borrowing	7,979.48	9,423.96	10,160.25	7,979.48	9,423.96	10,160.25
Current maturities of long-term debt	-	-	-	8.95	169.59	175.79
Trade Payable	2,408.54	2,267.66	2,391.04	2,408.54	2,267.66	2,391.04

Note No. 39.3. Fair Value Measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 – Fair Value Measurement. An explanation of each level is as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018, March 31, 2017 and April 1, 2016:

(₹ in lakhs)

Particulars		Fair value measurement of		
		Level 1	Level 2	Level 3
Financial Assets at fair value				
Investment				
March 31, 2018	1.15	0.90	-	0.25
March 31, 2017	1.15	0.90	-	0.25
April 1, 2016	1.15	0.90	-	0.25



Notes forming part of the financial statements as of March 31, 2018

Note No.39.4: Financial risk management framework:

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's variable rate short-term debt obligations and external commercial borrowings.

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Note No. 40. Share based payments

During the year the company had issued and granted the following stock options to its key employees of the Company at two different grant price. There are no option granted in the previous year

Employees Stock Option	Grant –I at exercise Price of ₹ 26/-	Grant – II at exercise Price of ₹ 2/-
Date of Members approval	11-12-2017	11-12-2017
Date of grant	14-02-2018	14-02-2018
No of option granted	8,25,000	84,000
Grant Price	₹ 26/-	₹ 2/-
Period of exercise	2018-19 to 2021-22 (4 Years)	2018-19 (2 Years)
Exercise price	₹ 26/-	₹ 2/-
General term and condition of issue	<ol style="list-style-type: none"> Not exceeding 20,00,000 Employee Stock Options convertible into not more than 20,00,000 shares of face value of ₹ 2/- each fully paid-up, with each such option conferring a right upon to the eligible employees to be issued one equity share of the Company. This will be adjusted for any future shares split, merger, demerger, sale of division, consolidation, rights issue, bonus issue or any other corporate actions at the discretion of the board of directors. The options granted under the Scheme would vest not less than one year and not later than seven years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of five years from the date of vesting. The exercise price for 8,25,000 options, the exercise price will be ₹ 26/- per option with condition attached to it and 84,000 options will be exercise at a price of ₹ 2/- per option without any condition. Exercise Period would commence from the vesting date and would expire not later seven years from the date of grant of Options or such other period as may be decided by the Nomination and Remuneration Committee and Board. 	



Notes forming part of the financial statements as of March 31, 2018

Number and exercise prices of share options for each of the following groups of options during the financial year 2017-18:

Employee Stock Option	Grant –I at exercise Price of ₹ 26/-	Grant –II at exercise Price of ₹ 2/-
Outstanding at the beginning of the period	-	-
Granted during the period	8,25,000	84,000
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	8,25,000	84,000
Exercisable at the end of the period	-	-

For share options exercised during the period, disclose the weighted average share price at the date of exercise

There are no option has been exercised during the financial year 2017-18.

Fair Value of the option on the grant date (i.e February 14, 2018)

The fair value of the option on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

Employee Stock Option	Grant – I at exercise Price of ₹ 26/-			
	31-07-2019	31-07-2020	31-07-2021	31-7-2022
Vesting date				
Share Price (₹)	72.90	72.90	72.90	72.90
Strike/Exercise Price (₹)	26.00	26.00	26.00	26.00
Expected life/term of option (no of years)	2.50	3.50	4.50	5.50
Risk free rate of interest (%)	7.489	7.489	7.489	7.489
Implied volatility factor (%)	57.30	57.30	57.30	57.30
Fair value per option at year end (₹)	52.72	54.95	56.92	58.65

Employees Stock Option	Grant – II at exercise Price of ₹ 2/-
Vesting date	14-02-2019
Share Price (₹)	72.90
Strike/Exercise Price (₹)	2.00
Expected life/term of option (no of years)	2.00
Risk free rate of interest (%)	7.489
Implied volatility factor (%)	57.30
Fair value per option at year end (₹)	71.18

Share based payments expenditure:

Share based payments expense (included in Note 28 : Employee Benefit Expense) recognized during the year represents the difference between market value of equity shares as at the grant date and market value of equity shares as at the exercise date.

41 Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' substituting Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. This notification is in line with the recent notifications made by International Accounting Standards Board (IASB) by notifying IFRS 15, 'Revenue from Contracts with Customers' substituting IAS 18, 'Revenue' and IAS 11, 'Construction Contracts'. The standard is applicable to the Company from April 1, 2018.

Impact assessment because of Ind AS 115:

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



Notes forming part of the financial statements as of March 31, 2018

42 First time Ind AS adoption reconciliations:

42.1 Effect of Ind AS Adoption on balance sheet as at March 31, 2017 and April 1, 2016:

(₹ in lakhs)

Particulars	As at March 31, 2017 (End of the last period Presented under previous GAAP)			As at April 1, 2016 (date of transition)		
	Previous GAAP*	Effect of Transition to Ind AS	Ind AS	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
A ASSETS						
1. Non-current assets						
(a) Property, Plant and Equipment	3,348.48	1,215.87	4,564.35	4,770.19	1,215.86	5,986.05
(b) Capital work-in-progress	-	-	-	14.52	-	14.52
(c) Other Intangible assets	1,338.24	11,207.45	12,545.69	1,382.74	11,207.45	12,590.19
(d) Financial Assets						
- Investments	1.15	-	1.15	1.15	-	1.15
- Others financial assets	785.16	(663.54)	121.62	734.17	(607.50)	126.67
(e) Deferred tax assets (net)	-	-	-	-	-	-
(f) Other non-current assets	-	37.45	37.45	-	37.89	37.89
Total Non - Current Assets	5,473.03	11,797.23	17,270.26	6,902.77	11,853.70	18,756.47
2. Current assets						
(a) Inventories	10,331.67	-	10,331.67	11,556.08	-	11,556.08
(b) Financial Assets						
(i) Trade receivables	6,646.49	(1,361.15)	5,285.34	5,503.62	(1,175.40)	4,328.22
(ii) Cash and cash equivalents	2.72	-	2.72	30.79	(0.01)	30.78
(iii) Bank balances other than (ii) above	379.50	17.06	396.56	260.36	1.89	262.25
(iv) Loans	58.35	(34.40)	23.95	78.99	(59.80)	19.19
(v) Others financial assets	-	0.41	0.41	-	0.86	0.86
(c) Current tax assets (Net)	-	129.19	129.19	-	118.20	118.20
(d) Other current assets	-	658.66	658.66	-	703.08	703.08
Total Current Assets	17,418.73	(590.23)	16,828.50	17,429.84	(411.18)	17,018.66
Total Assets (1+2)	22,891.76	11,207.00	34,098.76	24,332.61	11,442.52	35,775.13
B EQUITY AND LIABILITIES						
1. Equity						
(a) Equity Share capital	1,321.54	-	1,321.54	1,321.54	-	1,321.54
(b) Other Equity	7,431.98	6,869.43	14,301.41	8,011.57	7,040.56	15,052.13
	8,753.52	6,869.43	15,622.95	9,333.11	7,040.56	16,373.67
LIABILITIES						
2. Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	-	42.37	42.37	-	212.26	212.26
(ii) Other financial liabilities	466.10	32.07	498.17	434.00	24.08	458.08
(b) Provisions	-	56.48	56.48	-	71.47	71.47
(c) Deferred tax liabilities (Net)	1,220.25	4,213.77	5,434.02	1,261.85	4,213.77	5,475.62
Total Non - Current Liabilities	1,686.35	4,344.69	6,031.04	1,695.85	4,521.58	6,217.43
3. Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	8,529.82	894.14	9,423.96	9,397.29	762.95	10,160.24
(ii) Trade payables	3,310.19	(1,042.53)	2,267.66	3,401.66	(1,010.61)	2,391.05
(iii) Other financial liabilities	564.52	(97.39)	467.13	479.17	(22.51)	456.66
(b) Provisions	47.36	144.56	191.92	25.53	74.29	99.82
(c) Other current liabilities	-	94.10	94.10	-	76.26	76.26
Total Current Liabilities	12,451.89	(7.12)	12,444.77	13,303.65	(119.62)	13,184.03
Total Equity and Liabilities (1+2+3)	22,891.76	11,207.00	34,098.76	24,332.61	11,442.52	35,775.13



Notes forming part of the financial statements as of March 31, 2018

42.2 Effect of Ind AS adoption on Equity Share Capital and Other Equity as at March 31, 2017 and April 1, 2016.

(₹ in lakhs)

Particulars	As at March 31, 2017 (end of the last period presented under previous GAAP)	As at April 1, 2016 (date of transition)
Total equity (shareholders' fund) under previous GAAP	8,753.52	9,333.11
Fair value of land	1,258.11	1,258.11
Provision for doubtful debts	(1,375.58)	(1,206.68)
Fair value gains on derivative financial instruments	(0.19)	1.09
Loan to employees	(1.80)	(1.29)
Revaluation of License	11,207.45	11,207.45
Lease land rent payment	(4.79)	(4.35)
Deferred Tax expense: Brand impairment	(4,213.77)	(4,213.77)
Total adjustments to equity	6,869.43	7,040.56
Total equity under Ind AS	15,622.95	16,373.67

42.3 Effect of Ind AS adoption on Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Year ended March 31, 2017 (Latest period presented under previous GAAP)		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
I Revenue from operations	23,209.75	(59.77)	23,149.98
II Other Income	91.20	28.51	119.71
III Total Revenue (I + II)	23,300.95	(31.26)	23,269.69
IV EXPENSES			
(a) Cost of materials consumed	13,135.39	(55.43)	13,079.96
(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	1,012.64	-	1,012.64
(c) Employee benefit expense	1,721.42	(20.93)	1,700.49
(d) Finance costs	1,218.60	0.47	1,219.07
(e) Depreciation and amortisation expense	357.66	(21.56)	336.10
(f) Advertisement & publicity expense	326.10	-	326.10
(g) Other expenses	5,307.60	176.91	5,484.51
Total Expenses	23,079.41	79.46	23,158.87
V Profit/(loss) before exceptional item and tax (III - IV)	221.54	(110.72)	110.82
Exceptional items	(720.64)	-	(720.64)
V Profit/(loss) before tax (III - V)	(499.10)	(110.72)	(609.82)
VI Tax Expense			
(a) Current tax			
(b) Deferred tax	(41.60)	6.20	(35.40)
(c) Short provision for tax relating to prior years			
Total tax expense	(41.60)	6.20	(35.40)
VII Profit/(loss) after tax from continued operations (V - VI)	(457.50)	(116.92)	(574.42)
Profit/(loss) from discontinued operations	(122.14)	(42.17)	(164.31)
Tax expenses of discontinued operations	-	-	-
Profit/(loss) from discontinued operations (VI - VII)	(122.14)	(42.17)	(164.31)
VIII Profit/(loss) from discontinued operations (VII - VIII)	(579.64)	(159.09)	(738.73)
IX Other comprehensive income			
(i) Items that will not be recycled to profit or loss			
(a) Re-measurements of the defined benefit liabilities/(assets)	-	(12.04)	(12.04)
(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Total Other comprehensive income	-	(12.04)	(12.04)
Total comprehensive income for the period (VIII + IX)	(579.64)	(171.13)	(750.77)



Notes forming part of the financial statements as of March 31, 2018

42.4 Effect of Ind AS adoption on the total Comprehensive income for year ended March 31, 2017.

(₹ in lakhs)

Particulars	Year ended March 31, 2017 (latest period presented under previous GAAP)
Profit as per previous GAAP	(579.64)
Adjustments:	
Provision for doubtful debts as per Ind AS	(168.90)
Lease Rent	(0.44)
Employee benefit expenses	17.73
Finance cost expenses	(1.28)
Deferred tax impact of above entries	(6.20)
Total effect of transition to Ind AS	(159.09)
Profit for the year as per Ind AS	(738.73)
Other comprehensive income for the year (net of tax)	(12.04)
Total comprehensive income as per Ind AS	(750.77)

42.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Year ended March 31, 2017 (Latest period presented under previous GAAP)		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flow from operating activities	996.54	26.94	1023.48
Net cash (used in) investing activities	1151.98	28.51	1180.49
Net cash flow (used in) financing activities	(2,057.45)	(40.27)	(2,097.72)
Cash and cash equivalents at the beginning of the year	291.15	1.88	293.03
Cash and cash equivalents at the end of the year	382.22	17.06	399.28

Notes:

42.5.1 Fair value measurement of Land

Under Previous GAAP, land was valued at cost. Under Ind AS, the entity has opted option available under paragraph D5 of Appendix D to Ind AS 101 and has elected to measure land at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

The carrying value of land as per IGAAP was ₹ 76.81 Lakhs as on transition date. The land has been fair valued at ₹ 1334.91 Lakhs and the difference of ₹ 1258.10 Lakhs has been transferred to retained earnings.

42.5.2 Fair value measurement of License / Brand

Under Previous GAAP, license was valued at cost. Under Ind AS, the entity has opted option available under paragraph D7 read with paragraph D5 of Appendix D to Ind AS 101 and has elected to measure licence at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

The carrying value of brand as per IGAAP was ₹ 1189.65 Lakhs as on transition date . The brand has been fair valued at ₹ 12397.10 Lakhs and the difference of ₹11207.45 Lakhs has been transferred to retained earnings.



Notes forming part of the financial statements as of March 31, 2018

42.5.3 Reclassification of lease

Under Indian GAAP, there is no specific guidance for contracts that involve leases of Land. Under Ind AS, leases of land is recognized as operating or finance lease as per definition and classification criteria. Where the land lease is for several decades, generally it qualifies as a finance lease even though the right of ownership of the land may not transfer at the end of the lease term. Land lease for relatively shorter periods are treated as operating leases. In such cases lease rentals paid in advance are recorded as prepaid lease rentals as part of other current / non-current assets.

The Impact arising from this change is summarised as follows:

(₹ in lakhs)

Statement of profit and loss	Quarter ended Mar 31, 2017	Quarter ended Dec 31, 2016	Quarter ended Sep 30, 2016	Quarter ended Jun 30, 2016	Year ended Mar 31, 2017
Other expenses:					
Add: Lease rent expenses	0.11	0.11	0.11	0.11	0.44

42.5.4 Trade receivables:

Under Indian GAAP, provision for doubtful debts was recognized based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognized on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on Company's historical counterparty default rates and forecast of macro-economic factors. Other receivables have been segmented by reference to the shared credit risk characteristics to evaluate the expected credit loss.

The Impact arising from this change is summarised as follows:

(₹ in lakhs)

Statement of profit and loss	Quarter ended Mar 31, 2017	Quarter ended Dec 31, 2016	Quarter ended Sep 30, 2016	Quarter ended Jun 30, 2016	Year ended Mar 31, 2017
Other Expenses:					
Add / (Less) : Provision for doubtful debt	-	-	65.02	103.88	168.90

42.5.5 Loans to employees:

Under Indian GAAP, interest on term loan is recorded at transaction price.

Under Ind AS, term loan is discounted to its present value where the effect of the time value of money is material. The imputed interest on the term loan is subsequently recognized in statement of profit and loss.

The Impact arising from this change is summarised as follows:

(₹ in lakhs)

Statement of profit and loss	Quarter ended Mar 31, 2017	Quarter ended Dec 31, 2016	Quarter ended Sep 30, 2016	Quarter ended Jun 30, 2016	Year ended Mar 31, 2017
Employee Benefit expenses					
Add: Deferred employee benefit cost	0.10	0.12	0.14	0.16	0.51

42.5.6 Re-measurements of defined benefit obligations:

Under the previous GAAP, actuarial gains and losses were recognized in the statement of profit or loss. Under Ind AS, the actuarial gains and losses form a part of re-measurement of the net defined benefit liability / assets which is recognized in other comprehensive income.

42.5.7 Sales of goods:

- Under the previous GAAP, revenue from operations was presented net of taxes. Under Ind AS, revenue from operations is shown inclusive of taxes. The taxes paid is presented on the face of the statement of profit and loss as part of expense.



Notes forming part of the financial statements as of March 31, 2018

- 2) The Company recovers from its customers certain freight and insurance costs paid to the vendor. Under Previous GAAP, the actual freight and insurance costs incurred was netted off with the recoveries. Under Ind AS, such costs and amounts recovered from the customers is accounted on gross basis
- 3) The Company evaluated its revenue contracts and consequently, reversed revenue that did not meet the revenue recognition criteria under Ind AS with corresponding increase in inventory and decrease in cost of sales and trade receivable.
- 4) The Company had carried out job work from its related party.

42.5.8 Financial liabilities:

Under Indian GAAP, interest on term loan is recorded at transaction price

Under Ind AS, term loan is discounted to its present value where the effect of the time value of money is material. The imputed interest on the term loan is subsequently recognized in statement of profit and loss.

The Impact arising from this change is summarised as follows:

(₹ in lakhs)

Statement of profit and loss	Quarter ended Mar 31, 2017	Quarter ended Dec 31, 2016	Quarter ended Sep 30, 2016	Quarter ended Jun 30, 2016	Year ended Mar 31, 2017
Finance cost					
Add / (Less) : Interest on Term loan	1.44	1.60	(0.90)	(0.86)	1.28

42.5.9. Deferred Tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

43 Previous year figures have been regrouped/rearranged, wherever necessary to make them comparable with the current year's classification.

See accompanying notes forming parts of financial statements

As per our report of even date

For Sharp & Tannan

Chartered Accountants
Registration No - 109982W
By the hand of

Ashish Mandaliya
C.F.O. & Company Secretary
(M.No.ACA-114044)
(M.No.ACS-17289)

For and on behalf of Board

Tirtharaj Khot

Partner
Membership No. (F) 037457
Place: Mumbai
Dated : May 16, 2018

Devendra Vyas

C.F.C.
(M.No.ACA-150498)

Yogesh Tiwari

C.E.O.

Sunil J. Pathare

Chairman & Managing Director
(DIN:00192182)
Place: Mumbai
Dated : May 16, 2018

Kapil J. Pathare

Whole-time Director
(DIN:01089517)



FINANCIAL HIGHLIGHTS

(₹ in Lakhs) Except ratio and face value of shares.

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Share capital	1,652¹	1322	1322	1262	1262	1262	1262	1262	1262	1262
Redeemable Pref. Shares Capital	-	-	-	395 ^{***}	1185	1185	1185 ^{**}	1814 [*]	2435	2435
Convertible Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	17,812²	14,301 ²	8012	7944	7830	7515	7482	7328	7360	7143
Misc. exp. not written off	-	-	-	-	-	-	-	-	14	38
Net Worth	19,464	15,623	9334	9206	9092	8777	8744	8590	8608	8367
Long term Debts	-	-	-	-	-	-	-	597	1321	2259
Net Asset Block	16,603³	17,110 ³	6153	6658	6944	7033	8031	7592	7928	8295
Total Income	22,366	23,270	19514	26160	25875	25491	22056 [#]	23220	21139	19818
Profit before tax	(252)	(610)	(947)	1091	806	439	875 [#]	240	1067	1102
Taxation	46	35	46	390	273	154	152	77	365	394
Profit after tax	(303)	(751)	(993)	701	533	285	464 [#]	163	702	708
Dividend Rate on										
Equity share	-	-	-	15.00%	10.00%	12.50%	15.00%	5.00%	20.00%	20.00%
Redeemable Pref. Shares	-	-	-	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
No of Equity Shares (in Lakhs)	825.96	660.77	660.77	630.77	630.77	630.77	630.77	630.77	630.77	630.77
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 (₹)	(0.39)	(0.97)	(1.50)	1.08	0.73	0.34	0.63	0.07	0.81	0.80
Book value per share (₹)	23.57	23.64	14.13	14.59	14.41	13.80	13.86	13.62	13.65	13.26
Current Ratio	1.81	1.35	1.31	1.23	1.34	1.22	1.32	1.26	1.68	1.77

- ₹ 330 Lakhs increased on account of issue of 1,65,19,304 Rights share @ ₹ 26/- (face value of shares is ₹ 2/-)
- Increase in securities premium account by ₹ 3,965 Lakhs on account of issue of Rights Shares and others on account of effect has been give for the first time adoption of INDAS
- Effect has been give for the first time adoption of INDAS

* ₹ 620.60 Lakhs 5% Redeemable Preference shares of ₹ 100/- each bought back.

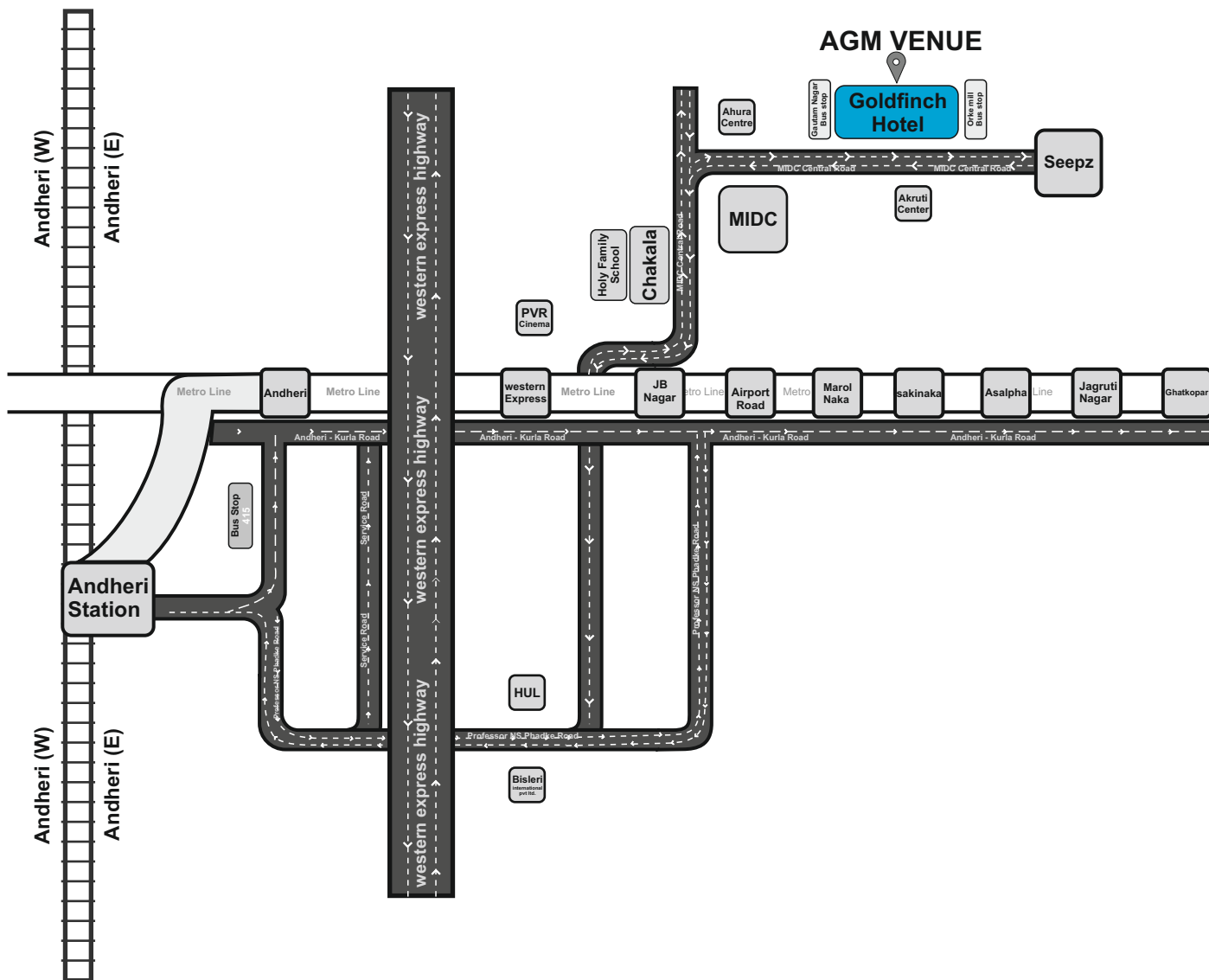
** ₹ 629.45 Lakhs 5% Redeemable Preference shares of ₹ 100/- each bought back.

*** ₹ 790 Lakhs 5% Redeemable Preference shares of ₹ 100/- each redeemed.

Excluding yarn - discontinued operation.



ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



Shareholder are requested to bring their copies of Annual report at the Annual General Meeting as the same will not be distributed in the meeting hall.



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 Demat shares are required to update their details with the Depository Participant.



VIP CLOTHING LIMITED

(Formerly known as Maxwell Industries Limited)

CIN : L18101MH1991PLC059804

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

Phone : (022) 2825 7624, 2825 7627 **Fax** : (91) (022) 2837 1023

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

Registrar & Transfer Agent : Link Intime India Pvt. Ltd., C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai – 400 083

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:.....

E-mail Id:.....

Folio No/ Client Id:.....

DP ID:.....

I/We, being the member(s) holding shares of the above named Company, hereby appoint

1. Name :

Address:

E-mail Id:.....Signature:....., or failing him

2. Name :

Address:

E-mail Id:.....Signature:....., or failing him

3. Name :

Address:

E-mail Id:.....Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, September 26, 2018 at 11.00 a.m. at Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai - 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Resolutions	For	Against	Abstain
1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on March 31, 2018 and the Reports of the Directors and Auditors thereon			
2. To appoint a Director in place of Mr. Kapil J. Pathare (DIN 01089517), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment			
3. To Re-appoint Mr. Kapil Pathare (DIN : 01089517) as a Whole-time Director for the period of Three (3) years, commencing from April 1, 2019.			
4. To Re-appoint Mr. Sunil Pathare (DIN: 00192182) as Chairman and Managing Director for a period of Three (3) years, commencing from April 1, 2019.			
5. To Re-appoint Mr. Robin Banerjee as an Independent Director of the Company for a second term.			
6. To Re-appoint Mr. Gopal Sehgal as an Independent Director of the Company for second term.			
7. To Re-appoint Mr. Chetan Sheth as an Independent Director of the Company for a second term.			

Affix
revenue
stamp

Signed this.....day of..... 2018. Signature of shareholder _____

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

**This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A proxy need not be a member of the Company.
- In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

VIP CLOTHING LIMITED



(Formerly known as Maxwell Industries Limited)

CIN : L18101MH1991PLC059804

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

Phone : (022) 2825 7624, 2825 7627 **Fax** : (91) (022) 2837 1023

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

Registrar & Transfer Agent : Link Intime India Pvt. Ltd., C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai – 400 083

ATTENDANCE SLIP

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held at Goldfinch Hotel, Plot No. 34/21, Central Road, MIDC, Andheri (East), Mumbai - 400093 at 11.00 a.m. on Wednesday, September 26, 2018.

DP ID*	Folio No.
Client ID*	No. of Shares

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

* Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/ Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

ELECTONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	* Default Sequence Number
180827124	

* Members who have not updated their PAN with the Company / Depository Participant shall use default Sequence Number in the PAN field. Other members should use their PAN.



PLUS
Stylish
Comfort



Frenchie



PRO
Effortless
Fashion



OXY
Core
Vest

Brief | Trunk | Vest | Loungewear | Socks



Created especially for the semi-urban and rural markets, Leader has made its presence felt. The brand has done so due to the uncompromising quality, comfortable fit and affordable pricing. Now Leader has gone beyond and brought more products out within its range, bringing quality products to the men, women and children of the populace. Leader stays true to the philosophy that every segment of society deserves quality products.

LEADER



Savoir-faire d'exception depuis 1944

Eminence

Eminence brought international quality and style to the Indian market. This brand has gained a strong foothold and also garnered accolades for its quality in the premium innerwear category.

The brand has both men's and women's collections. The range includes briefs, trunks, t-shirts, vests and more. Eminence is steadily growing in the Indian market and will continue to do so.

NEW
ARRIVAL



Introducing a new range of
panties from Feelings.
The new fits and prints blend just the
right touch of fashion with ease,
keeping you comfortable all day long.

ELEGANTLY
COMFORTABLE

Intimate
Bikini Panty

Passion
Regular Panty

Intimate
Regular Panty



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www.twitter.com/FeelingsFashion

Feelings



VIP Clothing Ltd.

Registered Office: C-6, Road No. 22, M.I.D.C., Andheri (East), Mumbai-400 093, Maharashtra, India
Customer Care: +918291981012 | customercare@viporg.com | www.vipclothing.in