

TIMING

TENACITY

TRUST



VIP Clothing Ltd.

TOUCH

TOGETHERNESS

BRAND HERITAGE OF



ANNUAL REPORT 2020-21



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

THE **INNERWEAR** EXPERT

BONUS
PREMIUM

Milky
WHITE VEST



**MORE
SOFTNESS**



**100% PREMIUM
COTTON**



**EXTRA
WHITENESS**

www.facebook.com/VIPInnerwear
www.twitter.com/VIP_Innerwear
www.instagram.com/vipinnerwear

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

NEW LAUNCH



VIP®

DHOTI



Extended VIP brand
by entering in ethnic wear category.


VIP[®]

RELAX LEISUREWEAR



BACK POCKET



SIDE POCKET

STRIKER

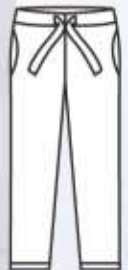
LEISUREWEAR PRODUCT FOR EVERYDAY USE.

NEW

LAUNCH



DRESS



PYJAMA



COMBO SET
(T-Shirt & Pyjama)



Feelings

COMFORTWEAR

**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 Financial Officer

Devendra Vyas (w.e.f. August 13, 2020)

Company Secretary & Compliance Officer

Archana Mungunti (w.e.f. September 02, 2020)

Chief Finance Controller

Devendra Vyas (Till August 13, 2020)

Chief Financial Officer & Company Secretary

Ashish Mandaliya (Till May 15, 2020)

Statutory Auditor

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

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 Agent

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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Plant Location

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

31st ANNUAL GENERAL MEETING

Day : Friday
Date : 24th September, 2021.
Time : 11.30 a.m.
Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM)



NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of VIP Clothing Limited will be held on **Friday, 24th day of September, 2021 at 11.30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), 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, 2021 and the Reports of the Directors and Auditors thereon.

2. Appointment of Director

To appoint a Director in place of Mr. Sunil J. Pathare (DIN: 00192182), 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Appointment of Statutory Auditor of the Company:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. MSKA & Associates, Chartered Accountants, Firm Registration No. 105047W, be and are hereby appointed as Statutory Auditors of the Company for a term of five years from the conclusion of the 31st Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting on such remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditors”.

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

Sd/-

Sunil J. Pathare

Chairman & Managing Director
(DIN: 00192182)

Place: Mumbai

Date: August 10, 2021

NOTES:

I. GENERAL INFORMATION

- In view of the outbreak of COVID-19 Pandemic, the **Ministry of Corporate Affairs ('MCA')** has vide its Circular No.20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (hereinafter referred as (“MCA Circulars”) and other applicable circulars issued by Securities and Exchange of Board of India (SEBI), permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (as amended) ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- In accordance with, the Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 17, 2021 to Friday, September 24, 2021. (both days inclusive)
- Link Intime India Private Limited (“LIPL”) will be providing facility for voting through remote e-Voting, participation in the AGM through VC/OAVM facility and e-Voting during the AGM.
- Members are requested to note that, dividend, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, is 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 point no. 13(g) of Corporate Governance Report which is a part of this Annual Report.

8. SEBI has mandated the submission of Permanent Account Number (PAN) by every securities market participant. Members holding shares in electronic form are therefore requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to LIPL/Company.
9. Members holding shares in electronic form are requested to intimate immediately about any change in their Residential address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate any change of address or bank mandate immediately to the Company at its Registered Office or to our Registrar and Share Transfer Agent, Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400083.
10. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc., from the Company with their Depository Participants or with our Registrar and Share Transfer Agent, Link Intime India Private Limited.
11. Members desirous of obtaining any information concerning accounts of the Company are requested to address their queries to the Company at least Seven days prior the date of the meeting, through email investor.relations@viporg.com. The same will be replied accordingly.
12. Members may be aware, that the Equity Shares of the Company have been sub-divided from one equity shares of ₹10/- each to 5 equity shares of ₹ 2/- each, in terms of Resolution passed by the Members of the Company at the Extra Ordinary General Meeting of the Company held on February 1, 2006. The Members who are still holding their share certificate of ₹10/- each of the Company required to exchange the same with new equity shares of ₹ 2/- each by sending the same to the Company's Registrar & Transfer Agent, Link Intime India Private Limited, since the old Share Certificate of ₹10/- each are no longer tradable.
13. In case of joint holders attending the AGM, the Member whose name appears as the first shareholder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. The Notice of the 31st AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company namely www.vipclothing.in, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited namely www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intime India Private Limited namely <https://instavote.linkintime.co>.
15. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/ MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 read with SEBI circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cutoff date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.
Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
16. A brief profile of the Director retiring by rotation and proposed to be re-appointed at this AGM, nature of his expertise in specific functional areas, names of companies in which he holds directorship and Membership/Chairmanship of Board Committee(s), shareholding and relationship between Directors and Key Managerial Personnel as stipulated under Regulation 36 (3) of SEBI Listing Regulations are provided in Annexure to this Notice.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any changes in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. Section 72 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed forms which are available on the website of the Company "www.vipclothing.in" shareholders requested to avail this facility.

II. INSTRUCTIONS FOR ATTENDING THE AGM AND ELECTRONIC VOTING

A. GENERAL INFORMATION

1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), 2015 ("Listing Regulations"), the Company is pleased to provide members, the facility to exercise their vote at the 31st AGM by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system ("remote e-Voting") will be provided by Link Intime India Private Limited.
2. Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the a certified copy of the Board Resolution authorising their representative to attend the AGM through VC/OAVM on their behalf and vote through remote e-Voting at the Meeting.



3. Mr. Rakesh Sanghani or on failing of him Mr. Marmik Patel, Practising Company Secretary from M/s. RS & MP Associates (Unique Code No. P2017MH061400) has been appointed as the Scrutinizer to scrutinize the e-Voting in a fair and transparent manner.
4. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first count the votes cast during the meeting, thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
5. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.vipclothing.in and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
6. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
7. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
8. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

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

1. The remote e-Voting period commence on Tuesday, September 21, 2021 at 10.00 a.m. and ends on Thursday, September 23, 2021 at 5.00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the (Cut-off date) Friday, September 17, 2021 may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on resolution is casted by the Member, he shall not be allowed to change it subsequently.
2. The details of the process and manner for voting electronically are mentioned below:

E-Voting procedure/Instructions:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post Tuesday, September 21, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/Ideas DirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> ▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click “confirm” (Your password is now generated). 2. Click on ‘Login’ under ‘SHARE HOLDER’ tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. 4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). 7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Institutional shareholders:

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

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
- In case shareholders/ members are having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

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

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE AGM THROUGH INSTAMEET:

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**



VIP CLOTHING LIMITED

- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

INSTRUCTIONS FOR SHAREHOLDERS / MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING AGM:

Shareholders/ Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request mentioning their names, demat account number / folio number, email id, mobile number at investor.relations@viporg.com from Friday, September 17, 2021, 10.00 A.M. to Tuesday, September 21, 2021, 5.00 P.M.

Those shareholders / members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 31st AGM.

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

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

Place: Mumbai
Date: August 10, 2021



DISCLOSURE UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 3: Appointment of Statutory Auditor of the Company:

M/s Sharp & Tannan, Chartered Accountants were appointed as statutory Auditors of the Company for term of 5 (five) consecutive years i.e., till 31st Annual General Meeting of the Company. Accordingly they are completing their term on 31st Annual General Meeting of the Company.

Based on the recommendation of Audit Committee, the board of directors have approved the appointment of M/s. MSKA & Associates, Chartered Accountants, Firm Registration No. 105047W as Statutory Auditors of the Company. Further the Board has recommended the appointment of M/s. MSKA & Associates for a term of 5 (five) years from the conclusion of 31st Annual General Meeting until the conclusion of 36th Annual General Meeting for approval of Shareholders.

Proposed statutory audit fee payable to auditors	Up to ₹ 19.50 lakhs exclusive of GST and reimbursement of statutory audit fees for the period ending 31 March, 2022 as may be decided by the Board of Directors including any committee thereof.
Terms of appointment	M/s. MSKA & Associates, Chartered Accountants are recommended for appointment as Statutory Auditors for a term of 5 (five) years from the conclusion of 31 st Annual General Meeting until the conclusion of 36 th Annual General Meeting for approval of Shareholders.
Material change in fee Payable	No material change in fee for the proposed auditors.
Basis of recommendation and auditor credentials	The recommendations are based on the fulfilment of the eligibility criteria prescribed by RBI guidelines and the Companies Act, 2013. MSKA & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India (ICAI) having Firm Registration No. 105047W. It has head office at Mumbai and 9 branches in Pune, Bengaluru, Hyderabad, Gurgaon, Kolkata, Goa, Kochi, Chennai and Ahmedabad. It provides Audit and Assurance, Tax and Consultancy Services.

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

Sd/-

Sunil J. Pathare

Chairman & Managing Director

(DIN: 00192182)

Place: Mumbai

Date: August 10, 2021

PROFILE OF DIRECTOR BEING RE-APPOINTED

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

Name of the Director	Mr. Sunil J. Pathare
Date of Birth/Age	July 17, 1971 / 50 Years
Qualification	He holds a Bachelor's degree in Commerce from University of Mumbai obtained in July, 1991.
Brief profile	Mr. Sunil J. Pathare joined the Company at 21 and headed the international business department of the Company and due to his endeavor we are now present in the more 15 countries. He is a visionary entrepreneur who conceived and idea of developing innerwear business in India and has extensive experience in Marketing, Production Operation, Sales, Finance and Advertising. He was the National Vice President of Foreign Trade Development (India) Association from 2003 to 2005. 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, Inside Fashion Brand Award VIP for excellence in Retail, Golden Trophy by CMAI- for best men's innerwear in 2006-07 and best women' innerwear in 2007-08, and also excellence in Advertising at 38 th all India award ABBY – 2005, also won Brand Slam award on 2013- October.
Expertise in specific functional area	Sales and Marketing, Finance and Administration of Business
Relationship with other Directors	Mr. Sunil Pathare is elder brother of Mr. Kapil Pathare.
Directorship held in other listed companies	NIL
Membership/ Chairmanship of Committees of other listed companies	NIL
No of shares held in the Company as on March 31, 2021	1,67,42,008



VIP CLOTHING LIMITED

DIRECTORS' REPORT

To,
THE MEMBERS
VIP CLOTHING LIMITED

The Directors of your Company are pleased to present, the 31st Annual Report, on the working and the progress of the Company, along with audited financial statement of the Company for the financial year ended on March 31, 2021 and Report of the Auditors thereon.

1. FINANCIAL RESULTS

(₹ in Lakhs)

	Current Year Ended March 31, 2021	Previous Year Ended March 31, 2020
Revenue from Operations	14,305.23	17,276.41
Other Income	206.61	277.21
Profit before Interest & finance charge, Depreciation & Income Tax	504.02	(1,295.73)
Interest & Finance charges	(1,090.38)	(1,038.21)
Depreciation	(392.96)	(424.05)
Profit/(Loss) Before Tax (Before Exceptional Income)	(979.32)	(2,757.99)
Exceptional (Loss)/Income	-	-
Profit/(Loss) Before Tax after Exceptional (loss)/income	(979.32)	(2,757.99)
(Income Tax)		
Provision for Income tax Expense for prior periods	-	-
Deferred Tax	(874.77)	(1,262.95)
Profit/(Loss) from continuing operations	(104.55)	(1,495.04)
Profit/(Loss) from discontinued operations	-	-
Profits/(Loss) for the year	(104.55)	(1,495.04)
Other Comprehensive income (net of tax)	2.35	(10.70)
Total Comprehensive Income attributable to owners of the Company	(102.22)	(1,505.74)
Profit Brought forward	(317.21)	1,202.72
Deletion for the year on account of transition – INDAS-116	-	14.19
Profit available for appropriation	(419.41)	(317.21)
Appropriation		
Dividend and Tax on dividend	-	-
Closing balance in retain earnings	(419.41)	(317.21)

2. OPERATIONS

Revenue from operations for the financial year 2020-21 stood to ₹143.05 Crores as against ₹172.76 Crores in the previous financial year 2019-20. There was a decrease in the revenue by 17.20% as compared to the previous year. This is mainly due to on-going COVID-19 pandemic.

The Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) during the current year stood around 3.52% as against the (7.50%) in the previous year.

The Net loss for the financial year 2020-21, stood around ₹1.02 Crores as against the Net Loss of ₹15.06 Crores in the previous financial year 2019-20.

3. IMPACT OF COVID – 19

Due to COVID-19 pandemic, the operations of the Company were impacted, as the Government of India announced nationwide lockdown. In order to ensure smooth functioning of operations, the Company is adhering the guidelines and direction issued by State and Central Government including the local administrative authority for maintaining the health and safety norms across all including physical distancing, compulsory use of face mask and hand sanitization etc. The Company is closely monitoring the emerging situation arising out of COVID-19 and subsequent restrictions imposed by the regulatory authorities. The operations of the Company are being resumed in graded manner in compliance with the guidelines issued by Central and State Governments to prevent spread of COVID-19 and in order to ensure the safety and well-being of employees, workers and all stakeholders of the Company.

4. DIVIDEND

Due to loss in the financial year 2020-21, the Board has not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2021.

5. 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.



6. SHARE CAPITAL

During the year under review there is no change in share capital of the Company.

7. SUBSIDIARY

The Company does not have any Subsidiary Company.

8. FIXED DEPOSIT

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

9. CORPORATE GOVERNANCE

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

10. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 as on March 31, 2021, as per required under Section 92 of the Companies Act, 2013, have been appended as Annexure – A to this Report.

11. NUMBER OF MEETING OF THE BOARD

The Board of Directors met 5 (Five) times during the financial year 2020-21. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

12. 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 is made available on the website of the Company (www.vipclothing.in). The Audit Committee oversees the Vigil Mechanism.

13. 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.

14. 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 framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

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 were not attracted. The policy is available on the website of the Company 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. Therefore, there is no requirement to report any transaction in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

15. 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.

16. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

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

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

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

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

The Company has constituted Internal Complaints Committee (ICC).

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

18. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts of the Company for the financial year ended on March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2021 and of the loss of the Company for the year ended on March 31, 2021;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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;
- 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

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

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

20. 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. up to conclusion of Thirty First Annual General Meeting. Accordingly, the Auditors have given the audit report for the year ended on March 31, 2021.

The said Auditors' Report does not contain any qualifications, reservations or adverse remarks and has not reported any fraud under Section 143(12) of the Companies Act, 2013.

21. COST RECORD AND COST AUDIT

There has been no notification till date, covering our industry for the purpose of maintenance of Cost Accounting Records and Cost Audit for the financial year 2020-21.

22. 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 for the financial year ended on March 31, 2021 is appended as Annexure – C to this Report. There are no qualifications, reservations or adverse remarks in the report.

23. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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. Sunil J. Pathare would retire by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment.

Key Managerial Personnel

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

- Mr. Sunil J. Pathare - Chairman & Managing Director
- Mr. Kapil J. Pathare – Whole-time Director
- Mr. Devendra Vyas - Chief Financial Officer (w.e.f. 13th August, 2020)
- Mr. Devendra Vyas - Chief Finance Controller (till 13th August, 2020)
- Mrs. Archana Mungunti - Company Secretary & Compliance officer (w.e.f. 02nd September, 2020)
- Mr. Ashish Mandaliya - Chief Financial Officer & Company Secretary (till 15th May, 2020)



24. BOARD INDEPENDENCE

The Board of the Company as on March 31, 2021 consisted of 6 (Six) Directors out of which 4 (Four) are Independent Directors and 2 (Two) are Executive Directors.

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

25. PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017, the Board carried out an annual evaluation of performance of its own and its Committees and the Directors individually. At the meeting of Independent Directors held on February 11, 2021 and as per the criteria specified by SEBI all the relevant factors for evaluating the performance of the Committees and of the Board was discussed.

26. 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.

27. FAMILIARISATION PROGRAMMES FOR DIRECTORS

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

28. 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.

The information required under Section 197(12) of the Companies Act, 2013 read with Sub Rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended on March 31, 2021 is given in a separate Annexure - E to this Report.

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

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

The Business Responsibility Reporting as required by Regulation 34(2)(f) of Chapter IV of SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending on March 31, 2021.

29. CREDIT RATING

The Credit Rating rationale as on July 21, 2020, CRISIL has affirmed the following rating with respect to the Credit Bank Facilities availed by the Company as follows;

Total Bank Loan Facilities Rated	₹ 123.4 Crores
Long Term Rating	CRISIL BB Negative - (Downgraded from CRISIL BB+/Negative)
Short Term Rating	CRISIL A4+(Reaffirmed)

30. LISTING

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

31. ACKNOWLEDGEMENT

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

32. 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

Sd/-

Sunil J. Pathare

Chairman & Managing Director

(DIN: 00192182)

Place: Mumbai

Date: August 10, 2021



ANNEXURE - A

MGT – 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2021

(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
4	Category/ Sub-Category of the Company	Company limited by Shares/Indian Non-government Company
5	Address of the Registered Office & Contact Details	C-6, Road No.22, MIDC, Andheri (East), Mumbai – 400 093, Maharashtra, Tel : 022-28257624/27/33, 40209000, Email: investor.relations@viporg.com Website: www.vipclothing.in
6	Whether listed company	Yes
7	Name, Address & Contact details of the Registrar & Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083 Tel : +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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	43502574	-	43502574	52.67	43791374	-	43791374	53.02	0.35
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
i) Body Corporate	-	-	-	-	30000	-	30000	0.03	0.03
Subtotal (A)(1) :	43502574	-	43502574	52.67	43821374	-	43821374	53.05	0.38



VIP CLOTHING LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	43502574	-	43502574	52.67	43821374	-	43821374	53.05	0.38
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	358262	-	358262	0.44	222026	-	222026	0.27	(0.17)
f) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :-	359137	-	359137	0.44	222901	-	222901	0.27	(0.17)
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	17378842	540814	17919656	21.70	16911578	512619	17424197	21.10	(0.60)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	4392757	341250	4734007	5.73	5186456	341250	5527706	6.69	0.96
b) NBFCs registered with RBI	175000	-	175000	0.21	-	-	-	-	(0.21)
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
i) Trusts	500	-	500	-	500	-	500	-	-
ii) Hindu Undivided Family	1445502	-	1445502	1.75	1552571	-	1552571	1.88	0.13
iii) Non Resident Indians (Non Repat)	234562	-	234562	0.28	200741	-	200741	0.24	(0.04)
iv) Non Resident Indians (Repat)	444200	1750	445950	0.54	275546	1750	277296	0.34	(0.20)
v) Clearing Member	203302	-	203302	0.25	6340656	-	6340656	7.68	7.43
vi) Bodies Corporate	12790353	345186	13135539	15.90	6409083	82687	6491770	7.86	(8.04)
vii) IEPF	440790	-	440790	0.53	736807	-	736807	0.89	0.36
Sub-total (B)(3) :	37505808	1229000	38734808	46.89	37613938	938306	38552244	46.71	(0.18)
Total shareholding of Promoter (B)=(B)(1)+(B)(2)+(B)(3)	37864945	1229000	39093945	47.33	37836839	938306	38775145	46.95	(0.38)
Total (A+B)	81367519	1229000	82596519	100.00	81658213	938306	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)	81367519	1229000	82596519	100.00	81658213	938306	82596519	100.00	-

ii) Shareholding of Promoters (including Promoter Group)

Sr No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	1,67,42,008	20.27	-	1,67,42,008	20.27	-	-
2	Kapil Jaykumar Pathare	1,48,15,548	17.94	-	1,48,15,548	17.94	-	-
3	Jaykumar Khanderao Pathare*	1,15,500	0.14	-	1,15,500	0.14	-	-
4	Lalita Jaykumar Pathare	1,03,07,937	12.48	-	1,03,07,937	12.48	-	-
5	Heena Sunil Pathare	8,34,443	1.01	-	8,34,443	1.01	-	-
6	Ashwini Kapil Pathare	6,87,138	0.83	-	6,87,138	0.83	-	-
7	Kanishk Sunil Pathare**	-	-	-	2,88,800	0.35	-	0.35
8	Maxwell Capital Management Private Limited***	-	-	-	30,000	0.03	-	0.03
	Total	4,35,02,574	52.67	-	4,38,21,374	53.05	-	0.38

*Transmission of Shares held by Late Shri Jaykumar Pathare is under process.

**Mr. Kanishk Sunil Pathare (son of Mr. Sunil Pathare) becomes the Person Acting in Concert/Promoter Group w.e.f. August 19, 2020.

*** Maxwell Capital Management Private Limited becomes the Promoter Group Company w.e.f. March 05, 2021.

iii) Changes in promoters' shareholding (including Promoter Group)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	16742008	20.27	16742008	20.27
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			16742008	20.27
2	KAPIL JAYKUMAR PATHARE				
	At the beginning of the year	14815548	17.94	14815548	17.94
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			14815548	17.94
3	LALITA JAYKUMAR PATHARE				
	At the beginning of the year	10307937	12.48	10307937	12.48
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			10307937	12.48
4	HEENA SUNIL PATHARE				
	At the beginning of the year	834443	1.01	834443	1.01
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			834443	1.01
5	ASHWINI KAPIL PATHARE				
	At the beginning of the year	687138	0.83	687138	0.83
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			687138	0.83

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6	KANISHK SUNIL PATHARE				
	At the beginning of the year	0	0.00	0	0.00
	19.08.2020	55447	0.06	55447	0.06
	20.08.2020	89359	0.11	144806	0.17
	21.08.2020	58068	0.07	202874	0.24
	24.08.2020	35000	0.04	237874	0.28
	25.08.2020	925	0.00	238799	0.28
	26.08.2020	4000	0.01	242799	0.29
	12.10.2020	23000	0.03	265799	0.32
	14.10.2020	10000	0.01	275799	0.33
	08.03.2021	13001	0.02	288800	0.35
	At the end of the year			288800	0.35
7	JAYKUMAR KHANDERAO PATHARE				
	At the beginning of the year	115500	0.14	115500	0.14
	Transfer	0.00	0.00	0.00	0.00
	At the end of the year			115500	0.14
8	MAXWELL CAPITAL MANAGEMENT PRIVATE LIMITED				
	At the beginning of the year	0	0.00	0	0.00
	05.03.2021	30000	0.03	30000	0.03
	At the end of the year			30000	0.03

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

Sr No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	EDELWEISS BROKING LIMITED				
	At the beginning of the year	561	0.00		
	03.04.2020	(139)	(0.00)	422	0.00
	10.04.2020	(11)	(0.00)	411	0.00
	17.04.2020	100	0.00	511	0.00
	24.04.2020	3051	0.00	3562	0.00
	01.05.2020	(3151)	(0.00)	411	0.00
	08.05.2020	650	0.00	1061	0.00
	15.05.2020	(150)	(0.00)	911	0.00
	22.05.2020	6240	0.01	7151	0.01
	29.05.2020	(6740)	(0.01)	411	0.00
	05.06.2020	280	0.00	691	0.00
	12.06.2020	1900	0.00	2591	0.00
	19.06.2020	42493	0.05	45084	0.05
	26.06.2020	(34543)	(0.04)	10541	0.01
	30.06.2020	(940)	(0.00)	9601	0.01

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

Sr No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	03.07.2020	(9210)	(0.01)	391	0.00
	17.07.2020	37406	0.05	37797	0.05
	24.07.2020	(33340)	(0.04)	4457	0.01
	31.07.2020	11634	0.01	16091	0.02
	07.08.2020	(15700)	(0.02)	391	0.00
	14.08.2020	7250	0.01	7641	0.01
	21.08.2020	(6950)	(0.01)	691	0.00
	28.08.2020	100	0.00	791	0.00
	04.09.2020	11320	0.01	12111	0.01
	11.09.2020	(11373)	(0.01)	738	0.00
	18.09.2020	(728)	(0.00)	10	0.00
	25.09.2020	20	0.00	30	0.00
	30.09.2020	519	0.00	549	0.00
	02.10.2020	(38)	(0.00)	511	0.00
	09.10.2020	9499	0.01	10010	0.01
	16.10.2020	(9960)	(0.01)	50	0.00
	23.10.2020	(40)	(0.00)	10	0.00
	30.10.2020	1000	0.00	1010	0.00
	06.11.2020	(1000)	(0.00)	10	0.00
	20.11.2020	4227	0.01	4237	0.01
	27.11.2020	(4212)	(0.01)	25	0.00
	11.12.2020	1125	0.00	1150	0.00
	18.12.2020	850	0.00	2000	0.00
	25.12.2020	38260	0.05	40260	0.05
	31.12.2020	(37624)	(0.05)	2636	0.00
	01.01.2021	834	0.00	3470	0.00
	08.01.2021	10334	0.01	13804	0.02
	15.01.2021	(7019)	(0.01)	6785	0.01
	22.01.2021	(4755)	(0.01)	2030	0.00
	29.01.2021	(1930)	(0.00)	100	0.00
	05.02.2021	900	0.00	1000	0.00
	12.02.2021	9500	0.01	10500	0.01
	19.02.2021	(10103)	(0.01)	397	0.00
	26.02.2021	903	0.00	1300	0.00
	05.03.2021	(1180)	(0.00)	120	0.00
	12.03.2021	4035	0.00	4155	0.01
	19.03.2021	(555)	(0.00)	3600	0.00
	26.03.2021	(3214)	(0.00)	386	0.00
	31.03.2021	6000064	7.26	6000450	7.26
	At the end of the year			6000450	7.26



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

Sr No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	VT CAPITAL MARKET PRIVATE LIMITED				
	At the beginning of the year	336809	0.41		
	10.07.2020	72511	0.00	409320	0.50
	04.12.2020	2485	0.00	411805	0.50
	11.12.2020	4	0.00	411809	0.50
	08.01.2021	(200000)	(0.24)	211809	0.26
	22.01.2021	32691	0.04	244500	0.30
	12.02.2021	41212	0.05	285712	0.35
	19.02.2021	76097	0.09	361809	0.44
	26.03.2021	3491956	4.23	3853765	4.67
	At the end of the year			3853765	4.67
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year	440790	0.53		
	25.12.2020	296017	0.36	736807	0.89
At the end of the year			736807	0.89	
4	JOHAR H ZOJWALLA				
	At the beginning of the year	664372	0.80		
	18.12.2020	5000	0.01	669372	0.81
At the end of the year			669372	0.81	
5	RVB ENTERPRISES LLP				
	At the beginning of the year	500000	0.61		
At the end of the year			500000	0.61	
6	ANVIL FINTRADE PVT LTD				
	At the beginning of the year	500000	0.61		
At the end of the year			500000	0.61	
7	TASNEEM JOHAR ZOJWALLA				
	At the beginning of the year	384975	0.47		
At the end of the year			384975	0.47	
8	PREMIER INVESTMENT FUND LIMITED				
	At the beginning of the year	222026	0.27		
At the end of the year			222026	0.27	
9	SAURABH JAIN				
	At the beginning of the year	100000	0.12		
	19.06.2020	7	0.00	100007	0.12
	26.06.2020	20193	0.03	120200	0.15
	24.07.2020	25926	0.03	146126	0.18
	04.09.2020	10000	0.01	156126	0.19
	11.09.2020	11000	0.01	167126	0.20
	18.09.2020	18000	0.00	185126	0.20
25.09.2020	10000	0.04	195126	0.24	

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

Sr No.	For each of the Top 10 Shareholders Name & Type of Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	16.10.2020	10000	0.01	205126	0.25
	15.01.2021	(5126)	(0.01)	200000	0.24
	22.01.2021	9000	0.01	209000	0.25
	19.02.2021	300	0.00	209300	0.25
	At the end of the year			209300	0.25
10	VIJAYKUMAR MANGTURAM KHEMANI				
	At the beginning of the year	206669	0.25		
	At the end of the year			206669	0.25

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	16742008	20.27	16742008	20.27
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			16742008	20.27
2	Kapil J. Pathare				
	At the beginning of the year	14815548	17.94	14815548	17.94
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			14815548	17.94

Note:

- 1) There are no shares held by the Key Managerial Personnel excluding Mr. Sunil J. Pathare and Mr. Kapil J. Pathare.
- 2) Paid up No. of Equity Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 8,25,96,519 Equity Shares.



VIP CLOTHING LIMITED

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,879.50	-	-	7,879.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,879.50	-	-	7,879.50
Change in Indebtedness during the financial year				
*(Addition/Reduction)	1000.02	-	-	1000.02
Net Change	1000.02	-	-	1000.02
Indebtedness at the end of the financial year				
i) Principal Amount	8,879.52	-	-	8,879.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,879.52	-	-	8,879.52

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 J. Pathare	Kapil J. Pathare	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61.52	50.75	112.27
	b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	15.03	13.21	28.24
	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)	76.55	63.96	140.51
	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 Directors :

(₹ in Lakhs)

Sr No	Particulars of Remuneration	Name of Director				Total Amount
		Gopal Sehjpal	Chetan Sheth	Robin Banerjee	Meher Castelino	
1.	Independent Directors					
	* Fees for attending board committee meeting	1.20	1.20	1.20	1.20	4.80
	* Commission	-	-	-	-	-
	* Others, please specify	-	-	-	-	-
	Total (1)	1.20	1.20	1.20	1.20	4.80
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	1.20	1.20	4.80
	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)					145.31
	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
		CFO & Company Secretary	Chief Finance Officer	Company Secretary	
		Ashish Mandaliya	Devendra Vyas	Archana Mungunti	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.36	24.87	4.47	32.70
	b) Value of perquisites u/s. 17(2) Income-tax Act, 1961	1.31	10.98	0.08	12.37
	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)	4.67	35.85	4.55	45.07

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.

For and on behalf of the Board

Sd/-

Sunil J. Pathare

Chairman & Managing Director
(DIN 00192182)

Place: Mumbai
Date : August 10, 2021



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 had undertaken projects in the areas of sanitation and environment sustainability. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

Due to losses in the past years, Company had not spent on CSR activities. The Company is committed to spend on CSR.

2. **Composition of CSR Committee:**

The Company has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The 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 (2018-2020):** ₹ (816.58) Lakhs.
4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2018-2020):** The Company is required to spend Nil amount towards CSR due to losses in past.
5. **Details of CSR amount spent during the financial year (2020-21):**
 (a) Total amount to be spent for the financial year : Nil
 (b) Amount spent : Nil
 (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 were 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
I)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

For VIP Clothing Limited

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

Sd/-

Sd/-

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

Sunil J. Pathare
 Chairman of the Corporate Social Responsibility Committee

Place: Mumbai
 Date : August 10, 2021



ANNEXURE - C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VIP CLOTHING LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided 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 made available to us electronically in view of prevailing circumstances due to outbreak of pandemic COVID-19 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, 2021** 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, 2021 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; - **Not applicable to the Company for the financial year under review**
 - 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 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 have also examined compliance with the applicable clauses of the Secretarial Standard – 1 and Secretarial Standard – 2 as issued by The Institute of Company Secretaries of India.

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

During the F.Y. 2020-21, we observed that –

- i). The Company had submitted outcome of the Board Meeting dated: August 13, 2020 to National Stock Exchange of India approx. five minutes beyond the time limit as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii). The National Stock Exchange of India had, on August 14, 2020, sought clarification from the Company on the outcome submitted on August 13, 2020 regarding appointment of Chief Financial Officer of the Company i.e. 'To provide brief profile' of the appointee.

The Company, in response to the above, submitted intimation to the National Stock Exchange of India & BSE Limited on September 10, 2020 under Regulation 30 for appointment of Company Secretary and Chief Financial Officer along with brief profile of the appointees.

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 no instances of:

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

Place: Mumbai
Date: August 10, 2021

Rakesh Sanghani
Practising Company Secretary
FCS No. 7647
C P No.: 6302
UDIN:F007647C000761422

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 10, 2021

Rakesh Sanghani
Practising Company Secretary
FCS No. 7647
C P No.: 6302
UDIN:F007647C000761422



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

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

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

	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Units Consumed (In Lakhs)	5.72	9.20
Units Consumed per kg. of Production	0.81	0.57

Due to decrease in production, there was marginal increase in unit consumed per Kg of production.

B. TECHNOLOGY ABSORPTION

Efforts are made in technology absorption (to the extent applicable) :

I. Research & Development and Quality Control

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

1.1 Improving operational efficiency:

- The Company has continued to maintain the state of art machinery at its both stitching unit 9 for its fabric laying and automatic fabric cutting. This will have reduction in wastage and optimise the consumption of fabric.
- Continuous monitoring to avoid wastage of fabric and other accessories and optimize the manufacturing operations at the stitching floor on the basis of time and motion study.
- Modification of specification in the field of Raw Material and Packing Material to further improve the quality of our end product.
- Due to Quality Control inspection at all manufacturing unit, resulted in improvised quality of end product.
- Improved the supply chain.

1.2 New product and packing development and way forward:

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

II. Technology absorption, adaptation and innovation:

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

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

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

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

C. FOREIGN EXCHANGE EARNING AND OUTGOING

The Company has earned ₹1155.76 lakhs (Previous year ₹1419.40 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹93.60 lakhs (Previous year ₹120.90 lakhs).

For and on behalf of the Board

Sd/-

Sunil J. Pathare

Chairman & Managing Director
(DIN: 00192182)

Place: Mumbai
Date: August 10, 2021



ANNEXURE - E

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

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2020-21.**

The ratio of the remuneration between:-

Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees
Mr. Sunil J. Pathare	26.86
Mr. Kapil J. Pathare	22.44
Mr. Robin Banerjee	0.42
Mr. Chetan Sheth	0.42
Mr. Gopal Sehjpal	0.42
Mrs. Meher Castelino	0.42

(Remuneration includes sitting fees paid to Independent Directors)

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

Directors : Mr. Sunil Pathare : (15)% and Mr. Kapil Pathare : (15)%, Chief Financial Officer: (10)% and Company Secretary :N.A.

3. **The percentage increase/decrease in the median remuneration of employees in the Financial Year:-**

FY 2020-21: (8.71)%

4. **The number of permanent employees on the rolls of Company:-**

352 Employees + 771 Workers (they are covered under Payment of Wages Act) – As on March 31, 2021.

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

Average percentage increase:-

FY : April 2020 - March 2021

M6 & above (Managerial Level) total rise in CTC: (7.25)%

E1 & Below total rise in CTC: (3.62)%

6. **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:-**

NIL

7. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:-**

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

For and on behalf of the Board

Sd/-

Sunil J. Pathare

Chairman & Managing Director
(DIN: 00192182)

Place: Mumbai
Date: August 10, 2021

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

Top ten employees in terms of remuneration the Financial Year 2020-21:-

Name	Sunil Pathare	Kapil Pathare	Bhushan Patel	Devendra Vyas	Prashant Mulki	Amit Mhatre	Manmeet Bhasin	Sunny Thukral	Parag Limaye	T Promod Reddy
Designation	Chairman & Managing Director	Whole-time Director	Business Head - Sales (SBU-VIP)	Chief Finance Controller	Business Head - Sales (SBU-FLG)	Business Head - Sales (SBU-FRN)	National Sales Manager - Modern Trade, Retail & E-Commerce & CSD	Head- Sourcing (Accessories, Packaging) & Logistics	Dy. General Manager - PP & MM	Dy. General Manager - Operations
Remuneration Received during F.Y. 2020-21 (in lakhs)	76.55	63.96	43.29	35.85	34.19	35.14	20.95	17.3	14.77	14.06
Name of employment, whether contractual or otherwise	Appointed for period of 3 years, liable to retire by rotation	Appointed for period of 3 years, liable to retire by rotation	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Nature of duties	Overall administration	Overall administration	Sales	Accounts & taxation	Sales	Sales	Modern Trade, Retail & E-Commerce	Sourcing (Accessories, Packaging) & Logistics	PPC & Materials Mgmt function & Production Systems.	Operations in Thingalur Factory
Qualification	Boom	Boom, MBA	Boom, MBA	Mcom ,CA	BA	Boom	Boom	Boom	BE	Boom
Experience	Nearly three decades of extensive experience in Production , Marketing , Operations, Sales, Finance.	Nearly three decades of extensive experience in Operations , Quality Assurance & general Business administration.	More than two decades of experience in the field of Sales	Nearly two decades of experience in the field of Costing , Accounting , MIS & Audit.	Nearly three decades of experience in the field of Sales.	More than two decades of experience in the field of Sales.	More than two decades of experience in the field of Institutional Sales.	Nearly two decades of experience in the field of Sourcing, Merchandising of accessories.	More than three decades of experience in the field of PPC & Materials Mgmt function & Production.	More than two decades of experience in the field of Manufacturing & Operations.
Age (in years)	50	41	48	45	55	47	48	39	53	50
Last Employment	-	-	Page Garments Export Pvt Ltd	Kanchan International Ltd	Best Seller Retail Ltd	Daiki Brands Pvt . India Pvt Ltd	MSH - Sarees Pvt Ltd	Shop C.J (Star C.J) Networks India Limited	-	-
Date of Commencement of Employment	01.01.1992	31.10.2002	23.08.2018	14.03.2012	05.04.2012	15.06.2016	02.05.2017	25.10.2017	05.01.1993	18.08.1994
No of Shares	1,67,42,008	1,48,15,548	-	-	-	-	-	-	-	-
% of Paid up Share Capital	20.27	17.94	-	-	-	-	-	-	-	-
Relationship with other Directors	Elder Brother of Kapil Pathare	Younger Brother of Sunil Pathare	-	-	-	-	-	-	-	-

**ANNEXURE - F**

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

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

I, in view of prevailing circumstances due to outbreak of Pandemic COVID-19, have electronically examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIP Clothing Limited**, having **CIN: L18101MH1991PLC059804** and having registered office at C-6, Road No.22, MIDC, Andheri (East), Mumbai – 400093 (hereinafter referred to as the 'Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers to me physically, to the extent possible, and electronically in view of prevailing circumstances due to outbreak of pandemic COVID-19, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Sunil Jaykumar Pathare	Chairman & Managing Director	00192182
2.	Mr. Kapil Jaykumar Pathare	Whole time Director	01089517
3.	Mr. Gopal Sehjpal	Independent Director	00175975
4.	Mr. Chetan Sheth	Independent Director	00202723
5.	Mr. Robin Banerjee	Independent Director	00008893
6.	Mrs. Meher Castelino	Independent Director	07121874

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

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

UDIN: F007647C000761389

Place: Mumbai
 Date: August 10, 2021



CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2021.

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company 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.

2. BOARD OF DIRECTORS

a. Governance Structure:

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

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

b. Change in Board of Directors:

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

c. Composition of Board:

As on 31st March 2021, the Board of Directors comprises of 6 (Six) Directors, out of which 2 (Two) are Promoter/Executive Directors and 4 (Four) are Non-Executive/Independent Directors including a Woman Director. The Non-executive Directors are eminent professionals, having considerable professional experience in their respective fields.

d. Board Meetings:

Five meetings of Board of Directors were held during the year ended 31st March, 2021. These were held on 28.04.2020, 27.06.2020, 13.08.2020, 12.11.2020 and 11.02.2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

Name of Directors and DIN	Category of Director	Directorships in other Indian Listed Companies (excluding VIP)	No. of Board Committees (excluding VIP)		No. of Board Meetings attended during the FY 2020-2021	Attendance at the last AGM held on 24.09.2020	Directorship in other listed entities (Category of Directorship)
			As Member	As Chairman			
Mr. Sunil J. Pathare DIN : 00192182	Promoter / Executive Director / Chairman & Managing Director	-	-	-	5	Yes	-
Mr. Kapil J. Pathare DIN : 01089517	Promoter / Executive Director / Whole-time Director	-	-	-	5	Yes	-

Name of Directors and DIN	Category of Director	Directorships in other Indian Listed Companies (excluding VIP)	No. of Board Committees (excluding VIP)		No. of Board Meetings attended during the FY 2020-2021	Attendance at the last AGM held on 24.09.2020	Directorship in other listed entities (Category of Directorship)
			As Member	As Chairman			
Mr. Gopal Sehjpal DIN :00175975	Independent Director	1	1	3	5	Yes	Lovable Lingerie Limited (Independent Director)
Mr. Chetan Sheth DIN : 00202723	Independent Director	-	-	-	5	Yes	-
Mr. Robin Banerjee DIN : 00008893	Independent Director	2	2	1	5	Yes	Caprihance India Limited (Managing Director) Rossari Biotech Limited (Independent Director)
Mrs. Meher Castelino DIN : 07121874	Independent Director	1	2	-	5	Yes	Rossari Biotech Limited (Independent Director)

f. Disclosure of relationships between directors inter-se:

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

g. Number of shares and convertible instruments held by non-executive directors:

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

h. Familiarisation programmes for Directors:

The details related to familiarization program for the Independent Directors are available on the website of the Company at www.vipclothing.in.

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

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

Core Skills / Expertise / Competencies of the Board:

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

j. Declaration of Independence given by Independent Directors:

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

3. AUDIT COMMITTEE:

a) Terms of Reference:

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

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

The Composition of Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year Audit Committee met 4 (Four) times on 27.06.2020, 13.08.2020, 12.11.2020 and 11.02.2021.

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

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Gopal Sehjpal	Chairman	Independent Director	4	4
Mr. Chetan Sheth	Member	Independent Director	4	4
Mr. Robin Banerjee	Member	Independent Director	4	4
Mr. Sunil J. Pathare	Member	Executive Director	4	4

Mrs. Archana Munguntii is Company Secretary to the Committee w.e.f. September 02, 2020.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Terms of Reference:

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

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

The composition of Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. During the financial year Nomination and Remuneration Committee met 3 (Three) times on 28.04.2020, 27.06.2020 and 13.08.2020.

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

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Chetan Sheth	Chairman	Independent Director	3	3
Mr. Gopal Sehjpal	Member	Independent Director	3	3
Mrs. Meher Castelino	Member	Independent Director	3	3
Mr. Robin Banerjee	Member	Independent Director	3	3

Mrs. Archana Mungunti is Company Secretary to the Committee w.e.f. September 02, 2020.

c) Performance evaluation criteria for Independent Directors

Performance evaluation of all directors (including Independent Directors) had been undertaken on the basis of guidance note issued by SEBI.

5. REMUNERATION OF DIRECTORS:

a) Criteria of making payment to non-executive directors:

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	Relationship with the company	Sitting Fees	Salary / Perquisites	Commission	Total
Mr. Sunil J. Pathare	Elder brother of Mr. Kapil J. Pathare	Promoter	-	76.55	-	76.55
Mr. Kapil J. Pathare	Younger brother of Mr. Sunil J. Pathare	Promoter	-	63.96	-	63.96
Mr. Gopal Sehjpal	None	Independent Director	1.20	-	-	1.20
Mr. Chetan Sheth	None	Independent Director	1.20	-	-	1.20
Mr. Robin Banerjee	None	Independent Director	1.20	-	-	1.20
Mrs. Meher Castelino	None	Independent Director	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(4) of the Listing Regulations.

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

The composition of Stakeholders Relationship Committee is in compliance with the requirement 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 27.06.2020, 13.08.2020, 12.11.2020 and 11.02.2021.

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

Mrs. Archana Mungunti is Company Secretary and Compliance officer to the Committee w.e.f. September 02, 2020.

c) Number of shareholders' complaints received so far:

During the financial year ended on March 31, 2021, No complaints were received from shareholders. The statement is as follows:

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

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Terms of Reference:

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

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

The Composition of the Committee is in compliance with the Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee met once during the last financial year on 11.02.2021. The details are as follows:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Sunil J. Pathare	Chairman	Executive Director	1	1
Mr. Kapil J. Pathare	Member	Executive Director	1	1
Mr. Chetan Sheth	Member	Independent Director	1	1
Mr. Gopal Sehjpal	Member	Independent Director	1	1
Mrs. Meher Castelino	Member	Independent Director	1	1

Mrs. Archana Mungunti, Company Secretary to the Committee w.e.f. September 02, 2020.

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. As per Regulation 21(5) of Listing Regulations, Risk Management Committee is not applicable to the Company.

Mrs. Archana Mungunti is Company Secretary to the Committee w.e.f. September 02, 2020.

9. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to the Code of Independent Directors under the Companies Act, 2013 and as per the requirement of Regulation 25 of the Listing Regulations, separate meeting of the Independent Director of the Company was held on February 11, 2021 to review the performance of the Board as whole, without presence of the Executive Directors or members of the Company. The attendance details as under:

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

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

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 such complaints were received by the Committee for any redressal.

11. GENERAL BODY MEETING:
i) General Meeting :
a) Annual General Meeting :

Details of last three Annual General Meetings as follows:

Financial Year	AGM	Venue	Date	Time	Special Resolution if passed
2019-20	30 th AGM	Through Video Conferencing / Other Audio Visual Means	September 24, 2020	11.30 a.m.	NIL
2018-19	29 th AGM	Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Andheri (East), Mumbai – 400 093	September 26, 2019	11.00 a.m.	1. Continuation of Directorship of Mrs. Meher Castelino. 2. Re-appointment of Mrs. Meher Castelino as an Independent Director of the Company for a second term.
2017-18	28 th AGM	Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Andheri (East), Mumbai – 400 093	September 26, 2018	11.00 a.m.	1. To Re-appoint Mr. Kapil J. Pathare (DIN 01089517) as a Whole-time Director for the period of Three (3) years, commencing from April 01, 2019. 2. To Re-appoint Mr. Sunil J. Pathare (DIN 00192182) as a Chairman & Managing Director for the period of Three (3) years, commencing from April 01, 2019. 3. To Re-appoint Mr. Robin Banerjee as an Independent Director of the Company for a second term. 4. To Re-appoint Mr. Gopal Sehjpal as an Independent Director of the Company for a second term. 5. To Re-appoint Mr. Chetan Sheth as an Independent Director of the Company for a second term.

b) Extraordinary General Meeting:

No extraordinary General Meeting was held during the financial year 2020-21.

ii) Postal Ballot:

No special resolution was required to be passed through postal ballot last year.

12. OTHER DISCLOSURE:

- i) 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 2020-21 were undertaken in compliance with the aforesaid regulatory provisions which is available on the website of the Company at www.vipclothing.in.
- ii) There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- iii) The Company is having the policy on materiality in relation to group companies which is available on the website of the Company at www.vipclothing.in.
- iv) The Company had not entered into any other transactions of material nature with its Promoters, Directors or the Management, their relatives etc., which may have potential conflict with the interests of the Company at large.
- v) Secretarial Audit was carried out by a qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is in 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, 2021.
- 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 2021-22 have been paid to the Stock Exchanges on which the shares of the Company are listed.
- x) The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI Regulations, and clauses (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the section on Corporate Governance of the annual report.
- xi) The Company has a Whistle Blower Policy to report genuine concerns or grievances. As per Regulation 46 of SEBI Listing Regulations, the Whistle Blower Policy has been posted on the website of the Company (www.vipclothing.in). The Audit Committee shall oversee the Vigil Mechanism. No director or employees of the Company has been denied access to audit committee.
- xii) The Company has complied with all the applicable Indian Accounting Standards.
- xiii) The Internal Auditors directly report to the Audit Committee.
- xiv) The Audit Report contains unmodified audit opinion.
- xv) Details of total fees paid to the Statutory Auditors of the Company are given in Note No. 30 Note (I); of this report.
- xvi) There were no shares lying in unclaimed suspense account under Regulation 39 and Schedule VI of Listing Regulations as on March 31, 2021.
- xvii) The Members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Chairman & Managing Director, on the compliance declaration received from all the members of the board.

xix) 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

13. MEANS OF COMMUNICATION:

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

- a) **Quarterly Results:** The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which includes business standard, English and Hindi edition and Sakal for Marathi edition. These results are submitted to the stock exchanges within the stipulated time. The quarterly results for the quarters of the financial year 2020-21 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, 2020	14.08.2020	14.08.2020
September 30, 2020	13.11.2020	13.11.2020
December 31, 2020	12.02.2021	12.02.2021
March 31, 2021	01.07.2021	01.07.2021

- b) **Website:** The Company's website www.vipclothing.in contains a separate section on 'Investor Relation' where shareholders information is available. Complete Annual Report is available on the website of the company. Apart from this official news, presentations etc. are also displayed time to time on the website of the company.
- c) **Presentations to institutional investors and analysts:** Details of presentation (if any) made to institutional investors or to the analysts are made available on the website of the Company at www.vipclothing.in
- d) **SEBI Complaint Redress System (SCORES):** SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI Website. The salient features of this system are centralized data base of all complaints, online uploading of Action Taken report (ATR) by the concerned companies and online viewing by investors of actions taken on the compliant and its current status.
- 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 corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, etc;.
- f) **Compliance under discretionary requirements under the Listing Regulations:**
- Shareholders Rights:** The quarterly financial results are uploaded on the website for the members of the Company at www.vipclothing.in.
 - Modified opinion(s) in audit report:** Companies financial statements are with unmodified audit opinion.
 - 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 is 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 by November 30, 2017. 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



VIP CLOTHING LIMITED

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting is proposed to be held on Friday, the 24th day of September, 2021 at 11.30 a.m. through Video Conferencing (VC) Other Audio Visual Means (OAVM).

- A) Financial Calendar : April 1, 2021 to March 31, 2022
 Quarterly Results : Results for quarter ended June 30, 2021- Second week of August, 2021
 Results for quarter ended September 30, 2021-Second week of November, 2021
 Results for quarter ended December 31, 2021-Second week of February, 2022
 Audited Results for year ended March 31, 2022 - May, 2022
- Annual Results : May, 2022
- B) Book Closure : 17/09/2021 to 24/09/2021 (Both days inclusive)
- C) Dividend Payment : -
- D) Registered office of Company : C-6, Road No. 22, MIDC, Andheri (East) Mumbai – 400 093.
- E) Registrar & Transfer Agent : Link Intime India Private Limited, C-101, 247 Park,
 L B S Marg, Vikhroli (West), Mumbai - 400 083
- F) Listing of Equity Share on Stock Exchanges : The BSE Limited (BSE)
 Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai- 400 001
- The National Stock Exchange of India Limited (NSE)
 Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
- G) Stock code : 532613 (BSE)
 VIPCLOTHNG (NSE)
- H) ISIN : INE450G01024
- I) Stock Market Data

Month	BSE Ltd. (BSE)		National Stock Exchange of India Limited (NSE)	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
April, 2020	6.97	4.35	6.70	4.20
May, 2020	6.06	5.13	6.25	5.25
June, 2020	10.14	5.51	10.15	5.30
July, 2020	9.59	5.80	9.60	5.80
August, 2020	10.22	6.00	10.20	6.05
September, 2020	12.56	8.51	12.45	8.55
October, 2020	10.30	8.45	10.25	8.55
November, 2020	10.95	8.40	10.95	8.30
December, 2020	13.20	10.30	13.20	10.20
January, 2021	18.45	12.86	18.30	12.80
February, 2021	15.75	13.30	15.80	13.30
March, 2021	17.15	13.07	16.75	13.00

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



Distribution of Shareholders as on March 31, 2021

Slab of no of Shareholding	No. of Share holders	% of Shareholders	No. of shares held	% of total shares held
1 - 500	15876	71.98	2547591	3.08
501 - 1000	2637	11.96	2176143	2.63
1001 - 2000	1649	7.48	2573171	3.12
2001 - 3000	567	2.57	1438994	1.74
3001 - 4000	270	1.22	976831	1.18
4001 - 5000	272	1.23	1290937	1.56
5001 - 10000	412	1.87	3093932	3.75
10001 - *****	372	1.69	68498920	82.93
Total	22055	100	82596519	100

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

Share price performance relative to BSE Sensex based on the share price on March 31, 2021.

Period	% Change in		
	VIP Share Price	BSE Sensex	VIP Relative to Sensex
Year on year	233.73	68.01	165.72
2 Years	(32.93)	28.02	(60.95)
3 Years	(74.93)	50.17	(125.10)
4 Years	(72.59)	67.14	(139.74)
5 Years	(68.33)	95.37	(163.70)
6 Years	(79.77)	77.09	(156.86)

Share price performance relative to Sensex based on the share price on March 31, 2021.

Period	% Change in		
	VIP Share Price	Nifty	VIP Relative to Nifty
Year on year	242.68	70.87	171.82
2 Years	(31.96)	26.97	(58.93)
3 Years	(74.59)	45.26	(119.85)
4 Years	(72.32)	60.14	(132.45)
5 Years	(68.00)	89.84	(157.84)
6 Years	(79.53)	73.01	(152.55)

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



J) Shareholding pattern as on March 31, 2021

Category	No. of Share held	% of total shares held
1. Indian Promoters & Person Acting in Concert	4,38,21,374	53.05
Sub-total	4,38,21,374	53.05
2.1 Mutual Funds & UTI	875	0.00
2.2 Foreign portfolio investors	2,22,026	0.27
Sub-total	2,22,901	0.27
3.1 Bodies Corporate	64,91,770	7.86
3.2 IEPF	7,36,807	0.89
3.3 Indian Public	2,29,51,903	27.79
3.4 Trust	500	0.00
3.5 NRIs. / NRNs.	4,78,037	0.58
3.6 Clearing Members	63,40,656	7.68
3.7 Hindu Undivided Family	15,52,571	1.88
Sub-total	3,85,82,244	46.68
Grand Total	8,25,96,519	100.00

K). Dematerialization of Shares:

About 98.86% of the shares of the Company have been dematerialized as on March 31, 2021. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialized their shares.

The equity shares of the Company are traded at BSE Limited and National Stock Exchange of India Limited.

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

No. of shares held in dematerialized and physical mode:

	No. of Shares	% of shares
Holding in dematerialized form	8,16,58,213	98.86
Holding in physical form	9,38,306	1.14
Total	8,25,96,519	100.00

The names and addresses of the Depositories are as under:

1. National Securities Depository Ltd.

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

2. Central Depository Services (India) Limited

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

L). Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrar and Transfer Agents of the Company. Investor 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.



VIP CLOTHING LIMITED

M) Plant Locations of VIP Clothing Limited:

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

N) Address for Investors Correspondence:

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

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

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

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

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

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2020-21. 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 2020-21.”

Place: Mumbai
Date: August 10, 2021

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



CEO & CFO CERTIFICATION

To
The Board of Directors
VIP Clothing Limited
Mumbai

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

I, Sunil Pathare, Chairman & Managing Director, of VIP Clothing Limited as per the Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, hereby certify that;

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 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.

Place: Mumbai
Date: August 10, 2021

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

Devendra Vays
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from M/s Sharp & Tannan, Chartered Accountants, 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 Annual Report.



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
Mumbai

Introduction

1. We have examined the compliance of conditions of Corporate Governance by VIP Clothing Limited (the Company), for the year ended on March 31, 2021, 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 as amended from time to time ("SEBI Listing Regulations"). This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's responsibility for compliance with the conditions of SEBI Listing Regulations

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 to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations, including preparation and maintenance of all relevant supporting records and documents.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Our responsibility was 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company for the year ended March 31, 2021.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") 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. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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

8. In our opinion and to the best of our information and according to explanations given to us, 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 SEBI Listing Regulations, as applicable during the year ended March 31, 2021.
9. 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

10. The certificate is addressed and provided to the members of the Company 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 & Tannan
Chartered Accountants
Firm's Registration No.109982W
By the hand of

Tirtharaj Khot
Partner

Place : Pune
Date : August 10, 2021

Membership No:(F) 037457
UDIN: 21037457AAAABL3728



MANAGEMENT DISCUSSION AND ANALYSIS

This report covers the operations and financial performance of the Company for the year ended 31st March, 2021 and forms part of the Annual Report.

A. OVERVIEW

The second wave of Covid-19 in India was four times worse than the first wave in terms of infections and deaths seen in the country. The second wave disrupted the already battered growth process from the first wave, it added. Due to this the overall profitability of the Company during the year under review has been adversely affected in all the business segments. At the end of the year the COVID 19 pandemic resulted in a strong growth shock, which is expected to result in medium-term demand slow-down, especially for the textile sector. As of now it is difficult to predict the timing and the nature of the bounce back in consumer demand.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

India's textiles industry goes back several centuries and is among the oldest industries in the country. The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the 2nd largest manufacturer and exporter in the world, after China.

Although F.Y. 2020-21 was a challenging year for the textile industry, it has been a learning year and taught us to conduct the business in a different manner. The Company growth was impacted adversely during the year due to the overall industry slowdown, but it continued to grow ahead of the market. The company progressed towards developing into a well-diversified multi-channel and multi-category business. The company offers competitive & innovative range across all product categories designed specifically for the tastes and preferences of its target consumers.

C. OPPORTUNITIES AND THREATS

The Company since long engaged in the manufacture and marketing of innerwear under brand name VIP, Frenchie, Feelings and Leader. In addition Company last year also launched a brand Brat with is specially for kids and is still looking forward for its development in kidswear. The Company has strong recall value of brand in the market with robust sales channel from distribution & wholesales to modern trade, institution, e-commerce and retail store sales channel to cater the needs of the consumer. The growth of innerwear segment, in India, can be attributed to the introduction of various international brands and other regional players. The evolution of branded innerwear is mainly rooted in urban India. Taking the opportunity of Pandemic period, the Company in FY 2020 launched Mask which was addition to the current products. Whereas in year 2021 company also launched Dhoti-Leisurewear as a new product.

Currently the biggest threat is next wave of COVID-19. This global pandemic has impacted overall consumer demand across Industries. It all depends how fast it can be controlled to help in boosting confidence and reducing uncertainties. Further abnormal increase in input cost and non-clarity on rates of export benefits are creating uncertainty among the manufacturers / exporters.

D. SEGMENT WISE PERFORMANCE

I. WOMEN'S INNERWEAR MARKET

The Indian innerwear market is primarily dominated by women's innerwear which accounts for 64 per cent of the total innerwear market and it accounts for 16 per cent of the total women's apparel market. Various product categories in women's innerwear are – brassieres, camisoles, panties, tees, nighties, shorts, etc. Brassieres and panties contribute 85 per cent of the total women's innerwear segment.

Women are conscious about the brands and styles for their intimate wear. The trend is not restricted to just metros but can be witnessed spreading in Tier I, II and III cities. This adoption of branded lingerie has led to influx of international and domestic innerwear brands. (source: Indian companies)

ii. MEN'S INNERWEAR MARKET

The men's innerwear market is currently valued at ₹ 11,000 Crore and is expected to grow at a CAGR of 7 per cent over the next decade to reach ₹ 21,800 Crore by 2028. It contributes 7 per cent of the total men's apparel market.

The market is dominated by a large number of small-scale players making ~60-65 per cent of the market fragmented and unorganised. However, the market segment is evolving gradually and moving towards organised retail. (source: Indian companies)

iii. KIDS INNERWEAR MARKET

The kids wear market is expected to grow at a CAGR of 8.5% in the next five years. With a booming kids population in India and owing to distinct factors like the growing trend of nuclear family system, increased spending on children, greater brand awareness among kids, and better focus on this segment by organized players, the kids wear industry is poised to grow in the coming years. (source: Indian companies) Market for kids' apparel is the fastest growing industry in India. Children's garments are available in various forms and designs. There is an excellent opportunity for the organised players to lay a strong foundation in this segment. Indian market is now moving towards an international look in terms of children's apparel.

A cursory analysis of the kids buying behaviour indicates that they are an independent customer group displaying considerable 'pester power' that they have inculcated and now seem to be exerting. Additionally, kids are highly self-conscious and can be

easily affected by peer pressure, at a very young age, and thus can be very demanding, often at the cost of the parent's peace of mind if not their pockets. (source: Indian textile journal)

E. GROWTH DRIVERS

The present market trends show an inclination amongst Indian consumers to spend more on innerwear, leading to aggressive growth of this category especially in premium and luxury price segments. The recent mode of retailing through online channels has permeated into the innerwear category as well giving it much exposure to the consumers.

It is evident that Indian innerwear industry has come a long way in last decade and perception of today's consumer towards innerwear has changed. The category is no more considered a basic necessity but a fashion indulgence which gives confidence and feel good factor.

- i. Growing Indian middle class- moving up ladder – Rising disposable income, economic growth and dual income households has led in the emergence of a middle class which is ready to spend and experiment with fashion and style. With more income to spend the middle class has become more brand conscious. This has led to higher value and volume.
- ii. Change from need driven to aspiration driven buying – The recent consumer trends show that price is not the most important criteria anymore for this segment. For evolving consumers, looking good has become an important aspect of life. Therefore, spending on apparel, personal care and grooming is on the rise. Occasion specific products like seamless bras, strapless bras, padded bras, bralettes, etc. are being sought. There has been a rising demand for functionality based women's innerwear like shapewear, tummy tuckers, etc. for women desiring a slimmer look; non-wired brassieres for woman facing comfort issues after prolonged use of wired ones; and sports bras suitable for physically active women.
- iii. Emergence of online retail channels – The emergence of online retail channels has bolstered sales of premium innerwear among the youth. The fashion conscious women residing in tier I, II cities with limited access to brick and mortar stores are most benefitted through the emergence of online retail in innerwear segment. It has been witnessed that women are the key buyers of innerwear available on online channels. (Source: Images of Business Fashion)

F. RISK AND CONCERNS

The Company is exposed to various types of risks associated with business of the Company, which will be internal as well as external risk. One of the key risks faced by the Company in today's scenario is the fluctuations in the price of raw material. Any increase in prices of raw materials could create a strain on the operating margins of the Company. We operate in a highly competitive market with competitors who may have better ability to spend more aggressively on advertisement and marketing and more flexibility to respond to changing business and economic conditions. Further, there are regional or smaller competitors who have certain advantages over us. An increase in the amount of competition that we face could have a material adverse effect on our market share and sales. The Company has in place risk management procedure to identify and evaluate the risk on a regular basis. The Company has the risk management committee, who brain-storm on the various risks associated with the Company. The details of risk committee have been mentioned in the Corporate Governance report.

G. INTERNAL CONTROL SYSTEM AND ADEQUACY

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

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

H. HUMAN RESOURCE & INDUSTRIAL RELATIONS

As on March 31, 2021 the Company had 1,123 people (Employees 352 + Workers 771) working directly and indirectly with the Company. The industrial relations in all units of the Company continue to be cordial. The skills, experience and passion of our people facilitate deeper customer understanding and engaging relationships and strengthen our brand value as a preferred employer. We continue to step up efforts to accelerate our value-based growth strategy and the overall development of human capital. We nurture our people by investing in their empowerment through learning and development, wellness and safety besides providing contemporary workplace facilities.

I. HEALTH, SAFETY AND SECURITY MEASURES

The Company accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants by conducting safety audits, risk assessments and periodic safety awareness campaigns and training to employees. We believe in good health of our employees.

Further, to prevent the spread of pandemic Covid 19., the Company has taken all precautionary measures required, such as use of masks and sanitizers, social distancing etc., at all its plants and construction sites as well as at office locations. Your Company is in full compliance of all Government directives issued in this behalf. The Company has always considered safety as one of its key focus areas and strives to make continuous improvement on this front.



J. HIGHLIGHTS OF COMPANY FINANCIAL PERFORMANCE

(₹ In Lakhs)

Particulars	2020-21	2019-20
Revenue from operation	14305.23	17276.41
Profit before Interest, Depreciation & Tax (excluding Other Income)	297.41	-1572.94
Less : Finance Cost	1090.38	1038.21
Less : Depreciation	392.96	424.05
Add : Other Income	206.61	277.21
Profit/(Loss) Before exceptional item and Tax	-979.32	-2757.99
Profit /(Loss) for the year (excluding OCI)	-104.55	-1495.04
Profit/(Loss) for the year (including OCI)	-102.23	-1505.74

Key Financial Ratio:

Particulars	2020-21	2019-20	Change (%)
Return on Net Worth (%)	-0.76%	-11.02%	93.13%
Return on Capital Employed (%)	-6.22%	-16.74%	62.88%
Basic EPS (after exceptional items) in ₹	-0.13	-1.81	92.82%
Debtors Turnover	2.63	3.17	17.14%
Inventory Turnover	1.21	1.37	11.44%
Interest Coverage Ratio	0.10	-1.66	106.15%
Current Ratio	1.44	1.50	4.11%
Debt Equity Ratio	0.66	0.58	-13.88%
Operating Profit Margin (%)	2.08%	-9.10%	122.84%
Net Profit Margin (%)	-0.73%	-8.65%	91.55%

Explanation on Key Financial Ratio:

The rapid spread of the Covid-19 pandemic across countries, including India, has not spared India's apparel sector either, adding to the woes of the player who have already experienced a rather challenging fiscal year 2021. Amid a subdued demand scenario in the domestic as well as the international markets, intensifying competition and lags witnessed in the clearance of export incentives, there was a drop in turnover and negative impact on profitability and financial ratios for FY21 as compared to FY20.

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

Sd/-
SUNIL J. PATHARE
Chairman & Managing Director
(DIN: 00192182)

Place: Mumbai
Date: August 10, 2021



INDEPENDENT AUDITOR'S REPORT

To the Members of VIP Clothing Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **VIP Clothing Limited**, (the 'Company'), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note No. 37 to the financial statements which indicate that the company has incurred a loss during the current year and also previous year. The Company has been reporting a reduction in its sales for the past few years and accordingly has also reported losses in these years. The events and conditions including but not limited to the economic and social consequences resulting due to an out-break of COVID 19 pandemic resulting in the current situation, is generally impacting Company's ability to maintain optimal levels of its operations, inventory and receivables. These events and conditions indicate that the company may encounter a situation of existence of an uncertainty that may impact its status of a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

- We draw attention to Note No.15 to the Financial Statements, which describes the current situation faced by the company with regard to input GST not being able to be fully utilized by the company due to lower output GST rate compared to input GST rates.

Our opinion is not modified in respect of this matter of emphasis.

- We draw attention to Note 2.4 to the Financial Statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter of emphasis.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. We have determined the matters described below to be the key audit matters and were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

1. Indirect tax liabilities – Recoveries from past periods and ongoing tax matters.
2. Impact of minimum item / product differentiation resulting in complexities in physical verification of inventories and reconciliation thereof with book balances.
3. Accounting for Expected Credit Loss on trade receivables.



Indirect tax liabilities – Recoveries from past periods and ongoing tax matters

Description of Key Matter:

As at March 31, 2021, the Company has unsettled and disputed indirect tax positions amounting to ₹ 1,010.94 lacs on account of erstwhile Sales tax within the State of Tamilnadu and Delhi. Also, other current assets in the financial statements include recoveries amounting to ₹ 416.76 lacs from State of Tamilnadu. The disposal of these items involves significant judgment to determine the possible outcome and its timing thereof.

Description of Auditor response:

We obtained information from the Company of demands and notices received by it during the financial year 2020-21 with respect to the pending matters. We reviewed the processes and controls in place over tax assessments including follow ups, demands / refunds through discussions with the management's internal experts and reviewed the communications with those charged with governance pertaining to this issue. We sought guidance from our tax team to evaluate the status as explained by the Company's internal expert and the possible outcome of these demands and status of refund claims, especially in the given situation of frequent change in the countrywide regulatory environment some of them being substantial in nature like change from VAT/Sales Tax regime to Goods and Service Tax. Assessed whether the Company's disclosures in Note No 35 to the standalone financial statements, the Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances.

Impact of minimum item / product differentiation resulting in complexities in physical verification of inventories and reconciliation thereof with book balances

Description of Key Matter:

As at March 31, 2021 the Company reported a total inventory of ₹ 7,668.41 Lacs consisting of ₹ 2,843.12 Lacs of raw materials, ₹ 1,579.33 Lacs of stock in process and ₹ 3,245.96 Lacs representing its finished goods. The Company has two manufacturing units and the management has carried out a physical verification at both the units and we observed difficulties in identifying correct stock items that gave rise to some differences when compared with book balances. The Company is in the business of manufacture and sale of undergarments for both gents and ladies. Due to its nature of business, the Company is required to manufacture and maintain a desired inventory levels to cater to market, products in various sizes, shapes and colors and each of these have to be at least in four of its popular brands, among others. Inherently, there is minimum product differentiation between items held as inventories. The Company also gets some of its products manufactured from subcontractors. Considering the multiple product range and multiple production arrangements coupled with minimum product differentiation, the process of arranging, stocking, counting and subsequent reconciliation of these individual items of raw material and finished product with book records is a complex and time-consuming process. Additionally, the Company also carries out manufacturing activities on behalf of other manufacturers. The situation for physical count was further accentuated due to lockdowns and distancing requirements resulting due to outbreak of COVID-19 pandemic. In view of above, this was a key audit matter in the context of our audit.

Description of Auditor response:

We carried out comparatives of inventory levels for certain past periods with a view to ascertain any unreasonable accumulations in inventory levels. Reviewed and compared the inventory levels submitted to other agencies like Company bankers with a view to confirm inventory levels reported and discussed with the management on the observation, if any, made by such agencies on their in specific relation. We further obtained an understanding and evaluated the designed and controls in relation to inventory.

Accounting for Expected Credit Loss on trade receivables

Description of Key Matter:

Management has considered estimates in computing the expected credit losses after considering credit history of customers and current market realities.

Description of Auditor response:

We have performed audit procedures that included management discussions on Company's understanding in relation to the adoption of the standard and installing a process of its implementation. We reviewed the past data, customer history and assumptions arising therefrom in deciding and computing loss rate for different ageing buckets identified by the management. We also reviewed the application of any specific provision for customers which was necessary in the given circumstances. With respect to forward looking assumption and matters considered by the Company, keeping in relevance the impact due to COVID-19 pandemic outbreak, held discussions with the management and corroborated the assumption using both internal and externally available information on attest basis.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report including any annexures thereto, Corporate Governance Report and Management Discussion and Analysis, but does not include the Standalone Financial Statements and our auditor's report thereon.

These reports are expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read these reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable as per applicable laws and regulations.

Other Matter

Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes carried out post lockdown were based on the remote access and evidence shared digitally.

Our opinion is not modified in respect of these other matters.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, where applicable and unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government 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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
 - (g) with respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - (Refer Note 35 to the standalone financial statements);
 - (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education protection fund by the Company.

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

Tirtharaj Khot
Partner

Place: Pune
Date : 30 June, 2021

Membership No:(F) 037457
UDIN: 21037457AAAABL3728

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company has closed down one of its manufacturing facilities and has dismantled and moved the assets to its another manufacturing location. These amendments to the fixed asset records are under compilation.
- (b) The Company has a program of a verification of fixed assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Given the restrictions imposed by authorities due to an out-break of COVID-19 pandemic we have been informed that the programmed verification plan could only be partially executed.
- (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.
- (ii) We have been informed that the Company has a plan of physically verifying its inventories at certain intervals of time in a phased manner. We have been informed by the management that, excluding material in transit, given the restrictions imposed by various authorities due to out-break of COVID-19 the verification has been carried out to the extent possible and in case of those items verified, there were no material discrepancies between physical counts when compared to book records.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investment, 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.
- (v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) 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.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year 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 the records examined by us, there are no cases of non-deposit with appropriate authorities of disputed dues of duty of customs, goods and service tax. However, according to information and explanation given to us the following dues of Income tax, Central sales tax and Value added tax as at March 31, 2021 which have not been deposited on account of a dispute pending, are as under:

Sr No	Forum where the dispute is pending	Nature of the disputed dues	Name of the Statute	F. Y. which the amount relates to	₹ In Lakhs
1	High Court of Chennai	Claim of concessional rate of tax disallowed	TNVAT ACT, 2006	2001-2002	195.46
2	Deputy Commercial Tax Office - Tamil Nadu	Disallowance of concessional rate of tax on BT	TNVAT ACT, 2006	2001-2002	5.43
3	Deputy Commercial Tax Office - Tamil Nadu	CST rate of Hosiery Goods	TNVAT ACT, 2006	2002-2003	802.77
4	Deputy Commercial Tax Office - Delhi	Non submission of form "C"	Central Sales Tax Act, 1956	2005-2006	7.28
5	Asst Commissioner of Income Tax - Kalyan	Demand u/s 156	Income Tax Act, 1961	2011-2012	31.51



VIP CLOTHING LIMITED

- (viii) Based on our audit procedures and according to the information and explanations given to us, the Company has generally 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.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans raised by the Company during the year were applied for the purpose for which it has been taken.
- (x) 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, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) 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.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The relevant details of such related party transactions have been disclosed in the standalone financial statements, etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Tirtharaj Khot
Partner
Membership No:(F) 037457
UDIN: 21037457AAAABL3728

Place: Pune
Date : 30 June, 2021



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(l) of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **VIP Clothing Limited**, (the 'Company') as of March 31, 2021 in conjunction with our audit of the standalone 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 (the 'Guidance Note') 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 (the 'Act').

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, 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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 of March 31, 2021, 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 the ICAI.

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

Tirtharaj Khot
Partner

Place: Pune
Date : 30 June, 2021

Membership No:(F) 037457
UDIN: 21037457AAAABL3728



VIP CLOTHING LIMITED

Balance Sheet as at March 31, 2021

(₹ in Lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,391.74	3,609.20
Right of use assets	3A	323.18	371.95
Other intangible assets	4	6,938.40	6,942.34
Financial assets			
i. Investments	5	0.25	0.25
ii. Other financial assets	6	98.50	100.45
Other non-current assets	7	35.71	36.15
Total non-current assets		10,787.78	11,060.34
Current assets			
Inventories	8	7,668.41	9,237.14
Financial assets			
i. Trade receivables	9	6,036.28	4,861.65
ii. Cash and cash equivalents	10	423.91	181.50
iii. Bank balance other than (ii) above	11	369.55	265.53
iv. Employee loans and advances	12	14.33	39.46
v. Other financial assets	13	-	0.76
Current tax assets (Net)	14	34.09	25.82
Other current assets	15	1,680.12	1,558.61
Total current assets		16,226.69	16,170.47
TOTAL ASSETS		27,014.47	27,230.81
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,651.93	1,651.93
Other equity			
Reserves and surplus	17	11,853.29	12,007.49
Total equity		13,505.22	13,659.42
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	312.58	14.85
ii. Other financial liabilities	19	1,020.79	1,001.56
Provisions	20	98.10	103.28
Deferred tax liabilities	21	817.77	1,691.76
Total non-current liabilities		2,249.24	2,811.45
Current liabilities			
Financial liabilities			
i. Borrowings	18	8,546.10	7,857.77
ii. Trade payables	22	2,135.27	2,074.95
iii. Other financial liabilities	19	371.13	390.72
Provisions	20	180.31	405.37
Other current liabilities	23	27.20	31.13
Total current liabilities		11,260.01	10,759.94
TOTAL EQUITY AND LIABILITIES		27,014.47	27,230.81

Summary of significant accounting policies

2

See accompanying notes forming parts of financial statements

As per our report of even date

For and on behalf of Board

For Sharp & Tannan

Chartered Accountants

Registration No - 109982W

By the hand of

Tirtharaj Khot

Partner

Membership No. (F) 037457

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

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

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

Place: Pune

Date : June 30, 2021

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

Place: Mumbai

Date : June 30, 2021



Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
CONTINUING OPERATIONS			
Revenue from operations	24	14,305.23	17,276.41
Other income	25	206.61	277.21
Total revenue		14,511.84	17,553.62
Expenses			
(a) Cost of materials consumed	26	6,611.36	10,222.37
(b) Changes in inventories of finished goods and work-in-progress	27	1,671.10	924.07
(c) Employee benefits expense	28	1,715.44	2,148.85
(d) Advertisement & publicity expenses		96.58	178.25
(e) Finance costs	29	1,090.38	1,038.21
(f) Depreciation and amortization expense	3, 3A & 4	392.96	424.05
(g) Other expenses	30	3,913.34	5,375.81
Total expenses		15,491.16	20,311.61
Profit / (Loss) before exceptional items and tax		(979.32)	(2,757.99)
Exceptional items		-	-
Profit / (Loss) before tax		(979.32)	(2,757.99)
Tax expense:			
(a) Current tax expense for current year		-	-
(b) Current tax expense relating to prior years		-	-
(c) Deferred tax	39	(874.77)	(1,262.95)
Income Tax expense:		(874.77)	(1,262.95)
Profit / (Loss) from continuing operations		(104.55)	(1,495.04)
DISCONTINUED OPERATIONS			
Profit / (Loss) from discontinued operations (before tax)		-	-
Add / (Less): Tax expense of discontinued operations		-	-
(a) on ordinary activities attributable to the discontinued operations		-	-
Profit / (Loss) from discontinued operations		-	-
TOTAL OPERATIONS		(104.55)	(1,495.04)
Profit / (Loss) for the year		(104.55)	(1,495.04)
Other comprehensive income			
A(I) Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		2.32	(10.70)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B(I) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		2.32	(10.70)
Total comprehensive income for the period		(102.23)	(1,505.74)
Earnings per equity share (for continuing operations):			
Basic		(0.13)	(1.81)
Diluted		(0.13)	(1.81)
Earnings per equity share (for discontinued operations):			
Basic		-	-
Diluted		-	-
Earnings per equity share (for continuing & discontinued operations):			
Basic	33	(0.13)	(1.81)
Diluted	33	(0.13)	(1.81)
Summary of significant accounting policies	2		

See accompanying notes forming parts of financial statements

As per our report of even date

For and on behalf of Board

For Sharp & Tannan

Chartered Accountants

Registration No - 109982W

By the hand of

Tirtharaj Khot

Partner

Membership No. (F) 037457

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

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

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

Place: Pune

Date : June 30, 2021

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

Place: Mumbai

Date : June 30, 2021



Statement of change in equity for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL:

(₹ in Lakhs)

Particulars	Nos.	Amount
Equity shares of ₹ 2/- each issued, subscribed and fully paid-up		
As at April 1, 2020	8,25,96,519	1,651.93
Changes in equity share capital during the year	-	-
As at March 31, 2021	8,25,96,519	1,651.93

B. OTHER EQUITY:

(₹ in lakhs)

Particulars	Reserves and Surplus					Total equity
	Capital Redemption Reserves	Securities Premium	General Reserves	Surplus / (Deficit) in Profit & Loss	Cash Flow Hedge Reserves (OCI)	
	(Note 17)	(Note 17)	(Note 17)	(Note 17)	(Note 17)	
As at April 1, 2020	4,035.00	7,472.40	817.30	(317.21)	-	12,007.49
Profit for the year	-	-	-	(104.52)	-	(104.54)
Addition for the year	-	-	-	-	-	-
Deletion for the year	-	-	-	-	(52.00)	(52.00)
Other comprehensive income						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	2.32	-	2.32
As at March 31, 2021	4,035.00	7,472.40	817.30	(419.41)	(52.00)	11,853.29
As at April 1, 2019	4,035.00	7,472.40	817.30	1,202.72	-	13,527.42
Profit for the year	-	-	-	(1,495.04)	-	(1,495.04)
Other comprehensive income						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	(10.70)	-	(10.70)
Total comprehensive income	-	-	-	(1,505.74)	-	(1,505.74)
Deletion for the year	-	-	-	(14.19)	-	(14.19)
As at March 31, 2020	4,035.00	7,472.40	817.30	(317.21)	-	12,007.49

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

Tirtharaj Khot

Partner

Membership No. (F) 037457

Place: Pune

Date : June 30, 2021

For and on behalf of Board

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

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

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

Place: Mumbai

Date : June 30, 2021

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



Cash Flow Statement for the year ended on March 31, 2021

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow from Operating Activities		
Profit before tax from		
Continuing operations before exceptional items	(979.32)	(2,757.99)
Discontinued operations	-	-
Profit before tax including discontinued operations	(979.32)	(2,757.99)
Adjustment for:		
Depreciation and amortization	392.96	424.05
Interest / fair value on account of Ind AS 116	61.64	61.58
(Profit)/Loss on sale of assets (Net)	(3.40)	0.34
Re-measurement of defined benefit plans	3.11	(14.30)
Interest received	(18.91)	(44.60)
Rental income	(16.96)	(0.20)
Financial cost	1,090.38	1,038.21
Proceed from sale of investment	-	0.90
Proceed from cash flow hedge reserve (OCI)	(52.00)	-
Provision no longer required	-	(542.06)
Operating profit before working capital changes	477.50	(1,834.07)
Changes in working capital		
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	1,568.73	1,932.39
(Increase) / Decrease in trade receivables	(1,174.63)	1,182.52
(Increase) / Decrease in employee loans & advances	25.13	(10.72)
(Increase) / Decrease in other financial assets	2.93	10.90
(Increase) / Decrease in other current assets	(121.07)	(137.50)
Increase / (Decrease) in trade payables	60.34	(0.35)
Increase / (Decrease) in provisions	(230.25)	172.01
Increase / (Decrease) in other financial liabilities	(16.85)	136.13
Increase / (Decrease) in other current liabilities	(3.93)	(10.15)
(Increase)/Decrease in working capital	110.40	3,275.23
Cash generated from operations	587.90	1,441.16
Add/(Less):		
Direct tax refunds	-	-
Direct taxes paid	(8.27)	(12.42)
Net Cash flow from / (used in) operating activities	579.63	1,428.74

(A)



Cash Flow Statement for the year ended on March 31, 2021

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(58.90)	(26.89)
Proceed from sale of property, plant and equipment	6.99	0.14
Proceed from fixed deposits	(106.97)	291.93
Interest income	18.91	44.60
Rental income	16.96	0.20
Net cash flow from / (used in) investing activities	(123.01)	309.98
C. Cash flow from financing activities		
Proceeds/(repayment) from borrowings (Net)	986.06	(395.21)
Proceeds from non current other financial liabilities	50.94	3.19
Payment of lease liabilities Ind AS 116	(160.84)	(128.58)
Financial cost	(1,090.38)	(1,038.21)
Net cash flow from / (used in) financing activities	(214.22)	(1,558.81)
Net Increase / (decrease) in cash & cash equivalent	(A+B+C) 242.40	179.91
Cash and cash equivalents at the beginning of the year	181.51	1.60
Cash and cash equivalents at the end of the year	423.91	181.51
Comprises:		
(a) Cash on hand	0.09	1.80
(b) Balances with banks		
(i) In current accounts	423.82	179.71
Net increase in cash & cash equivalents	423.91	181.51

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

Tirtharaj Khot

Partner

Membership No. (F) 037457

Place: Pune

Date : June 30, 2021

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

Archana Mungunti
Company Secretary
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For and on behalf of Board

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

Place: Mumbai
Date : June 30, 2021

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



Notes forming part of the financial statements as of March 31, 2021

Notes No.2

1 Corporate Information

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

The financial statements were approved for issue by the Company's Board of Directors on June 30, 2021.

2 Basis of Preparation and 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 as amended from time to time.

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 lakh except when otherwise indicated.

2.3 Going Concern

The Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment and consequently will be in a position to continue in operation for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

2.5 Recent Accounting Development - New Amendments not yet adopted

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are -Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities. Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period. Specified format for disclosure of shareholding of promoters. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.

Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendment on the standalone financial statements.

Notes forming part of the financial statements as of March 31, 2021
2.6 Significant Accounting Policies
2.6.1 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.

2.6.2 Property, plant and equipment and Other intangible assets:
Property, plant and equipment (PPE)

Property, plant and equipment (PPE) 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 PPE 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 PPE 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	6 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.

Notes forming part of the financial statements as of March 31, 2021**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.

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.

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from their use. Gain or loss arising from de-recognition of an intangible assets, measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

2.6.3 Leases:

The Company has adopted Ind AS 116-Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (April 1, 2019).

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

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

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

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Notes forming part of the financial statements as of March 31, 2021**2.6.4 Government Grants**

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

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

2.6.5 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.

2.6.6 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: 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.

2.6.7(A) Revenue recognition:

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

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

Sale of goods

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

Sale of services

In contracts involving the rendering of services, revenue is recognised when services are rendered.

2.6.7(B) Other Income:**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.

Notes forming part of the financial statements as of March 31, 2021**Dividends**

Dividend 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.

2.6.8 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.

2.6.9 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.

2.6.10 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 cancelled before the vesting period, the cumulative discount recognized as expense in respect of such grant is reduced from Employee benefit expenses charged to statement of profit and loss.

2.6.11 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 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.

2.6.12 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.

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

Notes forming part of the financial statements as of March 31, 2021

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 taxes (and 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.

2.6.13 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.

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

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 present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. 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.

2.6.14 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.

Notes forming part of the financial statements as of March 31, 2021**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 increased 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 115, 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.

Reclassification of Financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

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.

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 of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Derivative Financial Instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into (impact is given in OCI hedge reserve) and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

Notes forming part of the financial statements as of March 31, 2021
Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.6.15 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.

2.6.16 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 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 entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential ordinary shares dilutive potential equity shares (except where the results are anti-dilutive).

2.6.17 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, 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.

(i) 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.

(ii) Useful lives of property, plant and equipment

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

(iii) 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.

(iv) 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.

(v) 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.



VIP CLOTHING LIMITED

Notes forming part of the financial statements as of March 31, 2021

Note No.3: PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Land (Freehold)	Building (Warehouse)	Building (Factory)	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Computers and accessories	Total
Gross Block										
As at April 1, 2019	1,290.83	5.88	1,885.94	2,183.64	72.33	178.30	75.48	8.28	192.80	5,893.48
Additions	-	-	-	8.09	-	-	12.90	-	5.90	26.89
Inter-Branch Transfer	-	-	-	-	-	-	-	-	-	-
Deletions/(Adjustment)	-	-	-	-	-	-	9.62	-	-	9.62
As at March 31, 2020	1,290.83	5.88	1,885.94	2,191.73	72.33	178.30	78.76	8.28	198.70	5,910.75
Additions	-	-	-	-	-	54.61	1.25	0.35	2.68	58.89
Inter-Branch Transfer	-	-	-	-	-	-	-	-	-	-
Deletions/(Adjustment)	-	-	-	-	-	71.92	-	-	-	71.92
As at March 31, 2021	1,290.83	5.88	1,885.94	2,191.73	72.33	160.99	80.01	8.63	201.38	5,897.72
Depreciation										
As at April 1, 2019	-	4.45	593.12	1,064.76	26.81	116.19	52.26	2.86	168.08	2,028.53
Depreciation for the year	-	0.45	63.61	180.83	8.34	12.97	7.56	0.41	7.99	282.16
Inter-Branch Transfer	-	-	-	-	-	-	-	-	-	-
On disposals	-	-	-	-	-	-	9.14	-	-	9.14
As at March 31, 2020	-	4.90	656.73	1,245.59	35.15	129.16	50.68	3.27	176.07	2,301.55
Depreciation for the year	-	0.45	63.61	175.29	7.26	11.47	7.43	0.40	6.86	272.77
Inter-Branch Transfer	-	-	-	-	-	-	-	-	-	-
On disposals	-	-	-	-	-	68.34	-	-	-	68.34
As at March 31, 2021	-	5.35	720.34	1,420.88	42.41	72.29	58.11	3.67	182.93	2,505.98
Net Block										
As at March 31, 2020	1,290.83	0.98	1,229.21	946.14	37.18	49.14	28.08	5.01	22.63	3,609.20
As at March 31, 2021	1,290.83	0.53	1,165.61	770.85	29.92	88.70	21.90	4.95	18.44	3,391.74

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

Note No.3A: RIGHT OF USE ASSETS

(₹ in lakhs)

Particulars	Building	Plant and equipment	Total
Gross Block			
As at April 1, 2019	-	-	-
Additions on account of Transition to Ind AS 116	438.86	29.95	468.81
Inter-Branch Transfer	-	-	-
Deletions/(Adjustment)	4.63	-	4.63
As at March 31, 2020	434.23	29.95	464.18
Additions	67.49	-	67.49
Inter-Branch Transfer	-	-	-
Deletions/(Adjustment)	4.62	-	4.62
As at March 31, 2021	497.10	29.95	527.05
Depreciation			
As at April 1, 2019	-	-	-
Depreciation for the year	94.36	2.50	96.86
Inter-Branch Transfer	-	-	-
On disposals	4.63	-	4.63
As at March 31, 2020	89.73	2.50	92.23
Depreciation for the year	106.28	9.98	116.26
Inter-Branch Transfer	-	-	-
On disposals	4.62	-	4.62
As at March 31, 2021	191.39	12.48	203.87
Net Block			
As at March 31, 2020	344.50	27.45	371.95
As at March 31, 2021	305.71	17.47	323.18

The Company's leases mainly comprise of buildings and plant and equipment taken on lease. The Company has taken on lease buildings for warehouse and skill development centres and plant and equipment for skill development centres.



VIP CLOTHING LIMITED

Notes forming part of the financial statements as of March 31, 2021

The movement in lease liabilities during the year ended March 31, 2021 is as follows :

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Balance as at beginning	415.99	482.99
Additions	67.49	-
Deletions	-	-
Finance cost accrued during the year	61.64	61.58
Payment of lease liabilities	(160.84)	(128.58)
Balance as at end	384.28	415.99

The aggregate depreciation on ROU assets has been included under depreciation and amortization expense in the Statement of Profit and Loss.

Note No.4: INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Computer Software	License / Brands	Total
Gross Block			
As at April 1, 2019	268.63	6,923.82	7,192.45
Additions	-	-	-
Inter-Branch Transfer	-	-	-
Deletions/(Adjustment)	-	-	-
As at March 31, 2020	268.63	6,923.82	7,192.45
Additions	-	-	-
Inter-Branch Transfer	-	-	-
Deletions/(Adjustment)	-	-	-
As at March 31, 2021	268.63	6,923.82	7,192.45
Depreciation			
As at April 1, 2019	205.08	-	205.08
Depreciation for the year	45.03	-	45.03
Inter-Branch Transfer	-	-	-
On disposals	-	-	-
As at March 31, 2020	250.11	-	250.11
Depreciation for the year	3.94	-	3.94
Inter-Branch Transfer	-	-	-
On disposals	-	-	-
As at March 31, 2021	254.05	-	254.05
Net Block			
As at March 31, 2020	18.52	6,923.82	6,942.34
As at March 31, 2021	14.58	6,923.82	6,938.40

Note No.5: FINANCIAL ASSETS - NON CURRENT INVESTMENT

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Shares		
(i) Investment in Saraswat bank	0.25	0.25
	0.25	0.25



VIP CLOTHING LIMITED

Notes forming part of the financial statements as of March 31, 2021

Note No.6: FINANCIAL ASSETS - NON CURRENT OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	98.50	100.45
	98.50	100.45

Note No.7: OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance lease rent - Umbergaon	35.71	36.15
	35.71	36.15

Note No.8: INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(As certified by the management)		
Raw materials	2,843.12	2,740.75
Stock in process	1,579.33	1,374.27
Finished goods	3,245.96	5,122.12
Total	7,668.41	9,237.14

Note no.9: FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	1,811.91	1,683.62
Doubtful	310.00	310.16
	2,121.91	1,993.78
Less: Provision for doubtful trade receivables	310.00	310.16
	1,811.91	1,683.62
Other Trade receivables		
Secured, considered good	625.56	572.92
Unsecured, considered good	3,598.81	2,605.11
	4,224.37	3,178.03
Total	6,036.28	4,861.65



VIP CLOTHING LIMITED

Notes forming part of the financial statements as of March 31, 2021

Note No.10: FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash on hand	0.09	1.79
(ii) Balances with banks		
In current accounts	423.82	179.71
Total	423.91	181.50

Note No.11: FINANCIAL ASSETS - BANK BALANCE OTHER THAN NOTE 10 ABOVE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
In deposit accounts *	354.23	247.26
Interest receivable	9.83	10.04
In earmarked accounts		
Unpaid dividend accounts #	5.49	8.23
Total	369.55	265.53

* The Company has kept as a margin of fixed deposits to the extent of ₹ 18.44 lakhs with banks for bank guarantees as lien.

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

Note No.12: FINANCIAL ASSETS - EMPLOYEE LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan/advances to employee - unsecured (considered good)	14.33	39.46
Total	14.33	39.46

Note No.13: FINANCIAL ASSETS - OTHER FINANCIAL ASSETS (CURRENT)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Rent receivables	-	0.76
Total	-	0.76

Note No.14: CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (net)		
Income tax paid for AY 2012-13	6.30	6.30
TDS receivable	27.79	19.52
Net Income tax assets / (liabilities)	34.09	25.82

Notes forming part of the financial statements as of March 31, 2021
Note No.15: OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	10.78	2.80
Advances other than capital advances		
Advances to vendor	93.26	87.71
Others		
Sales tax refund receivable	416.76	416.76
Duty drawback receivable	6.29	7.32
ROSL income receivable	45.14	29.37
Others	11.12	11.12
GST receivables*	1,019.88	937.93
Prepaid expenses	76.89	65.60
Total	1,680.12	1,558.61

*GST input tax credit on account of higher GST on input (specifically on input services) as compared to output. Though Input GST credits are allowed to be carried indefinitely, the utilisation thereof is generally dependent on various factors including volume and value of output in future, rates of tax on output and changes in government policies.

In the opinion of the management, in view of the continuing business of the Company, no provision is considered necessary in this regards.

Note No.16: EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised :		
15,00,00,000 Equity shares of ₹ 2 /- each	3,000.00	3,000.00
45,00,00,000 Preference shares of ₹ 100/- each	4,500.00	4,500.00
	7,500.00	7,500.00
Issued, subscribed and fully paid up :		
8,25,96,519 Ordinary shares of ₹ 2/- each	1,651.93	1,651.93
(Previous year 8,25,96,519 Ordinary shares of ₹ 2/- each)		
	1,651.93	1,651.93

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, 2021	As at March 31, 2020
Opening	8,25,96,519	8,25,96,519
Add/(Less): Issued/(bought back) of shares	-	-
Closing	8,25,96,519	8,25,96,519

Notes forming part of the financial statements as of March 31, 2021
16.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021	
	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%
Edelweiss Broking Limited	60,00,300	7.26%

Class of shares / Name of shareholder	As at March 31, 2020	
	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%

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 another 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, 2021	As at March 31, 2020
(a) Capital redemption reserve	4,035.00	4,035.00
(b) Securities premium	7,472.40	7,472.40
(c) General reserve	817.30	817.30
(d) Surplus / (deficit) in statement of profit and loss	(419.41)	(317.21)
(e) Cash flow hedge reserve (OCI)*	(52.00)	-
	11,853.29	12,007.49

*The Company has created cash flow hedge reserve (OCI) on account of fair valuation of forward contracts.



Notes forming part of the financial statements as of March 31, 2021

Note No.18: FINANCIAL LIABILITIES - BORROWING

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Non Current borrowings		
Term loan from IDBI GECL	280.00	-
Vehicle loan - secured	32.58	14.85
	312.58	14.85
(B) Current borrowings		
From bank		
Cash credit	4,611.86	6,940.52
SBI FCNRB	2,438.93	-
LC bill discounting	1,495.31	917.25
Total	8,546.10	7,857.77

Notes:

Working capital loan secured by way of hypothecation of inventories, book debts and movable property, plant and equipment of the Company and further secured by way of first charge of property situated at GIDC-Umbergaon (Gujarat), Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).

The Company entered into the Foreign Currency Non-resident Borrowing ('FCNB') Agreement (Hedged Item) with SBI on February 24, 2021 and raised finance of US \$ 33,00,000. The said FCNB loan was raised to finance for concessional interest rate compare to Cash Credit. The rate of interest on the FCNB Agreement is based on LIBOR for 6-month period plus 4.50% p.a.

The FCNB loan repayment is expected in a single bullet for principal after 180 days and at monthly intervals for interest. In order to hedge the foreign exchange cash flow risk, the company has entered into Forward Contracts (Hedging Instrument) hedging Foreign Exchange Risk on Principal & Interest in USD.

The Forward Contracts entered into by the Company is a derivative as defined in Ind AS 109.

Hedge effectiveness is tested by comparing receipt leg in USD and payment leg in INR. If payment leg in INR is substantially higher than variable receipt leg in USD then hedge is ineffective. Accounting judgement is passed in concluding the effectiveness of the hedge. Throughout the financial year, hedge was effective as the designated risk component historically covered, on average, 80 percent or more of the changes in fair value of the item as a whole.

Note No.19: OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Non Current other financial liabilities		
Security deposits from customers	625.56	572.92
Retention money	4.65	12.65
Lease liability - Ind AS 116	384.28	415.99
Security deposit from leasee*	6.30	-
	1,020.79	1,001.56

Note:

The Company has lease contracts for its offices, warehouse and skill development training centres taken on lease. These leases generally have lease terms varying 2 to 6 years. The Company's obligations under its leases are secured by the lessor's title to the lease assets. Generally, the Company is restricted from assigning and subleasing the lease assets. There are several lease contracts that include extension and termination option at mutual consent.

* The Company has collect security deposit from Red Lips (the lessee) towards lease contracts for a floor and machineries located at Umbergaon.



Notes forming part of the financial statements as of March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(B) Current other financial liabilities		
Current maturities of long-term debt	13.43	6.88
Derivative forward liability	7.41	-
Unpaid dividends #	5.50	8.23
Advance from skill project *	155.21	169.88
Others	189.58	205.73
Total	371.13	390.72

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.

* In FY 2020-21, Company has received 2nd Installment of ₹ 10.85 lakhs (in FY 2019-20, 1st Installment of ₹ 10.85 lakhs) for Project-2 under DMF in the State of Gujarat. In FY 2020-21, Company has received amount of ₹ 5.38 lakhs under DDU-GKY for Up Skill and ₹ 65.56 lakhs under DDU-GKY for Fresh Skill projects in the State of Maharashtra.

Note No.20: PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Non Current provisions		
Provision for employee benefits:		
Leave encashment payable	64.27	69.44
Provision for compensation:		
Provision for compensation	33.83	33.84
	98.10	103.28
(B) Current provisions		
Provisions for expenses	155.71	348.90
Gratuity payable	17.06	43.29
Leave encashment payable	7.54	13.18
Total	180.31	405.37

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 ₹ 33.83 lakhs in form of compensation for the loss suffered. However the Company has appeal in Supreme Court, therefore provision has been recognized.

Reconciliation of provisions

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Provision for Employee benefits		
Balance at the beginning of the year	125.91	93.52
Additions during the year	25.71	83.12
Utilised during the year	62.76	50.73
Balance at the end of the year	88.86	125.91
(B) Provision for other than employee benefits		
Balance at the beginning of the year	382.74	243.13
Additions during the year	155.71	342.54
Utilised during the year	348.91	202.93
Balance at the end of the year	189.54	382.74



Notes forming part of the financial statements as of March 31, 2021

Note No.21: DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2019	Credit/ (charge) in the statement of profit and loss	As at March 31, 2020
Movement in Deferred tax liabilities and assets during the year			
March 31, 2020			
WDV differences on fixed assets	443.69	(205.48)	238.21
Old DTL balances	768.89	(768.89)	-
Gratuity	(34.43)	34.43	-
Leave encashment	(14.63)	(6.16)	(20.79)
Disallowances u/s 43B & 36	(16.56)	16.56	-
Valuation of brand / trade marks	2,353.41	(610.82)	1,742.59
Provision for doubtful debts and advances	-	(18.88)	(18.88)
C/F Business loss / unabsorbed depreciation	-	(249.37)	(249.37)
	3,500.37	(1,808.61)	1,691.76

Particulars	As at March 31, 2020	Credit/ (charge) in the statement of profit and loss	As at March 31, 2021
Movement in Deferred tax liabilities and assets during the year			
March 31, 2021			
Depreciation	238.21	72.30	310.51
Leave encashment	(20.79)	2.73	(18.06)
Lease liability	-	(96.72)	(96.72)
Valuation of brand / trade marks	1,742.59	-	1,742.59
Provision for doubtful debts and advances	(18.88)	-	(18.88)
C/F Business loss / unabsorbed depreciation	(249.37)	(852.30)	(1,101.67)
	1,691.76	(873.99)	817.77

The Company has recognized deferred tax assets 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.

The Company has recognized deferred tax assets on lease liability arising on account of Ind AS 116. Also Company has recognized deferred tax liability on ROU assets.

Note No.22: FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other than acceptance		
Total outstanding dues of micro, small and medium enterprises	7.53	165.97
Total outstanding dues of creditors other than micro, small and medium enterprises	2,127.74	1,908.98
Total	2,135.27	2,074.95

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

Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

There are Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and notification vide S.O.1702(E), dated June 1, 2020, has been determined to the extent such parties have been identified on the basis of information available with the Company.



Notes forming part of the financial statements as of March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.53	165.97
The amount of Interest due and accrued thereon remaining unpaid at the end of the accounting year	2.18	17.82

The above information has been furnished to the extent such parties have been identified by the Company.

Note No.23: OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances others		
Advances from customers	1.68	1.68
Others		
Other statutory payables	22.25	27.78
GST - RCM payables	3.27	1.67
Total	27.20	31.13

Note No.24: REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of products (Refer Note (i))	14,098.75	16,968.06
(b) Other operating revenues (Refer Note (ii))	206.48	308.35
Total	14,305.23	17,276.41
Note (i) - Sale of products		
Manufactured goods		
Knit wear	14,093.89	16,965.60
Fabric	4.86	2.46
Total	14,098.75	16,968.06
Note (ii) - Other operating revenues		
Sale of scrap	29.58	36.11
Job Work	138.23	231.71
Duty drawback and other export incentives	22.90	20.64
ROSL income received	15.77	19.89
Total	206.48	308.35

Note No.25: OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest income	18.91	44.60
(b) Rental income from investment properties	16.96	0.20
(c) Profit on sale of fixed assets (net of expenses directly attributable)	3.40	-
(d) Forex exchange gain	-	14.68
(e) Miscellaneous income	70.65	191.66
(f) Project income	96.69	26.07
Total	206.61	277.21

Note: In FY 2020-21, the Company has received ₹ 96.69 lakhs for skill development (₹ 26.07 lakhs in PY 2019-20) under two projects. Project-1 under DDU-GKY for skilling rural youths in the State of Odisha and Project-2 under DMF in the State of Gujarat.



VIP CLOTHING LIMITED

Notes forming part of the financial statements as of March 31, 2021

Note No.26: COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	2,740.75	3,749.07
Add: Purchases	6,713.73	9,214.05
	9,454.48	12,963.12
Less: Closing stock	2,843.12	2,740.75
Cost of material consumed	6,611.36	10,222.37

Note No.27: CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	3,245.97	5,122.12
Work-in-progress	1,579.33	1,374.28
	4,825.30	6,496.40
Inventories at the beginning of the year:		
Finished goods	5,122.12	5,320.05
Work-in-progress	1,374.28	2,100.42
	6,496.40	7,420.47
Net (increase) / decrease	1,671.10	924.07

Note No.28: EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	1,576.62	1,851.59
Contributions to provident and other fund	81.13	209.67
Staff welfare expenses	57.69	87.59
Total	1,715.44	2,148.85

Note No.29: FINANCE COST

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest expense on:-		
(i) Borrowings	889.06	810.49
(ii) Interest on security deposit	38.03	39.37
(iii) Interest on lease liability on ROU assets	53.02	53.14
(b) Other borrowing costs :-		
Processing charges	40.93	36.42
Bank charges	69.34	98.79
Total	1,090.38	1,038.21



Notes forming part of the financial statements as of March 31, 2021

Note No.30: OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Books & periodicals	0.23	0.89
Business promotion	282.65	402.90
Communication (postage & telephone)	38.08	44.43
Festival expenses	3.37	12.31
Freight and forwarding	473.40	481.96
Freight inward	70.45	138.21
Garmenting charges	21.87	12.50
Bus hire charges	86.78	274.37
Insurance	65.85	61.80
Knitting and processing charges	1,668.80	2,236.32
Legal and professional	76.62	137.14
Loss on fixed assets sold / scrapped / written off	-	0.34
Membership & seminar expenses	0.73	2.04
Expenditure towards corporate social responsibility (CSR) activities	-	-
Miscellaneous expenses	13.69	22.35
Net loss on foreign currency transactions and translation (other than considered as finance cost)	4.60	-
Payments to auditors (Refer Note (i) below)	21.56	21.76
Power and fuel	62.98	93.02
Printing & stationery and computer expenses	73.32	93.13
Bad debts written off	301.39	310.00
Rates and taxes	35.92	48.78
Short term lease rent	5.60	9.01
Umbergaon prepaid lease rent	0.44	0.44
Purchases trading items	57.38	111.80
Repairs and maintenance - buildings	5.43	23.90
Repairs and maintenance - machinery	29.31	32.73
Repairs and maintenance - others	35.13	83.22
Sales commission	146.45	143.04
Sales tax & turnover tax	0.26	41.30
GST tax expenses	5.32	7.31
Security service charges	32.09	35.79
Travelling, conveyance and motor car	244.58	447.59
Water expenses	2.04	4.31
Interest paid to MSME vendor	(15.64)	11.46
Compensation	-	8.50
Project expenses	62.66	21.16
Total	3,913.34	5,375.81

Note: In FY 2020-21, the Company has spent ₹ 62.66 lakhs for skill development and ₹ 22.08 lakhs on depreciation on ROU assets (₹ 21.16 lakhs for skill development and ₹ 5.09 lakhs on depreciation on ROU assets in PY 2019-20) under two projects. Project-1 under DDU-GKY for skilling rural youths in the State of Odisha and Project-2 under DMF in the State of Gujarat.

Note : (i)

(I) Payments to the auditors comprises (net of GST input credit, where applicable):		
As auditors - statutory audit	16.50	16.50
For taxation matters	3.00	3.00
For other services	0.45	0.15
Reimbursement of expenses	1.61	2.11
Total	21.56	21.76



Notes forming part of the financial statements as of March 31, 2021

Additional information to financial statements and disclosures under Indian Accounting Standards:

Note No.31: EMPLOYEE BENEFITS:

Defined benefit plans:

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.

The Company maintains gratuity funds, which is being administered by Life Insurance Corporation of India. Fund value confirmed by Life Insurance Corporation of India as at March 31, 2021 is considered to be the fair value.

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i. Change in defined benefit obligation		
Opening defined benefit obligation	344.87	287.22
Interest cost	23.76	22.37
Current service cost	27.85	23.85
Past service cost	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the Fund	(75.89)	-
Actuarial (gains)/losses arising from changes in demographic assumptions	9.84	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.80	20.83
Actuarial (gains)/losses arising from changes in experience assumptions	(13.76)	(9.40)
Liability at the end of the year	317.47	344.87
ii. Change in fair value of assets		
Opening fair value of plan assets	301.58	255.09
Expected return on plan assets	20.78	19.87
Return on plan assets excluding interest income	(0.02)	(2.87)
Contributions by the employer	53.96	29.49
Benefit paid from the Fund	(75.89)	-
Closing fair value of plan assets	300.41	301.58
iii. Amount recognized in balance sheet		
Present value of obligation as at year end	(317.47)	(344.87)
Fair value of plan assets as at year end	300.41	301.58
Net asset/(liability) recognized in balance sheet	(17.06)	(43.29)
iv. Expenses recognized in statement of profit or loss		
Current service cost	27.85	23.85
Interest on defined benefit obligation	23.76	22.37
Expected return on plan assets (interest income only)	(20.78)	(19.87)
Past service cost	-	-
Total expenses recognized in profit or loss	30.83	26.35



Notes forming part of the financial statements as of March 31, 2021

Note No.31: EMPLOYEE BENEFITS: (Contd...)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
v. Expenses recognized in other comprehensive income (OCI)		
Actuarial (gains)/losses arising from changes in demographic assumptions	9.84	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.80	20.83
Actuarial (gains)/losses arising from changes in experience assumptions	(13.76)	(9.40)
Return on plan assets excluding interest income	0.02	2.87
Net (income)/expenses for the period recognized in OCI	(3.10)	14.30
vi. Actual return on plan assets		
Expected return on plan assets	20.78	19.87
Return on plan assets excluding interest income	(0.02)	(2.87)
Actual return on plan assets	20.76	17.00
vii. Expected employer's contribution for the next year	40.01	71.14
viii. Principal Actuarial Assumptions		
Rate of discounting (per annum)	6.85%	6.89%
Rate of salary increase	4.00%	4.00%
Rate of employee turnover	4.00%	2.00%
Mortality rate during employment	IALM (2006-08) Ultimate	ALM (2006-08) Ultimate
Mortality rate after employment	N.A.	N.A.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate		
Changes in assumptions if increase by 1%	298.54	321.86
Changes in assumptions if decrease by 1%	338.78	371.08
Salary increase rate		
Changes in assumptions if increase by 1%	337.46	369.68
Changes in assumptions if decrease by 1%	299.44	322.76
Attrition rate		
Changes in assumptions if increase by 1%	321.64	350.60
Changes in assumptions if decrease by 1%	312.85	338.48

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



Notes forming part of the financial statements as of March 31, 2021

Note No.32: CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year, the Company spent ₹ Nil (P.Y ₹ Nil) as per the section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR).

Note No.33: EARNING PER SHARE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Earnings per share		
Face value per equity share	₹ 2/-	₹ 2/-
Basic earnings per share	(0.13)	(1.81)
Net profit / (loss) after tax (₹ in lakhs)	(104.55)	(1,495.04)
Less: Preference dividend and tax thereon (₹ in lakhs)	-	-
Net profit / (loss) for the year attributable to the equity shareholders (₹ in lakhs)	(104.55)	(1,495.04)
Weighted average number of equity shares for Basic	8,25,96,519	8,25,96,519
Diluted earnings per share	(0.13)	(1.81)
Net profit / (loss) after tax (₹ in lakhs)	(104.55)	(1,495.04)
Less: Preference dividend and tax thereon (₹ in lakhs)	-	-
Net profit / (loss) for the year attributable to the equity shareholders (₹ in lakhs)	(104.55)	(1,495.04)
Weighted average number of equity shares for diluted	8,25,96,519	8,25,96,519
Reconciliation of weighted average number of shares outstanding		
Weighted average No. of equity shares used as denominator for calculating basic EPS	8,25,96,519	8,25,96,519
Add: Total weighted average ESOP	-	-
Weighted average no. of equity shares used as denominator for calculating diluted EPS	8,25,96,519	8,25,96,519

Note No.34: RELATED PARTY TRANSACTIONS

a. Details of related parties:

Enterprises owned or significantly influenced by key management Personnel or their relatives

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

Mr. Sunil J. Pathare (Chairman & Managing Director)
 Mr. Kapil J. Pathare (Whole Time Director)
 Mr. Ashish Mandaliya (Chief Financial Officer & Company Secretary) upto May 15, 2020
 Mr. Devendra Vyas (Chief Financial Officer) from August 13, 2020
 Mrs. Archana Mungunti (Company Secretary) from September 02, 2020

Relatives of Key Management Personnel

Smt. Lalita J. Pathare (Mother of Sunil J. Pathare & Kapil J. Pathare)
 Mrs. Heena S. Pathare (Wife of Sunil J. Pathare)
 Mrs. Ashwini K. Pathare (Wife of Kapil J. Pathare)

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



Notes forming part of the financial statements as of March 31, 2021

b. Details of related parties transactions and Balance outstanding as at March 31, 2021

(i) Transactions with related parties

(₹ in lakhs)

Name of Party	Nature of Transactions	As at March 31, 2021	As at March 31, 2020
Hybo Hindustan	Rent, electricity & water charges	110.10	113.63
Kapil J. Pathare	Rent	5.06	6.07

(ii) Balance outstanding at the end of the year

(₹ in lakhs)

Name of Party	As at March 31, 2021	As at March 31, 2020
Hybo Hindustan	108.95	92.07
Pako Hindustan	0.06	0.06
Kapil J. Pathare	0.12	(0.03)

Remuneration of Directors / Key Managerial Personnel

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Salary and short-term employee benefits	175.32	229.33
Contribution to provident fund	10.26	11.56

Note No.35: 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, 2021	As at March 31, 2020
Guarantees given by bank	102.77	90.94
Claims against the company not acknowledged as debts -		
Income tax liability in appeal by IT department	31.51	34.19
Sales tax / central sales tax liability	1,010.94	1,010.94
Letter of credits	713.36	359.34

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, 2021

Note No.36: EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Expenditure in Foreign currency		
Travelling	-	4.65
Others	93.60	116.25
Earnings in Foreign currency		
Export inward Remittance	1,155.76	1,419.40

Note No.37: GOING CONCERN

The Company has been reporting a reduction in its sales for the past few years and accordingly has also reported losses in these years. The events and conditions including but not limited to the economic and social consequences resulting due to an out-break of COVID 19 pandemic resulting in the current situation, is generally impacting Company's ability to maintain optimal levels of its operations, inventory and receivables.

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: INCOME TAX

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME-TAX		
(a) Amounts recognised in profit and loss		
Current tax for prior years	-	-
Deferred tax		
Origination and reversal of temporary differences	(874.77)	(1,262.95)
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
Total deferred tax expense/(benefit)	(874.77)	(1,262.95)
Tax expense for the year	(874.77)	(1,262.95)
(b) Income tax recognised in other comprehensive income	-	-
(c) Income tax recognised directly in equity	-	-
(d) Reconciliation of effective tax rate		
a) (Loss) before tax	(979.32)	(2,757.99)
b) Enacted tax rate in India 25.168% (31 March 2020: 25.168%) *	-	-
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 expense to be recognised	(979.32)	(2,757.99)
f) (Excess)/Short provision for tax relating to prior year	-	-
g) Deferred tax expenses	(874.77)	(1,262.95)
h) Tax expense recognised in statement of profit or loss	-	-
Profit / (Loss) for the year	(104.55)	(1,495.04)

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax liability basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of profit & loss for the year.

* The change in enacted tax rate is on account of change in rate of surcharge from 7% to 10%.



Notes forming part of the financial statements as of March 31, 2021

Movement in deferred tax balances

(₹ in lakhs)

Particulars	Net balance March 31, 2020 ₹	Recognised in profit or loss ₹	Recognised in OCI ₹	Others	March 31, 2021
					Net deferred tax asset / liability ₹
Deferred tax liability	1,691.76	(874.77)	0.78	-	817.77

The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Note No.40: FINANCIAL INSTRUMENTS

40.1 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.

40.2 Fair Value Measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

Particulars	Carrying amount		Fair value			Total
	FVTPL	Other Financial Assets/ Liabilities- Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
March 31, 2021						
Investment - shares of Saraswat Bank (Note 5)	-	0.25	-	-	-	-
Other Non current Financial assets - Security deposits (Note 6)	-	98.50	-	-	-	-
Trade receivables (Note 9)	-	6,036.28	-	-	-	-
Cash and cash equivalents (Note 10)	-	423.91	-	-	-	-
Bank balances other than Cash and cash equivalents (Note 11)	-	369.55	-	-	-	-
Employee loans and advances (Note 12)	-	14.33	-	-	-	-
Other current financial assets (Note 13)	-	-	-	-	-	-
TOTAL	-	6,942.82	-	-	-	-
Non current liabilities: Borrowing (Note 18A)	-	312.58	-	-	-	-
Other Financial liability : Non current (Note 19A)	-	1,020.78	-	-	-	-
Other Financial liability : Current (Note 19B)	-	363.71	-	7.41	-	7.41
Current liabilities: Bank Borrowing (Note 18B)	-	8,546.10	-	-	-	-
Current liabilities: Trade payables (Note 22)	-	2,135.28	-	-	-	-
TOTAL	-	12,378.45	-	7.41	-	7.41

Notes forming part of the financial statements as of March 31, 2021

(₹ in lakhs)

Particulars	Carrying amount		Fair value			Total
	FVTPL	Other Financial Assets/ Liabilities- Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
March 31, 2020						
Non current investment (Note 5)	-	0.25	-	-	-	-
Other Non current Financial assets - Security deposits (Note 6)	-	100.45	-	-	-	-
Trade receivables (Note 9)	-	4,861.65	-	-	-	-
Cash and cash equivalents (Note 10)	-	181.50	-	-	-	-
Bank balances other than Cash and cash equivalents (Note 11)	-	265.53	-	-	-	-
Employee loans and advances (Note 12)	-	39.46	-	-	-	-
Other current financial assets (Note 13)	-	0.76	-	-	-	-
TOTAL	-	5,449.60	-	-	-	-
Non current liabilities: Borrowing (Note 18A)	-	14.85	-	-	-	-
Other Financial liability : Non current (Note 19A)	-	1,001.56	-	-	-	-
Other Financial liability : Current (Note 19B)	-	390.71	-	-	-	-
Current liabilities: Bank Borrowing (Note 18B)	-	7,857.77	-	-	-	-
Current liabilities: Trade payables (Note 22)	-	2,074.95	-	-	-	-
TOTAL	-	11,339.84	-	-	-	-

40.3 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.

1. Market Risk:

The 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include borrowings, investments, other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, the Company performs "sensitivity analysis". Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

The risk estimates provided here assume:

- a parallel shift of 100-basis points of the interest rate yield curves in contracted currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against contracted currencies by 1%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The following assumption has been made in calculating the sensitivity analyses:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Company may use foreign exchange forward contracts / options / swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

Notes forming part of the financial statements as of March 31, 2021

The Company's exposure to Foreign Currency Risk is as follows:

(₹ in lakhs)

Particulars	Currency	March 31, 2021	March 31, 2020
SBI FCNRB Loan	USD equivalent INR	2,438.93	-
Export Trade Receivables	USD equivalent INR	314.38	214.47

2. 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.

3. 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.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities

* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

Contractual cash flows:

(₹ in lakhs)

As at March 31, 2021	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Long-term borrowings	312.58	312.58	-	78.17	77.66	156.75
Other Non current financial liabilities*	1,020.78	1,020.78	-	270.98	124.24	625.56
Current borrowing from Bank	8,546.10	8,546.10	8,546.10	-	-	-
Trade payables	2,135.28	2,135.28	2,135.28	-	-	-
Other Current financial liabilities	371.13	371.13	371.13	-	-	-
TOTAL	12,385.87	12,385.87	11,052.51	349.15	201.90	782.31

Note*: Security deposits received from customers amounting to ₹ 625.56 lakhs (PY ₹ 572.92 lakhs) are repayable on demand when there is breach of contract. However, these deposits received from customers are generally against the long term contracts. Therefore, the same has been classified as more than 5 years.

(₹ in lakhs)

As at March 31, 2020	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Long-term borrowings	14.85	14.85	-	7.46	7.39	-
Other Non current financial liabilities*	1,001.56	1,001.56	-	205.57	223.07	572.92
Current borrowing from Bank	7,857.77	7,857.77	7,857.77	-	-	-
Trade payables	2,074.95	2,074.95	2,074.95	-	-	-
Other Current financial liabilities	390.71	390.71	390.71	-	-	-
TOTAL	11,339.84	11,339.84	10,323.43	213.03	230.46	572.92



Notes forming part of the financial statements as of March 31, 2021

Other Risk:

Climate Risk:

The Company is exposed to the risk of damage from climatic changes and other natural forces. The Company has extensive processes in place aimed at monitoring those risks, including regular monitoring and follow up.

Regulatory and Environmental Risk:

The Company is subject to laws and regulations in various segments like Environmental, Forest etc. and has laid down policies and procedures aimed at compliance with local environmental and other laws.

Note No.41:

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

Signatures to Notes 1 to 41

As per our report of even date

For Sharp & Tannan

Chartered Accountants

Registration No - 109982W

By the hand of

Tirtharaj Khot

Partner

Membership No. (F) 037457

Place: Pune

Date : June 30, 2021

For and on behalf of Board

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

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

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

Place: Mumbai
Date : June 30,2021

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

Financial Highlights

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Share capital	1,652	1,652	1,652	1,652	1,652	1,322	1,322	1,262	1,262	1,262
Redeemable Pref. Shares Capital	-	-	-	-	-	-	-	395***	1185	1185
Convertible Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	11,853	12,007	13,527 ²	14,199 ²	14,301 ²	8,012	7,944	7,830	7,515	7,482
Misc exp. not written off	-	-	-	-	-	-	-	-	-	-
Net Worth	13,505	13,659	15,179	15,851	15,623	9,334	9,206	9,092	8,777	8,744
Long term Debts	-	-	-	-	-	-	-	-	-	-
Net Asset Block	10,653	10,923	10,852 ³	11,130 ³	17,110 ³	6,153	6,658	6,944	7,033	8,031
Total Income	14,512	17,554	20,943	22,366	23,270	19,514	26,160	25,875	25,491	22,056#
Profit before tax	(979)	(2,758)	(651)	(252)	(610)	(947)	1,091	806	439	875
Taxation	(875)	(1,263)	(32)	46	35	46	390	273	154	152
Profit after tax	(102)	(1,506)	(641)	(303)	(751)	(993)	701	533	285	464#
Dividend Rate on										
Equity share	-	-	-	-	-	-	15.00%	10.00%	12.50%	15.00%
Redeemable Pref. Shares	-	-	-	-	-	-	5.00%	5.00%	5.00%	5.00%
No of Equity Shares (in Lakhs)	825.96	825.96	825.96	825.96	660.77	660.77	660.77	660.77	660.77	660.77
Face value of Share-Equity 2	2	2	2	2	2	2	2	2	2	2
Preference	100	100	100	100	100	100	100	100	100	100
E arning per share	(0.13)	(1.81)	(0.75)	(0.39)	(0.97)	(1.50)	1.08	0.73	0.34	0.63
E arning per share	(0.13)	(1.81)	(0.75)	(0.39)	(0.97)	(1.50)	1.08	0.73	0.34	0.63
Book value per share	16.35	16.54	18.38	19.19	23.64	14.13	14.59	14.41	13.8	13.86
Current Ratio	1.44	1.50	1.78	1.81	1.35	1.31	1.23	1.34	1.22	1.32

1. ₹ 330 Lakhs increased on account of issue of 1,65,19,304 Equity shares at right issue @ ₹ 26/- (face value of shares is ₹ 2/-)
2. Increase in securities premium account by ₹ 3,965 Lakhs on account of Rights issue of Shares and others on account of effect has been give for the first time adoption of IND AS as well as correction of brand valuation and related DTL impact.
3. Effect has been give for the first time adoption of IND AS and correction of brand valuation.

* ₹ 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.



NOTES

Area with horizontal lines for notes.



VIP CLOTHING LIMITED

To,
Link Intime India Private Limited/Depository Participant

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

General Information:

Folio No./DP ID/Client ID:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/First holder

Note:

Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to our RTA, Link Intime India Private Limited. Shareholders holding

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Sapmanay

PANTY



**NEW
LAUNCH**

Brat



PLAIN PRINT
MULTI COLOUR
STICKER



POP ART
PRINTED
OUTER
ELASTIC

STYLISH
CAPTIONS
COLOUR VEST



Frenchie

Leisurewear

POLO 
T-Shirt




VIP®
CASUAL LEISUREWEAR

POLO | T-Shirt
(With Pocket)



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