

VIP Clothing Limited

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

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

Tel : 91-2825 7624, 2825 7627 Fax : 91-22-2837 1023

CIN : L18101MH1991PLC059804

CHAIRMAN SPEECH - 31ST ANNUAL GENERAL MEETING

On the requisite Quorum being present the Chairman Called the meeting to Order. The Chairman welcomed all the shareholders to the 31st AGM of the Company. After introducing all the Independent Directors and other Panel members, the Chairman addressed the shareholders as follows:

Dear Shareholders,

Fiscal year 2020-21 was the most challenging year for not only the textile industry but industries as whole across the Globe. But at the same time, it has been a learning year and taught us to conduct business in a different manner.

We saw a vast lockdown in India resulting in mass migration of people out of the cities. As the economy went southwards, we saw demand going down sharply. We have spoken about profitable growth but the impact of the pandemic on the economy and our business was such that the revenue for fiscal year 2020-21 decreased from 172.76 Crores to 143.05 Crores and, we stood at a net loss of Rs 1.02 Crores in the financial year 2020-21. You have known your company as an agile and a resilient company. We were quick to understand the gravity of the pandemic and immediately launched initiatives to check on our costs. While your company has been focussed on cutting cost over the years, the pandemic saw us working with renewed vigour to further intensify focus on cost reduction and enhancing manufacturing efficiencies across the organization. The whole year, we differentiated between good cost and avoidable cost and continued to invest in good cost like research & development and drastically reduced other costs as we re-negotiated on advertising costs, relooked at our warehousing expenses, factory overheads including closing down of the Umbergaum factory operations for the entire year. It is my firm belief that we need to drive unnecessary costs out of our business, as that is the delta between a profitable and a losing organisation in this increasingly global industry.

I am happy to share that the brand VIP has successfully completed its 50 years. On the occasion of this Golden Jubilee of Brand VIP we pay our homage & respect to our both the Founders, Late Shri Jay Kumar Pathare and Late shri L. J Reddy. The company progressed towards developing into a well-diversified multi-channel and multi-category business. The company offers competitive and innovative range across all product categories designed specifically for the tastes and preferences of its target consumers. I must acknowledge the understanding and support of our numerous customers, on whose trust we continue to evolve and grow. We take pride in being labelled as "The Trusted Indian Innerwear Brand" & "The Hygiene wear expert", and that is what each VIP Clothing team member strives at.

I would also like to convey my appreciation to all the employees of VIP Clothing Ltd. as well as its business trade partners, dealers, business associates, bankers and vendors and their families for their laudable efforts in pursuing the business continuity and their ongoing and relentless efforts towards restoring normalcy. Employee morale was high, and filled with enthusiasm, a sense of challenge and responsibility, they displayed and continue to display resilience and a great sense of optimism. Keeping in mind the need to prepare the Company for the new post-pandemic world, an ambitious 3-year strategic plan has been formulated and is being implemented. A rigorous Enterprise Risk Management mechanism, which includes a Business Continuity Plan is helping the Company to manage the uncertain and volatile market environment. The Company managed cash flows well and exceptionally secured the balance sheet. Many programmes were launched to enhance competitiveness and build new capabilities to enable the Company to grow faster than the market and improve profitability.

The Government's endeavours to accelerate vaccination brings optimism for the future. This undoubtedly is the most critical to restore normalcy, and collectively, all efforts must be made to increase the pace. The crisis, however, is far from over. The distress caused by the pandemic continues to be of concern for lives and livelihoods as well as for economic growth. Despite near-term uncertainties, the Indian economy holds immense promise for future.

Ladies & Gentlemen, your Company looks to the future with optimism by drawing enormous strength from the strategy reset as also from the lessons learnt in the past few years. Lessons of confronting challenges in uncertain terrains, pursuing innovations with limited resources, seeking new avenues to keep operations running in constrained circumstances, forging new collaborations in trying times and bouncing back with agility. These experiences will be invaluable as we move purposefully in our journey to shape a stronger and exemplary institution of national pride.

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The Digitalization progression is key and well in place which has help in controlling the inventory system and debtors in much better way. It's also helping in monitoring sales plan and production alignment to same. E-commerce, EBO and high value products are going to be key drivers for future growth.

Later he handed over to Mr. Kapil Pathare, Whole time Director. Mr. Kapil Pathare spoke about the Company's celebration of 50 years of being India's Most Trusted Innerwear Brand And the hygiene wear experts in the industry and share the related PPT with the shareholders. He also run a video of VIP advertisement right from the golden era how the advertisement has evolved and transformation of advertisement to mark the 50 years of Journey. He ended his speech thereafter.

Chairman ended his speech as follows:

I think with that we have covered most of the questions that have come from the members. If you still have any more questions, you may write those to our Company Secretary, the same would be answered by us within a span of time.

The e-voting facility will be activated now, in order to cast your vote electronically. The same will remain open for next 15 minutes and will be disabled thereafter.

I would like to take this opportunity to thank the directors on our Board for their constant inputs, advice and guidance.

I would also to thank all our customers, dealers, and Government authorities, Financial Institutions, Auditors, Bankers specially State Bank of India, IDBI and HDFC Bank and also all the other business associates for their continued trust in us.

Finally I would like to place on record our sincere appreciation to our shareholders who have supported us at all the times.

With your consent, the Board Members and myself shall take your leave now.
Thank you very much.

GOD BLESS ALL. STAY SAFE AND STAY HEALTHY.

The Meeting is adjourned.
