



September 27, 2019

To,

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

Scrip Code : 532613

To,

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

Trading Symbol : "VIPCLOTHNG"

Dear Sir/Madam,

Sub: - Chairman Speech delivered at 29th Annual General Meeting of the Company held on 26th September, 2019.

We have enclosed herewith the Chairman Speech delivered by Mr. Sunil Pathare - Chairman and Managing Director of the Company at 29th Annual General Meeting of the Company held on 26th September, 2019 at 11.00 a.m. at Goldfinch Hotel, Plot No.34/21, Central Road, MIDC, Andheri (East), Mumbai - 400 093.

Requested you to kindly take the same on your record.

Yours faithfully,
For VIP Clothing Limited

Ashish Mandaliya
Chief Financial Officer and Company Secretary



Encl: A/a.

VIP Clothing Ltd.
(Formerly known as Maxwell Industries Ltd.)

Registered Office: C-6, Street No. 22, MIDC,
Andheri (E), Mumbai - 400 093, India.
CIN : L18101MH1991PLC059804

T: +91 (22) 28257624 /27/33
F: +91 (22) 28371023
Export Div. T: +91 (22) 28256788
F: +91 (22) 28371024



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

Chairman speech

I would like to share brief highlights about the performance of your Company during the year 2018-19 and viz-a-viz economic scenario and hosiery sector in particular.

INDIAN ECONOMY:

As per the report of (Internal Monetary Funds) IMF, global economy has grown at 3.6% during the year 2018, whereas the GDP of India grew at 6.8% during the year 2018-19. The Indian economy is well poised to establish itself at 5th position in the Global economy and to march ahead in the times to come, as it is expected to retain its mantle as the fastest growing economy in the world. In order to give a boost to the economic growth to make India a US\$ 5 trillion economy, the government has been addressing the issues through its policies and structural initiatives to achieve sustainable future growth and has taken various steps like, removing of Article 370, Reduction in Corporate Taxes for Domestic companies, Reduction in some GST Slabs for some articles and many more scheme which will surely have a positive impact on the Economic Growth of Country. India today is seen very differently on Global Map as one of the strongest nation to grow and do business with.

COMPANY'S PERFORMANCE:

Overall competition in Hosiery Industries has rapidly increased across PAN India which has impacted the Company's Turnover and overall business in the financial year 2018-19. Due to GST and other compliance law imposed by the government, the trade, especially the Dealers and Wholesalers had also rationalized their purchases and minimized their stock holding levels. In turn the overall Business movement has Slower down due to above mention reason.

The Companies revenue from operation for financial year 2018-19 was Rs.207 Crs (Rupees Two Hundred and Seven Crore) as against revenue from operation of Rs.222 Crs (Rupees Two Hundred and Twenty Two Crore) in the previous financial year 2017-18 that is drop by 6.71% and reported net loss of Rs.6.41 Crs (Rupees Six point Forty one Crore) as against loss of Rs.3.03 Crs (Rupees Three point zero Three Crore). The Company's EBIDTA stood around 2.70% as against 5.30% in the previous year, on account of loss of sales and under absorption of the other expenses.

Despite the tough time, our key brands, VIP & Frenchie for men's undergarment and Feelings for women's has performed well. Over the Contribution of VIP & Frenchie together in turnover Rs.161 Crs (Rupees one hundred sixty one crores) and Feelings at Rs.23 Crs (Rupees Twenty three Crore).

Current FY (2019-20) has planned well, but due to restrict over the market condition, we have drop of Sales in 1st Quarter and planned well to compensate it and cover it well in next coming quarters.

INNOVATION AND BRAND EXTENSIONS FOR GROWTH:

"Innovation is the key for any Brand to Grow "this was relevant yesterday, today and it would be relevant in future too. As mention in my last AGM, that innovation was missing within our company from past few years and company had diverted into backward Integration which stunted our growth for many years. We are glad to announce that VIP is back with Innovative ideas and New Innovative product which was recently launched in Market.

The new fresh range from VIP which has Innovative feature like "Quick dry", "Cool Finish "and "Airflow" technology got launched and are well accepted in Market .

All this Product has special Features in it. **Quick dry** vest helps to absorb the sweat faster and it has a quality of drying it quickly. **Cool Finish** Vest has a technology which reduces the body temperature by **2-3 degree** and keeps you cooler from warm climatic condition. Airflow brief and trunk has been designed with mesh Fabric which helps with circulation of air for men having breathable fabric at sensitive area. Our all new products are so well designed, considering the uneven temperature and also to meet consumers' requirement. Another trend is brands extending across categories. A customer who is once comfortable with the brand doesn't mind trying product extensions into related categories. This gives brand an opportunity to go beyond its core offerings.

In keeping with fashion trends Frenchie has recently launched a range of printed Designer briefs that offers stylish edge to consumers. Today's youth prefers an active lifestyle. Frenchie is extending its products into the gym wear range to cater to this 'on the move' consumer. These changes in trends have been felt not just in metros but across the country

Even a brand like Feelings which caters significantly to the non-metro audience has introduced new products keeping in mind the changing woman. Dressing well and being Presentable is today's everyone choice and priority. However, comfort still plays a huge role in influencing your outfit choices. The same is the case when it comes to innerwear.

Considering comfort level and fashion may seem like contrasting ideas. But we at VIP have found a way of meshing of the 2 Ideas into a fabulous range of products with value added benefit. Our Feeling brand offers a new range of T- shirt bras and All day long bras that deliver perfect-fitting, comfortable yet fashionable inner-wear solutions. These products are designed for continuous comfort across a wide range of situations that you may encounter on a daily basis.

INTERNATIONAL PRESENCE:

Your Company's Foreign exchange earnings for financial year 2018-19 stood at Rs.16.09 Crs (Rupees Sixteen point zero nine Crores) as against previous year 2017-18 it is Rs. 17.31 Crs (Rupees Seventeen point Thirty one Crore). Your company's brands are exported majorly in Middle East & Gulf and have good brand recall even across the border. Company is in planning to expand to new export markets.

INFORMATION TECHNOLOGY:

One of the most notable trends, that we are witnessing today, is the digital revolution. This is going to have a significant impact on consumer behavior and market structure in future. As more and more consumer access the internet, it is becoming a key channel for gathering information, arriving at purchase decisions and transacting online, recognizing this as an opportunity, VIP is pursuing and e-commerce and digitalization strategy to promote online selling of its product.

Company has its own online store on our website i.e. www.vipclothing.in and it can be accessible to all for shopping on www.store.vipclothing.in. The Company is strengthening its online presence through partnership with large e-retailers and with its own portals services. Increasing the focus on digital marketing, online campaigns and social media will help us access the millennial, whose trends are driven of consumption in coming years.

The Company has in place, well equipped IT infrastructure, across all the functional and at its manufacturing level; the Company has the state of art imported cutting machine Lectra brought from France. The Company uses an integrated SAP software system and which is functioning smoothly.

SAP implementation is the effective mode of working environment and it has helped the Company to drive its operations in Hygiene and smooth way and get the corrective measures and action taken as in when requires.

To achieve requisites growth in sales at retail level. The Company had introduced field assist software for its sales team by providing them with TAB, so that retailer can be integrated with our existing system and enables the Company to generate and penetrate more valued retailers and customers for growth is now functioning smoothly.

HUMAN RESOURCES:

As overall Business & rapid increasing competition, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees for their continuous hard work, dedication and support.

As of 31st March 2019, our manpower strength in totality is 2083 which is inclusive of (Executive & workers) directly and indirectly associated with company. The industrial relations at the Company's units, head office were cordial throughout the year. Company is moving towards current trend in the market and now becoming more demanding on the Individual Performance of the employee.

As said, **Perform or Perish** is Key mantra which is now also adopted by our organization. Company has strengthened its Performance Management System through HR.

CSR ACTIVITY:

As part of your company initiative under CSR, Company had in the past undertaken projects in the area of sanitation & environment sustainability, these project are largely in accordance with schedule VII of the Companies Act, 2013. Due to losses in the previous years, Company had not spent on CSR activities in this financial year, but the Company is committed to spend on CSR activities in coming years.

ACKNOWLEDGMENT:

I would like to thank all our employees, vendors, service partners, customers for their overwhelming, continued support and to the supply chain including, the wholesalers, distributors, suppliers and retailers who have kept the life line moving. We are aware that our success lies in providing the customers their value for money and our endeavor in meeting their expectations.

I would also like to acknowledge with deep sense of appreciation the encouragement, support and co-operation received by the Company from its Bankers, State Bank of India, IDBI Bank Limited, HDFC Bank Limited, Stock Exchange, BSE Limited, National Stock Exchange of India Limited, Statutory Auditor M/s Sharp & Tannan., Internal Auditor - M/s. HariBhakti & Co, Registrar M/s. Link Intime India Pvt. Ltd. and also the consultant of your Company.

Above all we are grateful to you, Ladies and gentlemen, our Members, for the trust reposed in us.

Thank you Ladies and gentleman again for your kind attention,
