



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VIP CLOTHING LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;



- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company for the financial year under review**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company for the financial year under review and**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company for the financial year under review**

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company, as informed to us i.e.:

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) Employees State Insurance Act, 1948
- c) The Payment of Gratuity Act, 1972
- d) The Factories Act, 1948
- e) The Minimum Wages Act, 1948
- f) Workmen's Compensation Act, 1923
- g) Industrial Disputes Act, 1947
- h) The Air (Prevention and Control of Pollution) Act, 1981



- i) The Water (Prevention and Control of Pollution) Act, 1974
- j) Legal Metrology Act, 2009

We have also examined compliance with the applicable clauses of the Secretarial Standard – 1 and Secretarial Standard – 2 as issued by The Institute of Company Secretaries of India.

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, the Company has not complied with the proviso of Section 173(3) of the Companies Act, 2013. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no instances where dissenting members' views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was



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

However, there were no instances of:


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

For RS & MP Associates, Company Secretaries

Unique code No.: P2017MH061400

PR: 1773/2022

RS & MP ASSOCIATES



RAKESH SANGHANI, Partner

FCS: 7647 CP: 6302

UDIN: F007647E000384375

Date: May 26, 2023

Place: Mumbai

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

Annexure – I

To,
The Members,
VIP CLOTHING LIMITED

Our report of even date is to be read along with this letter.

1. The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.
2. Our responsibility is to express an opinion on secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, We followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for the same we have relied on the report of Statutory Auditors.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.



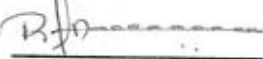
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RS & MP Associates, Company Secretaries

Unique code No.: P2017MH061400

PR: 1773/2022

M/S. RS & MP ASSOCIATES



RAKESH SANGHANI, Partner

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