



VIP Clothing Limited

ANNUAL  
REPORT  
2024-25

# LAUNCH MODE ON

*Momentum built. Trajectory upward.*



HOUSE OF BRANDS

VIP®

Frenchie

Feelings

LEADER

Brat

RIVOLTA

[www.vip.in](http://www.vip.in)

**OUR VISION FUELS THE TRAJECTORY,  
OUR MISSION CHARTS THE COURSE.**



## **VISION**

To be in every Indian's  
Wardrobe and Go Global.

## **MISSION**

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

# RIDING THE DIGITAL WAVE WITH SPEED & SCALE

FROM BROWSING  
TO BUYING IN MINUTES

MARKETPLACES, QUICK  
COMMERCE, EVERYWHERE!

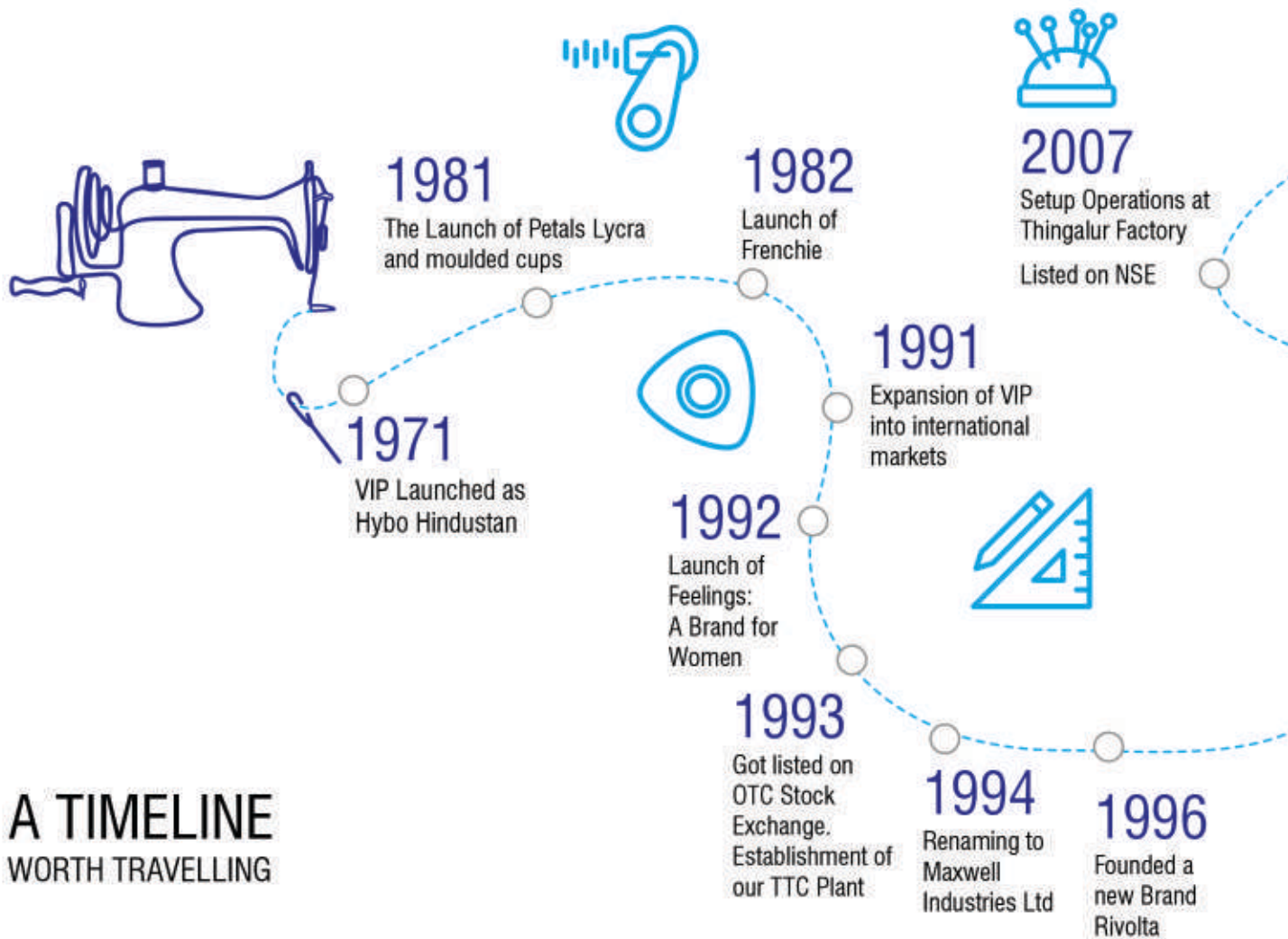


## VIP DELIVERED FASTER

VIP Clothing Limited has rapidly scaled its digital footprint, ensuring our products are never more than a click away. From leading marketplaces like **Amazon, Flipkart, Myntra, Nykaa**, etc to quick commerce platforms such as **Zepto, Blinkit, Swiggy Instamart**, etc.

**We're redefining convenience for our customers.**

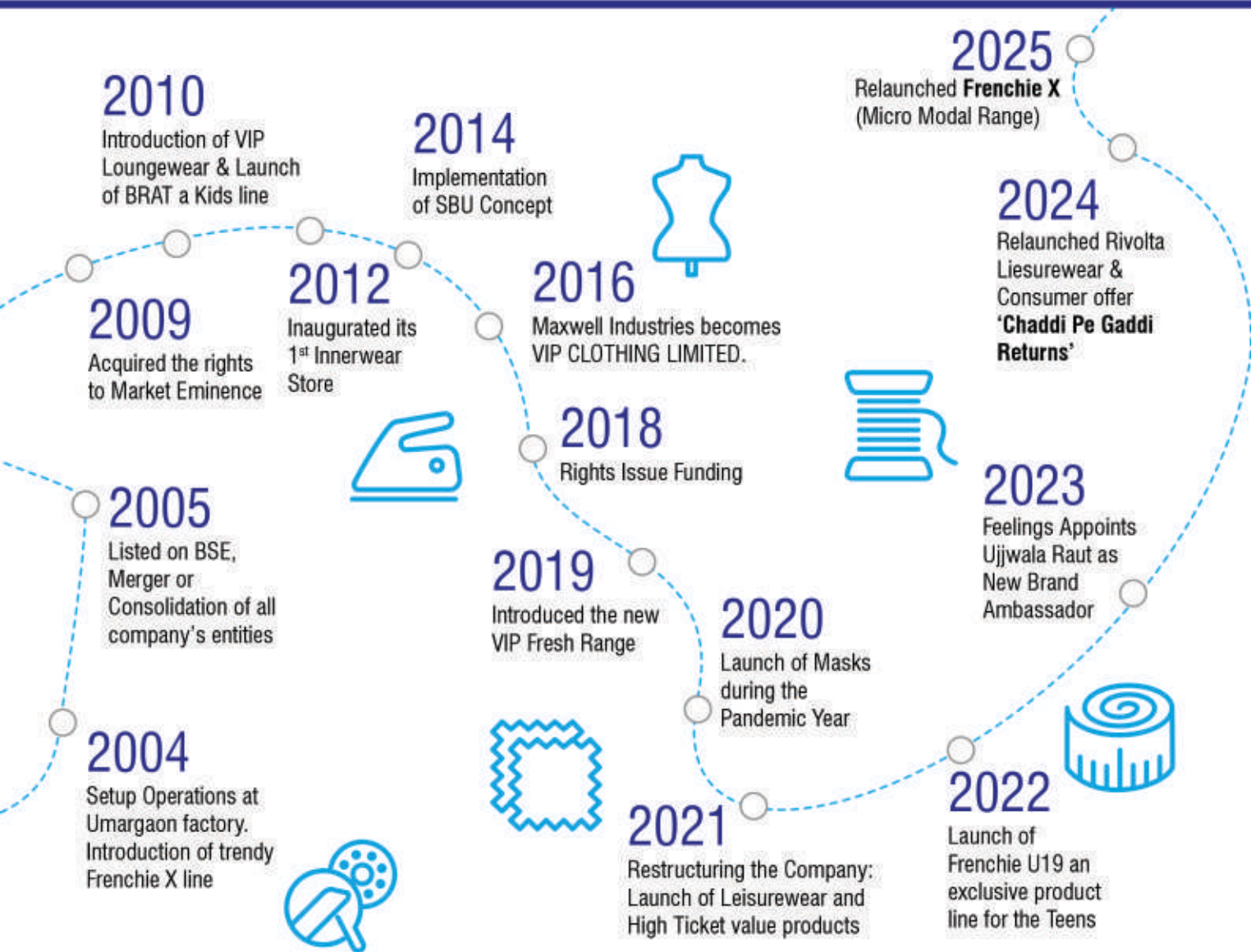
With instant deliveries, wider availability and a seamless shopping experience,  
**VIP is closer, faster and more accessible than ever.**



**A TIMELINE**  
WORTH TRAVELLING

**DID YOU KNOW!**

## 55 YEARS OF INNERWEAR EXPERTISE



THE STIRRING JOURNEY OF 55 YEARS FROM WARDROBES TO HEARTS

TODAY VIP IS AN EMOTION FELT BY THE NATION

# Frenchie X

MAKES A BIG IMPRESSION

Then

## A Legacy Reimagined

In the early 2000s, India's innerwear category was undergoing a silent revolution. What was once viewed as a pure necessity was slowly evolving into a personal style statement. Sensing this shift early, VIP Clothing Limited launched Frenchie X in 2005 a bold and disruptive product line that brought daring design, vibrant styling, and confident masculinity into the spotlight.



The launch wasn't just about introducing a new product, it marked a cultural moment. The ad campaign, created with fearless visual storytelling, featured provocative hoardings and audio-visual films that were far ahead of their time. While the campaign stirred massive curiosity and brand recall, it also sparked controversy, drawing complaints that led to some of the ads being pulled down.



***“The hoardings were up for two months. The same visuals were carried in several papers. I’m surprised—when there are 50 other ads of people wearing underwear running everywhere, why was this singled out?”— Piyush Pandey, Ogilvy, 2008***



Rather than retreat, the brand responded with wit. The revised hoardings featured similar poses, just modestly covered in VIP vests—with a new tagline that proudly declared:

***“Now making an even bigger impression.”***

The campaign became a case study in creating impact through controversy, setting the tone for how innerwear brands could break conventions.

## 2025: The Comeback of a Cultural Icon



*“Making a Big Impression, Sustainably.”*

Unlike typical premium brands that position such materials at luxury price points, VIP Clothing Limited stayed true to its roots - **bringing high-quality Micro Modal products** at accessible price points. This move extended Frenchie X's reach beyond its original mass appeal, into premium wardrobes, without compromising affordability.

Fast forward nearly two decades, the innerwear market has matured and so has the consumer. Today's youth demand style with substance, and sustainability is no longer a buzzword-it's a buying decision. Keeping pace with these shifts, VIP Clothing Limited reintroduced Frenchie X in 2025, combining its bold legacy with modern values.

This time, Frenchie X returns not with shock value-but with sustainable innovation, crafted from **TENCEL™ Micro Modal fabrics**. The reboot retains its audacious personality, while offering **superior comfort, breathability**, and a low environmental footprint-making it an ideal choice for the style-conscious, planet-conscious Gen Z and millennial consumer.

To celebrate the relaunch, the marketing team along with the support of their **CMD Mr. Sunil Pathare** tapped into the nostalgia of the original campaign-reviving the spirit of the 2005 ad film with a **new-age twist**, blending iconic cues with contemporary style, and reinforcing the legacy of a brand that was always ahead of its time.



### **Legacy Meets Leadership**

The relaunch of Frenchie X is more than a product revival. It is a statement—of how legacy brands can lead the change, disrupt markets once again, and do so responsibly. By staying bold, innovative, and accessible, VIP Clothing Limited continues to shape the future of Indian innerwear-just like it did in 2005.

**“Back then, we made headlines. Today, we make an impact.”**

# Frenchie

MAKES A BIG IMPRESSION



BY **VIP**

BRIEF | TRUNK | VEST



Turning up the heat in **Premium Stores.**



**VIP.IN**



### ***VIP Clothing Unveils the Vibrant and Youth-Centric Yuwa Series.***

After the successful debut of Frenchie X in Kerala, VIP Clothing Limited has expanded its presence in the southern market with the launch of its latest innovation – the Yuwa Series, designed specifically for India's young and style forward consumers, this new collection reinforces VIP's evolving brand narrative rooted in boldness, individuality, and everyday comfort.

The Yuwa Series is a curated collection of expressive innerwear that combines premium fabrics, modern silhouettes, and trend-driven prints, crafted for Gen Z and millennials, each product line caters to the diverse lifestyles of today's youth, blending fashion with function effortlessly.

The lineup includes:

**Maxer:** A sporty printed mini trunk offering dynamic prints and all-day active comfort.

**Azure:** Sleek, ultra-light printed briefs designed for modern minimalism and ease.

**Ascent:** Premium solid mini trunks that provide superior support and a refined fit.

**Univo:** A universal-style solid brief that offers a blend of comfort and classic appeal.

**One Up:** The newest addition, featuring bold printed long trunks made for those who dare to stand out.

The launch of the Yuwa Series is part of VIP's broader strategy to premiumize its offerings and create stronger emotional and lifestyle connect with the youth segment. From sporty trunks to everyday essentials, the collection reflects a bold and confident attitude - making it more than just innerwear, but a statement of personality.

With a strong legacy in quality and innovation, VIP Clothing continues to evolve from a heritage innerwear brand into a modern lifestyle partner. The Yuwa Series marks yet another step in this journey, capturing the spirit of a new generation -vibrant, fearless and always comfortable.

  
**VIP**<sup>®</sup>  
THE  
INNERWEAR  
EXPERT



**ONE UP**  
PRINTED LONG TRUNK

*Feelings*  
BY VIP®



CAMISOLE • BRA • PANTY • SOCKS • LEISUREWEAR

# Frenchie



**BRIEF | TRUNK | VEST**  
**FOR TEENAGE BOYS**

**#ThoughtWeCaught**

Frenchie U-19 was launched with the idea to solve the most common size issues faced by the parents of boys aged from 13 to 19 years old. It is India's first teen underwear range that has helped in simplifying the choice of parents when it comes to buying perfect-fitted size underwear for their child.

The design of the brand was built by keeping in mind the trends and forecasts for youth who will hang on to the designs and colors that will make them look more cool, comfortable, and stylish



A muscular man with a light beard and blue eyes is posing in a modern bathroom. He is wearing blue briefs with red piping and a small red label on the waistband that says "Frenchie". He is leaning back, with his right arm raised and hand resting on his head. The background shows a white bathtub, a white wall, and a thatched roof structure.

Frenchie

BY  VIP<sup>®</sup>

**PLUS**  
BRIEF

  
**VIP**<sup>®</sup>  
THE  
INNERWEAR  
EXPERT

**BONUS**  
**PREMIUM**

*Milky*  
WHITE VEST



# LEADER

BY  VIP<sup>®</sup>



**POCKET**  
TRUNK

# RIVOLTA

BY **VIP**<sup>®</sup>



T-SHIRTS • JOGGERS • SHORTS

# OUR LEADERSHIP

## BOARD OF DIRECTORS



**MR. SUNIL J. PATHARE**  
Chairman & Managing Director

Experienced Managing Director with a demonstrated history of working in the Apparel and Fashion industry.

A business-minded individual with an ambitious mission to form an innerwear empire in India, as well as experienced in marketing, manufacturing operations, revenue growth, financial management and advertising.



**MR. KAPIL J. PATHARE**  
Deputy Managing Director

Entrepreneur that evaluates table-turning decisions and an author who pens revolutionary words in his books.

Passionate about various aspects of Manufacturing with an emphasis on quality and customer service. His enthusiasm coupled with his international business acumen has resulted in significant impacts in both Manufacturing and Marketing operations.



# INDEPENDENT DIRECTORS



**MR. VILAS GUPTÉ**

Mr. Vilas Gupte holds an M.Sc. in Organic Chemistry by Research and has completed an Advanced Course in colour Technology from Rensselaer Polytechnic Institute, USA. He has international experience while working for Milton Roy, USA for 9 years, prior to Milton Roy, he worked for Mafatal Group for 14 years providing colour matching services to its six large process houses and also to two dyes manufacturing units. He was provided an independent laboratory by Mafatals. He has been working as a Consultant and Head of the Colour Business at AGS Transact Technologies Ltd, Mumbai. He also oversees paint dispensers from IDEX Corp, serving all major, medium, and small paint companies. Mr. Gupte is responsible for sales and service, managing a team of 350 personnel. His achievements include being awarded the Chartered Colourist (C. Col) by the Society of Dyers & Colourists, UK, in 2006, receiving the Silver Medal from the same society in 2009 for his significant contributions to the advancement of colour science in India, and the Service Gold Medal from the Textile Association of India for his services to the Indian textile industry.



**MR. UDAY AJGAONKAR**

Mr. Uday Laxman Ajgaonkar is B.Sc. graduate from Karnataka University and having over 55 years of extensive experience in the yarn industry, he had developed a deep expertise in trading, exports, and advisory services. His career includes a long-standing association with leading textile giants such as Gokak and Vardhaman for more than 35 years, during which he has built a strong reputation in the industry.

He had the privilege of serving numerous prominent companies across diverse segments, including garments, socks, towels, shirts, and innerwear. His professional journey has included collaborations with well-known brands such as Welspun, Jockey, VIP, Arvind, Ashima, and Spenta, among others.



**DR. KISHOR NAVANDAR**

Dr. Kishor Navandar is a prominent entrepreneur and philanthropist, known for his role as the Founder and Chairman & Managing Director of Blue Billion Group (Best Brand of India 2023 by Economic Times). He holds a Law degree from Symbiosis Law University and was recently awarded a Doctorate in Hospitality by a Harvard-affiliated institution in Melbourne, Australia. His business ventures span hospitality, real estate, media, adventure sports, energy, and beverages. He is also owner of Indian Ethnic Clothing Brand called KavyaKrishna.

Dr. Kishor Navandar is well recognized for his visionary leadership which has earned him several accolades, including the RULA Award for Asia's Best Innovative Entrepreneur 2020/2021 and the prestigious American's Most Outstanding Businessman Award in 2021. He is also Chairman of Hospitality & Tourism of Gujarat's renowned Knowledge Chamber of Commerce. He actively participates in business and corporate events as a TEDx speaker and moderator and has also received the Best Diplomat Award in Malaysia in 2022.



**MS. VANDANA BHARDWAJ**

Ms. Vandana Bhardwaj is the Director and Spokesperson of Marie Claire - B2C Network LLP, a prestigious Paris-based franchise of salons in India. She holds a B.Com, a Master's in Public Administration, and has been honored with a PhD in Social Work. Ms. Bhardwaj's accomplishments are numerous and notable. In 2018, she received the "Most Premium Salon of the Year" award. The following year, she was named "Influencer of the Year" by Economic Times. In 2022, she was recognized with the Mumbai Entrepreneur Award. Additionally, she is the founder of the NGO "My Helping Hands," which is dedicated to the welfare of children and animals. The NGO has received several esteemed awards for its work, including the "Maharashtra Ratna Puruskar" in 2023, the "Karamveer Puruskar" in 2014, and the Hindustani Pillar Award in 2023. Under her leadership, the organization provides support and care for over 250 children and stray dogs and cats. She has also ventured into the entertainment industry through her production house, Acolade Entertainment, releasing three songs till date.

# KEY MANAGERIAL PERSONNEL



**MR. DEVENDRA VYAS**

Chief Financial Officer

Mr. Devendra Vyas, associated with the Company since 2012, is a Chartered Accountant and holds an MBA, with over 23 years of experience. He has expertise in business management, finance, accounting, taxation, auditing, and budgeting. He has held senior roles at J.K. Cement Limited, Prince Pipe and Fittings Limited, Parksons Graphics, and Unimin India Limited, focusing on accounting, risk management, and audits. At the Company, Mr. Vyas has driven strategic initiatives and process-driven systems, significantly strengthening financial governance, risk management and compliance frameworks.



**MR. RAHUL SONI**

Company Secretary & Compliance Officer

Mr. Soni, a Qualified Company Secretary and Associate Member of ICSI, holds a Law degree, a Commerce degree from the University of Mumbai, and a Diploma in Corporate Law, with over 11 years of experience in Corporate Law, Corporate Governance, and Secretarial and Listing Compliances. He has worked with reputed organizations such as India Infoline Limited (IIFL), Euro Ceramics Limited (ECL), Dholakia & Associates LLP, and Gujarat Themis Biosyn Limited, bringing strong expertise in regulatory frameworks and governance to the Company's compliance functions.



“This year was not just about business - it was about transformation. A transformation rooted in customer - centric innovation, global ambition, digital modernization, and sustainable value creation.”

CHAIRMAN &  
MANAGING DIRECTOR

**Mr. Sunil J. Pathare**

### ***Dear Shareholders,***

It is with immense pride, gratitude, and purpose that I present to you the Annual Report for the financial year 2024–25 - a year marked by renewed energy, bold decisions & purposeful execution. It was a year of acceleration of igniting our brand engine, expanding new frontiers, and staying rooted in the core values that have always defined VIP Clothing Limited.

### **Global Footprints, Rising Aspirations**

Despite a volatile global environment, VIP Clothing Limited expanded its presence beyond borders. We not only strengthened our foothold in the Gulf region but are ready to make inroads into Germany and the United Kingdom, placing Indian innerwear on the shelves of discerning international consumers. Our next phase is focused on Africa, unlocking a high-potential, underserved market aligned with our long-term global strategy.

However, global expansion brings unique challenges from navigating fluctuating currency rates, trade policies & stringent compliance regulations (such as EU REACH standards, UKCA marking, and Gulf Standardization Organization norms) to addressing logistics complexities and diverse consumer preferences. Additionally, evolving trade agreements and shifting import tariffs require agility and strategic alignment with our global supply chain. **“Our mission is clear to make VIP Clothing Limited a respected global name in everyday fashion essentials.”**

### **Operational Excellence and Financial Discipline**

A core focus this year has been efficiency, profitability, and financial prudence. From better raw material sourcing to tighter working capital controls, every initiative was aligned to improve our bottom line without compromising growth. We continue to invest in automation, AI-driven analytics, digitized systems and supply chain resilience to create a future-ready operating model.

We also deployed sales force automation and accelerated our AI-powered digital scale-up, transforming the in-store customer experience of our brands, while strengthening our presence across online marketplaces, quick commerce companies, 3PLs, and distributors.

## A Brand on the Move: Culture, Youth & Confidence

In FY 2024–25, we made decisive strides in brand creation and consumer connection. Our high-profile tie-up with Kerala Blasters, one of the most loved football franchises in the country, was not just a marketing deal - it was a strategic alliance with India's youth. It gave our brand a cultural voice, youthful energy, and national relevance. **"This was not just a sponsorship-it was a cultural handshake with India's new generation."**



In parallel, our bold and iconic campaign 'Chaddi Pe Gaddi Returns' created a nationwide buzz, celebrating loyalty with 100 Honda Activas and a bumper car giveaway. This was not just a promotion - it was an expression of joy, belonging & brand love. "100 scooters delivered. Countless smiles created. Chaddi Pe Gaddi became a cultural moment."



## Product Innovation Meets Precision Strategy

This year, we sharpened our product architecture and reimagined market segmentation to meet the needs of diverse consumer cohorts, from mass to premium, our portfolio now speaks across ages, tastes & aspirations.

- The **relaunch of Frenchie X** crafted in **Micro Modal**, designed for Gen Z - marked our **assertive entry** into the **premium space**.
- The introduction of the **YUWA Range** of printed and plain briefs and trunks, made with **100% premium cotton**, caters to younger audiences seeking vibrant style and superior comfort.
- Several **semi-premium** and **premium launches** are in the **pipeline**, aimed at margin **improvement** and **brand elevation**.

## Digital Evolution, Retail Expansion and Channel Strengthening

We are embracing digital transformation across the value chain—from manufacturing and supply chain digitization to customer engagement and analytics. Our retail footprint also grew this year with deeper penetration into Tier 2/3 towns and a renewed focus on distribution excellence and trade relationships. Our multi-channel strategy—traditional trade, modern retail, online marketplaces, Quick commerce and D2C—continues to power our reach, with sharper inventory planning, pricing intelligence, and agile market response. **"Fast fashion now meets faster fulfilment—VIP is available at the speed of Gen Z."**

## People First, Always

At the heart of our success lies the unrelenting passion of our people. From factory workers to sales teams, from product designers to customer service professionals—their belief fuels our ambition. To our trade partners and vendors—you are an extension of our family. And to our leadership team—thank you for walking the talk, with both vision and grit. **"Our people are not just employees-they are the entrepreneurs of our vision."**

## To Our Shareholders:

You have stood with us through challenges, transitions and bold new chapters. Your trust is our biggest strength. We are not just building a brand-we are building a legacy. A legacy of relevance, resilience & results.

**"We're not just navigating the future-we are shaping it, together."**

As we step into the next fiscal, we do so with clarity of purpose and strength of conviction. With ambitious brand actions, a differentiated product roadmap, and a committed team, VIP Clothing Limited is positioned for sustained growth and value creation—in India and across the world.

***Thank you for your faith. The best chapters are yet to be written.***



DEPUTY  
MANAGING DIRECTOR

**Mr. Kapil J. Pathare**

## **VIP Clothing Limited.**

“Excellence is never an accident; it is born from high intention, nurtured by sincere effort, refined through intelligent execution, and sustained by the belief that every detail matters. It is the relentless pursuit of doing things better each day, until greatness becomes the standard.”

## Dear Shareholders,

It is a privilege to address you in my first year as **Deputy Managing Director**. **FY 2024 – 25** has been a year of **steady consolidation** and **purposeful progress** for **VIP Clothing Limited** a year in which we **strengthened our operating backbone**, **sharpened our customer focus** and **stayed true to the values** that have guided this company for over five decades.

Our environment was not without **headwinds**. **Input costs** were volatile, **consumer preferences** moved faster than traditional cycles, and **supply chains** demanded constant vigilance. Yet, our response was **measured and disciplined**. We concentrated on what we control best: **building reliable operations**, **empowering our people**, **enhancing product quality**, and **servicing customers** with **consistency** across channels and markets. Our **operating backbone** delivered with **steadiness**. The **Thingalur facility** in **Tamil Nadu** spread across **19.2 acres** continued to set **benchmarks in productivity, safety and inclusion**. It is a place of pride for us, not only for its **manufacturing discipline** but also for its role in **women's empowerment**, with on-campus dormitories supporting over **300 women workers**. Through **selective automation**, **tighter process control** and **focused training** at the line level, we **increased throughput** while preserving the quality our brands are known for.

People remain at the **heart** of our performance. During the year, our **Human Resources** agenda moved beyond **compliance to capability and culture**. We expanded **training for frontline teams**, strengthened **retention initiatives** and created clearer **growth pathways** especially for the women who form the backbone of our **production units**. These actions are **improving skills**, **deepening accountability**, and **building a more resilient second line of leadership**. We also took a **fresh look** at areas that shape the **consumer's first impression** of our products. Packaging underwent a thoughtful upgrade: more durable, more attractive and colourful, and better aligned with modern retail and e-commerce requirements. These changes **elevate the unboxing experience**, **protect product integrity** and reflect the **premium direction of our portfolio**. Centralized procurement and process optimization underpinned this shift, yielding both **cost efficiency and consistency**.



**Operationally**, we kept our focus on **speed with discipline**. We **diversified** key elements of our supply base to reduce **dependency risk**, **adopted energy-efficient practices** across facilities, and tightened planning cycles. On the technology front, we embedded data-led tools in **demand forecasting**, **inventory planning** and **order fulfilment**. These steps **shortened lead times** and **improved service levels** while helping us manage **working capital with greater precision**.

On the **market side**, we pursued **growth with prudence**. **Domestically**, we continued to **strengthen our presence in core channels** while **deepening our digital engagement**. **E-commerce** and omni-channel initiatives helped us serve customers where they choose to shop, and our retail partners benefited from improved **availability and refreshed** presentation at the shelf. Our investments in digital discovery and e-commerce translated into steady online growth and **better customer insight**. Internationally, we took measured steps into select markets in the **Middle East** and **Southeast Asia**, **broadening our revenue base** and **learning from diverse consumer preferences**. These moves were deliberate and data-led, designed to build **durable presence** rather than **fleeting spikes**.



**Product innovation** remained anchored to our **promise of comfort, quality, and value**. We **broadened ranges** built on **better fabrics and smarter construction**, with a conscious move toward **eco-considerate materials** such as **micro modal** in select lines. The **reception from consumers** has affirmed our belief that **responsibility and performance** can and should coexist.

None of this progress shielded us from **hard choices**. **Inflationary pressures** and **supply variability** required **discipline**. We diversified critical suppliers to reduce dependency risk, invested in **energy-efficient practices** to **lower operating costs** and emissions, and maintained a firm line on non-essential expenditure. Where challenges persisted, we

addressed them openly and acted decisively always with the long term in view.

As we look ahead to **FY 2025** and beyond, our priorities are clear. We will **fortify the basics** reliable production, **consistent supply and uncompromising product quality**. We will **invest in people and capability strengthening leadership** at every level and **rewarding accountability**. We will keep **innovating elevating core ranges**, **scaling promising adjacencies** and **advancing sustainable materials and packaging**. And we will stay **disciplined on cash flows and profitability** because **sustainable growth** is built on a **sound financial core**.

To our **employees** across **factories, offices** and the **field**: thank you for your **grit and commitment**. To our **vendors and trade partners**: thank you for your **trust** and collaboration. And to you, our **shareholders**: thank you for your **unwavering support**. **VIP Clothing Limited** enters the new year with humility to keep learning and the confidence that comes from **strong foundations**. We will move with **speed where it matters**, with **prudence where it counts** and with **integrity** in all that we do.

# CORPORATE INFORMATION

## COMPANY INFORMATION

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Add : C-6, Road No.22, MIDC, Andheri (East),  
Mumbai – 400 093.  
Phone : +022 – 40209000/1/2/3/4/5  
E-mail : investor.relations@vip.in  
Website: <http://www.vipclothing.in>  
CIN : L18101MH1991PLC059804

## REGISTRAR & TRANSFER AGENTS

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MUFG Intime India Private Limited  
(Formerly Link Intime India Private Limited)  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai-400 083.  
Phone : +91 22 49186000  
Fax : 022 - 49186060  
Email : [rnt.helpdesk@in.mprms.mufg.com](mailto:rnt.helpdesk@in.mprms.mufg.com)

## BANKERS

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STATE BANK OF INDIA  
IDBI BANK LIMITED  
HDFC BANK LIMITED

## AUDITORS

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Statutory Auditor:  
**M/S. M S K A & ASSOCIATES** (upto 30-09-2024)  
Practising Chartered Accountants

**M/S DMKH & Co.** (w.e.f. 01-10-2024)  
Practising Chartered Accountants

Secretarial Auditor:  
**M/S. RS & MP ASSOCIATES**  
Practising Company Secretaries

## PLANT LOCATIONS

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STITCHING UNIT :  
SF- 125/126/127, Gobi Main Road,  
Appachimarmadam, Thingalur Village,  
Erode - 638 055.

WIND MILL:  
Chinnakkully Village, Pappampatty Panchayat,  
Coimbatore, Tamil Nadu - 641 016.

## WAREHOUSE LOCATIONS

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Thingalur : SF- 125/126/127, Gobi Main Road,  
Appachimarmadam, Thingalur Village,  
Erode - 638 055.

Kolkata : C/o. Agarpara Jute Mills Ltd.,  
28, B.T. Road, Agarpara,  
Kolkata - 700 058.

Kon Gaon : VIP Compound, Kalyan Bhiwandi Road,  
Kon Gaon, Taluka Bhiwandi, Dist.  
Thane - 421 301.

## INVESTOR INFORMATION

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Market capitalization as at March 31, 2025

BSE ₹ 36,967 (In Lakhs)

NSE ₹ 36,825 (In Lakhs)

BSE Scrip Code 532613

NSE Symbol VIPCLOTHNG

35<sup>th</sup> AGM Date Thursday, September 18, 2025  
at 11:30 a.m. (IST)

Through Video Conferencing

# FINANCIAL HIGHLIGHTS

## OPERATING REVENUE

₹ 23,688.69  
(IN LAKHS)



## PROFIT AFTER TAX

₹ 545.65  
(IN LAKHS)



## EARNINGS PER SHARE

₹ 0.63



## BOOK VALUE PER SHARE

₹ 20.48



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## NOTICE

**NOTICE** is hereby given that the 35<sup>th</sup> Annual General Meeting (the "AGM" or the "Meeting") of the Members of VIP Clothing Limited (the "Company") will be held on **Thursday, September 18, 2025 at 11:30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### **ORDINARY BUSINESS:**

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the Company comprising of Balance Sheet as at March 31, 2025, Statement of Profit and Loss for the financial year ended March 31, 2025 together with the Management Report, Boards' Report and Auditors' Report thereon.**

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

**"RESOLVED THAT** the Audited Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2025, Statement of Profit and Loss for the financial year ended March 31, 2025 and notes thereon, Management Report, Board's Report and Auditors thereon be and are hereby received, considered, approved and adopted."

- 2. To appoint a Director in place of Mr. Sunil J. Pathare (DIN: 00192182), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sunil J. Pathare (DIN: 00192182), who retires by rotation at this Annual General Meeting, and being eligible offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- 3. To appoint M/s. DMKH & Co, Chartered Accountants (Firm Registration No. 116886W) as the Statutory Auditors of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), be and are hereby appointed as the Statutory Auditors of the Company, for the first term of 5 (five) consecutive years to hold office from the conclusion of the 35<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 40<sup>th</sup> AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable, in



order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

**4. To appoint M/s. KRS AND CO., Practicing Company Secretaries, as the Secretarial Auditors of the Company:**

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

**“RESOLVED THAT** pursuant to Regulation 24A(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 204(1) of the Companies Act, 2013 along with the applicable Rules thereunder, and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of the Audit Committee and Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for appointment of M/s. KRS AND CO., Practicing Company Secretaries (Firm Registration No. S2017MH469000 and Peer Review No. 3967/2023), Thane, Maharashtra, represented by CS. Ketan Ravindra Shirwadkar, Proprietor (Membership No. A37829 and COP No. 15386) as the Secretarial Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of 35<sup>th</sup> Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company, and who shall conduct Secretarial Audit of the Company for the Financial Year 2025-26 to the Financial Year 2029-30 on remuneration of ₹ 75,000/- (Rupees Seventy-Five Thousand Only) and out-of-pocket expenses, including revisions during the tenure, if any, as may be approved by the Board, based on the recommendation of Audit Committee.

**RESOLVED FURTHER THAT** any one of the Directors, Chief Financial Officer and Company Secretary be and are hereby severally authorized to file necessary forms with Registrar of Companies and to do all such acts, deeds and things, as may be necessary, to give effect to the above said resolution.”

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

**Sunil J. Pathare**  
**Chairman & Managing Director**  
**DIN: 00192182**

**Registered Office:**

C-6, Road No.22, M.I.D.C.,  
Andheri (East), Mumbai – 400 093  
CIN: L18101MH1991PLC059804

**Place:** Mumbai

**Date:** August 06, 2025

**Email:** [investor.relations@vip.in](mailto:investor.relations@vip.in)

**Website:** [www.vipclothing.in](http://www.vipclothing.in)

**NOTES:****I. GENERAL INFORMATION**

1. Pursuant to the General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and Master Circular number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and General Circular No. 09/2024 dated 19.09.2024 read with Circular number SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 and circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The Board of the Company has decided to adopt the above guidelines issued by MCA in conducting Annual General Meeting of the Company.
2. 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.
3. In accordance with, General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 09/2023 dated September 25 2023, and General Circular No. 09/2024 dated 19.09.2024 issued by the Ministry of Corporate Affairs (MCA) and Master Circular number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with Circular number SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 and circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars") 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). Further, a letter providing the web-link for accessing the Annual Report, including the exact path, will be sent to those Members who have not registered their email address with the Company/ RTA/ Depositories/ Depository Participant(s).
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 12, 2025 to Thursday, September 18, 2025**. (both days inclusive)
6. MUFG Intime India Private Limited ("MIIPL") (formerly Link Intime India Private Limited) will be providing facility for voting through remote e-Voting, participation in the AGM through VC/OAVM facility and e-Voting during the AGM.
7. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("Rules"), the Company is mandatorily required to transfer all such shares in respect of which dividend(s) has not been en-cashed or claimed by the shareholder(s) for last 7 (Seven) consecutive years or more to the Demat Account of IEPF Authority set up by the Central Government. Unclaimed dividend amount and shares which are transferred to IEPF authority earlier can be claimed by the Shareholder by making an application to the IEPF Authority in Form No. IEPF - 5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
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 Registrar and Share Transfer Agent, MUFG Intime India Private Limited or 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, MUFG Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

- a. For shares held in electronic form: to their Depository Participants (Dps)
  - b. For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) in KYC forms i.e. ISR-1 and ISR-2 and prescribed in the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023 (Format of the said forms are available on the website of the Company).
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, MUFG Intime India Private Limited.
11. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 07, 2024 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website and on the website of the Company's RTA, MUFG Intime India Private Limited at <https://in.mpms.mufig.com>. It may be noted that any service request can be processed only after the folio is KYC Compliant. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.
12. 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 on [investor.relations@vip.in](mailto:investor.relations@vip.in). The same will be replied accordingly.
13. Members may be aware, that the Equity Shares of the Company have been sub-divided from one equity shares of ₹10/- each to Five 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, MUFG Intime India Private Limited, since the old Share Certificate of ₹10/- each are no longer tradable.

14. 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.
15. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the Annual General Meeting has been uploaded on the website of the Company at [www.vipclothing.in](http://www.vipclothing.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the Annual General Meeting Notice is also available on the website of MUFG Intime India Private Limited (agency for providing the remote e-voting facility) namely <https://instavote.linkintime.co.in>
16. 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. Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
17. 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 of SEBI Listing Regulations are provided in Annexure to this Notice.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any changes in address or any intimation regarding 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.
19. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If any Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
20. SEBI vide Circular Nos. SEBI/HO/ OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/ OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/ OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.
21. Pursuant to abovementioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login> and the same can also be accessed through the Company's website <https://www.vipclothing.in>

## **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 35<sup>th</sup> 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 our RTA i.e, MUFG 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. The Company has appointed CS Ketan Ravindra Shirwadkar (Membership No. A37829 and COP No. 15386) proprietor of M/s KRS AND CO., Practicing Company Secretaries, Thane, Maharashtra, to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner.
4. The Scrutiniser shall immediately after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated scrutiniser'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 and declare the result of the voting forthwith.
5. The e-Voting results along with the report of the Scrutinizer shall be declared to the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), where the shares of the Company are listed within two working days of the conclusion of AGM. The result along with the scrutinizer's report shall also be placed on the website of the Company [www.vipclothing.in](http://www.vipclothing.in) and on the website of MUFG Intime India Private Limited <https://instavote.linkintime.co.in>.
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 [enotices@in.mpms.mufig.co](mailto:enotices@in.mpms.mufig.co). However, if he/she is already registered with MIIPL- 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 **Monday, September 15, 2025 at 10:00 a.m.** and ends on **Wednesday, September 17, 2025 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) **Thursday, September 11, 2025** may cast their vote electronically. The e-Voting module shall be disabled by MUFG 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:

## REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

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

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

**Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility**

**Shareholders who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

**Shareholders who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL**

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL:****METHOD 1 – If registered with CDSL Easi/Easiest facility****Shareholders who have registered for CDSL Easi/Easiest facility.**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi tab
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR****Shareholders who have not registered for CDSL Easi/Easiest facility.**

- a) To register, visit URL:  
<https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/>  
<https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL**

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" option.
- c) Click on e-voting option, users will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.
- d) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical mode/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility may register for InstaVote as under:

a) Visit URL: <https://instavote.linkintime.co.in>

**Shareholders who have not registered for INSTAVOTE facility:**

b) Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

**A. User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders 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 holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in **NSDL form**, shall provide '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).
- ▶ Enter Image Verification (CAPTCHA) Code
- ▶ Click "Submit" (You have now registered on InstaVote).

**Shareholders who have not registered for INSTAVOTE facility:**

c) Click on 'Login' under '**SHARE HOLDER**' tab.

- A. User ID: Enter your User ID
- B. Password: Enter your Password
- C. Enter Image Verification (CAPTCHA) Code
- D. Click "Submit"

- d) Cast your vote electronically:
- After successful login, you will be able to see the **"Notification for e-voting"**.
  - Select **'View'** icon.
  - E-voting page will appear.
  - 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).
  - 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.

### **Guidelines for Institutional shareholders ("Corporate Body/ Custodian/ Mutual Fund"):**

#### **STEP 1 – Custodian/ Corporate Body/ Mutual Fund Registration**

- Visit URL: <https://instavote.linkintime.co.in>
- Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- Fill up your entity details and submit the form.
- A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID. (You have now registered on InstaVote)

#### **STEP 2 –Investor Mapping**

- Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- Click on **"Investor Mapping"** tab under the Menu Section
- Map the Investor with the following details:
  - 'Investor ID' -
    - NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - CDSL demat account – User ID is 16 Digit Beneficiary ID.
  - 'Investor's Name' - Enter full name of the entity.
  - 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
  - 'Power of Attorney' - Attach Board resolution or Power of Attorney.

\*File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.

- Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the **"Report Section"**.

#### **STEP 3 – Voting through remote e-voting.**

The corporate shareholder can vote by two methods, once remote e-voting is activated:

##### **METHOD 1 - VOTES ENTRY**

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login Credentials.
- Click on **'Votes Entry'** tab under the Menu section.
- Enter the **'Event No.'** for which you want to cast vote.  
Event No. can be viewed on the home page of Instavote under **"On-going Events"**.

- d) Enter '**16-digit Demat Account No.**' for which you want to cast vote.
- e) 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).
- f) 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.

**OR**

**METHOD 2 - VOTES UPLOAD:**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the "Notification for e-voting".
- c) Select '**View**' icon for '**Company's Name / Event number**'.
- d) E-voting page will appear.
- e) Download sample vote file from 'Download Sample Vote File' option.
- f) Cast your vote by selecting your desired option '**Favour / Against**' in excel and upload the same under 'Upload Vote File' option.
- g) Click on '**Submit**'. '**Data uploaded successfully**' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk
Individual Shareholders holding securities in demat mode with NSDL	details Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on 'Login' under '**SHARE HOLDER**' tab
- Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "**SUBMIT**".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

**In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on:**

<https://instavote.linkintime.co.in>

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 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 has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned 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".



## INSTAMEET VC INSTRUCTIONS FOR SHAREHOLDERS

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before September 30, 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

### Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on "Login".
- b) Select the "Company Name" and register with your following details:
- c) Select Check Box - **Demat Account No. / Folio No. / PAN**
  - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
  - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
  - Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
  - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
  - Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

### Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

\*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

### Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- b. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/



- registered email Id) received during registration for InstaMEET
- c. Click on 'Submit'.
  - d. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
  - e. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
  - f. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.muvg.com](mailto:instameet@in.mpms.muvg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

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

**Mr. Sunil J. Pathare  
Chairman and Managing Director  
DIN: 00192182**

**Registered Office:**

C-6, Road No.22, M.I.D.C.,  
Andheri (East), Mumbai – 400 093  
CIN: L18101MH1991PLC059804

**Place:** Mumbai

**Date:** August 06, 2025

**Email:** [investor.relations@vip.in](mailto:investor.relations@vip.in)

**Website:** [www.vipclothing.in](http://www.vipclothing.in)

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO. 3.- TO APPOINT M/S. DMKH & CO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 116886W) AS THE STATUTORY AUDITORS OF THE COMPANY.

The Board of Directors at their meeting held on May 23, 2025, on the recommendation of the Audit Committee, and pursuant to the provisions of Section 139 & 142 of the Companies Act, 2013, and rules made there under and other applicable provisions, if any, has appointed M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), to hold office as Statutory Auditors of the Company, for a term of 5 (five) consecutive years from conclusion of 35<sup>th</sup> AGM until conclusion of 40<sup>th</sup> AGM, to conduct Statutory Audit from FY 2025-26 upto FY 2029-30.

The Company has received a letter from M/s. DMKH & Co., Chartered Accountants communicating their eligibility and consent to accept the office, if appointed, to act as a Statutory Auditor of the Company in place of M/s. MSKA & Associates, Chartered Accountants with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Further details as required under the Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

**A. Brief Profile of CA firm:** DMKH & Co., Chartered Accountants was established in the year 1990. The head office is located at 803-4, Ashok Heights, Nicco Circle, Near Bhuta School, Old Nagardas X Road, Gundavali, Andheri East, Mumbai - 400069 and has 9 Offices PAN India with H.O. in Mumbai & branches at 8 locations (Pune, Ahmedabad, Gandhinagar, Surat, Vadodara, Udaipur, Ballari and Delhi) and a team size of 160+ Professionals. 17 Partners – 6 partners having rich corporate experience working at senior level positions.

DMKH & Co., is a single window professional service firm rendering excellent quality services for last 30 years in the areas of Audit & Assurance, Direct and Indirect Taxation, Governance, Risk and Compliance (GRC), Financial and Management Consultancy, Mergers & Acquisitions and Business Valuations and IPO related services

#### ❖ **Audits & Assurance Services**

- **Audit & Assurance:** Serves industries and corporates in different industrial segments, which signifies the depth as well as breadth of DMKH Statutory, Internal, Concurrent & System Audit function.
- **Financial Due Diligence:** Carrying out due diligence including financial, legal and tax due diligence of Indian and foreign companies.
- **IFRS / IND AS Convergence:** The firm advises clients for complying with IFRS /IND AS, development of detailed implementation program, training, transformation of accounting process, ERP related changes and preparation of financial statements under IFRS / IND AS.
- **Risk and advisory services:** Advise the right structure for Business. We help enhance Clients business performance by building strong risk management frameworks into the core of business processes. Implementation of Internal Financial Control (IFC) Framework.

#### ❖ **Management Consultancy**

- Special advisory services
- Business Processes Redesign

- Fixed Assets Management & Automation Systems
  - Internal Control including IT System
  - IFC/ICFR framework and control testing
  - ERP GAP Analysis
  - Fraud Investigation
- Regulatory Investigations for Regulatory Risk
- Regulatory Interpretations and Compliance
- Securities Laws.
- Credit Rating Services

**B. Proposed fee:** The Audit Committee has proposed a remuneration of ₹15,00,000 (Rupees Fifteen Lakhs per annum) including Quarterly Limited Review, Statutory Audit and Tax Audit and excluding applicable taxes and reimbursements. However, the Board and audit committee thereof be given the power to alter and vary the terms and conditions including revision in remuneration.

**C. Term of appointment:** Appointment as Statutory Auditors of the Company will be from the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company till the Conclusion of 40<sup>th</sup> Annual General meeting to be held in the year 2030.

**D. In case of a new auditor, any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:** There is no material change in the remuneration proposed to be paid to M/s. DMKH & Co., for the Statutory audit visà-vis the remuneration paid to previously as the fees is commensurate with the size of the Company, audit coverage and scope of work.

**E. Basis of recommendation for appointment:** The Board of Directors and the Audit Committee, at their respective meetings held on May 23, 2025, have considered various parameters like audit experience across the industries, market standing of the firm, clientele served, technical knowledge, governance standards, etc., and found M/s. DMKH & Co., Chartered Accountants suitable for this appointment and accordingly, recommended the same.

None of the Directors, Key Managerial Personnel or their relatives are in any way, interested or concerned, financially or otherwise, in the resolution set for above in the Notice.

In view of the above, the Board recommends the Ordinary Resolution set for above in the Notice for approval of the Members.

#### **ITEM NO. 4.- TO APPOINT M/S. KRS AND CO., PRACTICING COMPANY SECRETARIES AS THE SECRETARIAL AUDITORS OF THE COMPANY:**

In accordance with Section 204 of the Companies Act 2013, read with the rules framed thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of five consecutive years.

Based on the recommendation of the Audit Committee, the Board, at its Meeting held on August 06, 2025 subject to the approval of the Members of the Company, approved appointment of M/s. KRS AND CO., Practicing Company Secretaries (FRN. S2017MH469000 and Peer Review No. 3967/2023) represented by CS Ketan Ravindra Shirwadkar, (Proprietor) having Membership No. A37829 and COP No. 15386 as the Secretarial Auditors of the Company, for a term of five (5) consecutive years, to hold office of the Secretarial Auditor from the Financial Year 2025-2026 upto Financial Year 2029-30.

M/s. KRS AND CO., has provided their consent to act as Secretarial Auditors of the Company for the proposed period of appointment. They have confirmed that they fulfill the criteria as specified in Clause (a) of regulation 24A (1A) of the SEBI Listing Regulations and have not incurred any of disqualifications as specified by the Securities and Exchange Board of India.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

<b>Proposed Remuneration</b>	<p>The proposed remuneration to be paid to M/s. KRS AND CO. for Secretarial Audit services shall be ₹ 75,000/- (Rupees Seventy-Five Thousand Only), plus applicable taxes and out-of-pocket expenses, including revisions during the tenure, if any, as may be approved by the Board, based on the recommendation of Audit Committee.</p> <p>Besides the Secretarial Audit Services, the Company would also obtain other permissible professional services which a Secretarial Auditor can render pursuant to Regulation 24A (1B) of SEBI (LODR) Regulations, 2015 read with SEBI FAQs on services to be rendered by Secretarial Auditor date April 23, 2025 from time to time for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.</p>
<b>Terms of appointment</b>	<p>M/s. KRS AND CO., is proposed to be appointed as Secretarial Auditors for a term of 5 (five) consecutive years, commencing from the 35<sup>th</sup> Annual General Meeting to the 40<sup>th</sup> Annual General Meeting of the Company to conduct secretarial audit from FY 2025-26 to FY 2029-30.</p>
<b>Material changes in fee payable</b>	<p>Not Applicable</p>
<b>Basis of recommendation and auditor credentials</b>	<p>The recommendation is based on the fulfilment of the eligibility criteria &amp; qualification prescribed under the Act &amp; Rules made thereunder and SEBI Listing Regulations with regard to secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done in the past.</p>
<b>Brief Profile of the Secretarial Auditor</b>	<p>M/s. KRS AND CO., Company Secretaries is a peer reviewed Proprietorship Firm (Peer Review No. 3967/2023) established by CS Ketan Ravindra Shirwadkar in the year 2017 and has its office and establishment in Thane City. CS Ketan Ravindra Shirwadkar (Mem No. A37829 and COP No. 15386) has over 10 years of post-qualification experience in the field of Company Law, SEBI Rules and Regulations and FEMA Regulations.</p> <p>The firm has in-depth experience in various areas of practice, including corporate laws, IPO, FPO, Listing Compliances, Secretarial Management guidance &amp; Audit, Due Diligence, Compliance Audit, Corporate Governance Audit, Merger Acquisition, and Corporate Restructuring, FEMA, RBI, and other Economic Laws. The firm has adequate infrastructure and professional staff to provide timely, diligent and efficient professional services.</p>

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

<b>Name of the Director</b>	Mr. Sunil Pathare
<b>Date of Birth/Age</b>	July 17, 1971 / 54 Years
<b>Qualification</b>	B. Com
<b>Brief resume including nature of expertise</b>	Mr. Sunil Jaykumar Pathare, aged 54 years, is the Promoter and the Chairman and Managing Director of our Company. He holds a Bachelor's degree in Commerce from University of Mumbai obtained in July, 1991. He looks after the overall management of the day to day affairs of the Company. He has been awarded the "Entrepreneurship Excellence Award" by the Small and Medium Business Development Chamber of India in 2007. Mr. Sunil Pathare is having an extensive experience in the field of hosiery industry and well conversant with development of range of product with new design and style, production, operation, marketing, sales promotion and accounts and finance.
<b>Expertise in specific functional area</b>	He is having expertise in the field of hosiery industry and well conversant with development of range of product with new design and style, production, operation, marketing, sales promotion and accounts and finance.
<b>Date of Appointment on the Board (Initial date)</b>	September 29, 1992
<b>List of the directorships held in other Listed Companies</b>	Nil
<b>Number of Board Meetings attended during the year</b>	6 (Six)
<b>*Chairman / Member in the Committees of the Board of Companies in which he is Director</b>	Chairman: Nil Member: One
<b>Relationship with other Directors</b>	Elder brother of Mr. Kapil Pathare, Deputy Managing Director.
<b>Terms and conditions of appointment or re-appointment</b>	Re-Appointment as Executive Director, liable to retire by rotation.
<b>Details of remuneration last drawn and details of remuneration sought to be paid</b>	Details are mentioned in Corporate Governance report.
<b>No of shares held in the Company as on March 31, 2025</b>	1,69,92,008 Equity shares

\*Committees includes only Audit and Stakeholder Relationship Committee.



## BOARD'S REPORT

To,  
**THE MEMBERS**  
**VIP CLOTHING LIMITED**

The Directors of your Company are pleased to present, the 35<sup>th</sup> Board's 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, 2025 and report of the Auditors thereon.

### FINANCIAL RESULTS

Particulars	(₹ in Lakhs)	
	Current Year Ended March 31, 2025	Previous Year Ended March 31, 2024
Revenue from operations	23,688.69	18,327.55
Other income	136.03	43.12
Total income	23,824.72	18,370.67
Less: Total expenditure before finance cost, depreciation & income tax	22,023.84	18,802.90
Profit / (loss) before finance cost, depreciation, exceptional items and taxes	1,800.88	(432.23)
Less: Finance costs	804.65	908.83
Profit / (loss) before depreciation, exceptional items and taxes	996.23	(1,341.06)
Less: Depreciation	293.95	271.78
Profit / (loss) before exceptional items & tax	702.28	(1,612.84)
Add / (less): Exceptional items	--	--
Profit / (loss) before taxes	702.28	(1,612.84)
Less: Income tax expense:		
Current tax	--	--
Deferred tax charge / (benefit)	156.63	(347.72)
Profit / (loss) for the period before other comprehensive income	545.65	(1,265.12)
Add/(less): Other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(5.50)	(19.75)
Fair value of cash flow hedges through other comprehensive income (net of tax)	--	--
Total other comprehensive income for the year	(5.50)	(19.75)
Total comprehensive income for the year	540.15	(1,284.87)

### OPERATIONS

Revenue from operations for the financial year 2024-25 stood to ₹236.89 crore as ₹183.28 crore in the previous financial year 2023-24. There was an increase in the revenue by 29% as compared to the previous year.

The Earnings before interest, tax, depreciation and amortisation (EBITDA) during the current year stood around 8% as against the negative 3% in the previous year.

The net profit for the financial year 2024-25, stood around ₹5.46 crore as against the net loss of ₹12.65 crore in the previous financial year 2023-24.

## **DIVIDEND**

The Board has not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2025.

## **TRANSFER TO RESERVE**

No amount has been transferred to General Reserve for current and previous financial year.

## **DISCLOSURES RELATED TO SHARE CAPITAL AND EMPLOYEE STOCK OPTIONS**

### **Issue of Shares and Other Convertible Securities**

#### **a. Preferential Issue of Convertible Warrants Into Equity Shares:**

The members of the Company approved the preferential issue of 1,01,50,000 fully Convertible equity warrants with each warrant convertible into or exchangeable for One fully paid-up equity share of the Company of face value of ₹ 2/- each fully paid at ₹ 44.50/- including the premium of ₹ 42/- specified Promoter(s) / Promoter Group and Non-Promoter Persons / Entities (Public) category through postal ballot on January 10, 2023.

The Company has issued and allotted 1,01,50,000 convertible warrants to public and promoter groups at the rate of ₹ 44.50 per warrant on January 25, 2023. The Company received an amount equivalent to twenty-five per cent of the consideration against each warrant on the date of allotment of warrants. As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 "SEBI (ICDR) Regulations" the tenure of such warrants should not exceed 18 months from the date of allotment. Accordingly, the last date of conversion of such warrants should not be beyond July 24, 2024.

The Company has received the balance amount (balance 75%) only for 35,50,000 convertible warrants and accordingly Company has allotted 35,50,000 fully paid equity shares on conversion of warrants on July 24, 2024.

#### **b. Preferential Issue of Convertible Warrants into Equity Shares:**

The members of the Company approved the preferential issue of 1,23,03,000 fully Convertible equity warrants with each warrant convertible into or exchangeable for One fully paid-up equity share of the Company of face value of ₹ 2/- each fully paid at ₹ 45/- including the premium of ₹ 43/- to person(s) belonging to Non-Promoter category at the Extra Ordinary General Meeting held on August 5, 2024.

As per Special Resolution, passed by the members, an amount equivalent to twenty-five per cent of the consideration shall be payable at the time of subscription and allotment of warrants, and the remaining seventy-five per cent of the consideration shall be payable on the exercise of options against each such warrant. In the event that the proposed allottees does not exercise the option for Equity Shares against any of the warrants within a period of eighteen months from the date of allotment of such Warrants, the unexercised warrants shall lapse, and the consideration paid by the proposed allottees shall be forfeited by the Company.

Consequent on receipt 25% part consideration aggregating to ₹ 12,83,06,250/- on various dates upto October 3, 2024, thereafter, Security Allotment Committee allotted 1,14,05,000 warrants on October 3, 2024, by passing resolution by circulation under section 175 of the Companies Act, 2013.

Issue size	Preferential Issue of upto 1,23,03,000 warrants at an Issue price of ₹ 45.00/- each aggregating to ₹ 55,36,35,000/-.
Conversion	Each warrant convertible into one fully paid up equity share of ₹ 2/- each.
Payment terms	25% (₹ 11.25 per warrant) to be called upfront; and balance 75% (₹ 33.75 per warrant) on exercising the conversion option within 18 months from the date of allotment.

As per SEBI (ICDR) Regulations, the tenure of such warrants should not exceed 18 months from the date of allotment. Accordingly, the last date of conversion of such warrants should not be beyond April 02, 2026. The Company will convert the warrants into equity on receipt of the balance amount (balance 75%) i.e. and accordingly Company shall allot the fully paid equity shares on conversion of warrants.

**c. Preferential Issue of Equity Shares:**

The members of the Company had approved the preferential issue of 93,06,000 equity shares of face value of ₹ 2/- each fully paid at ₹ 45/- including the premium of ₹ 43/- to person(s) belonging to Non-Promoter category at the Extra Ordinary General Meeting held on August 5, 2024.

Further, the Security Allotment Committee allotted 39,83,000 Equity shares on October 3, 2024, by passing resolution by circulation under section 175 of the Companies Act, 2013 on receipt of fund of ₹ 17,92,35,000/- by the subscriber.

Except above, the Company has not made any issue or allotment of shares during the year under review.

Pursuant to Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby confirms that:

The proceeds of the said issue have been fully utilized for the purposes stated in the offer document/ explanatory statement.

There has been no deviation or variation in the utilization of the proceeds of the issue from the objects stated.

The Audit Committee has reviewed and noted the utilization of funds and confirmed that there is no deviation.

THE MEMBERS ARE HEREBY INFORMED THAT, PURSUANT TO THE AFORESAID ALLOTMENT OF WARRANTS AND CONSEQUENT CONVERSION OF WARRANTS INTO THE EQUITY SHARES, THE STATUS OF EACH OF THE INVESTOR WHO HAD SUBSCRIBED TO THE AFORESAID ALLOTMENT, SHALL BE SAME AS BEFORE AND AFTER THE ISSUE / CONVERSION. THE PROMOTER & PROMOTER GROUP INVESTORS ARE CONTINUE TO BE PROMOTER & PROMOTER GROUP POST ALLOTMENT AS WELL AS CONVERSION OF WARRANTS INTO EQUITY SHARES AND REMAINING PUBLIC INVESTORS SHALL BE CONTINUE AS PUBLIC SHAREHOLDERS AND THERE WILL BE NO CHANGE IN CONTROL, WHICH WAS ALREADY DISCLOSED IN THE POSTAL BALLOT NOTICE ISSUED TO THE MEMBERS OF THE COMPANY.

Except above there are no other changes in the Share Capital. The Company has not issued equity shares with differential voting rights /Sweat equity shares/ESOP.

## DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

As on March 31, 2025, the Company does not have any subsidiary, Joint Ventures and Associate Companies.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board of Directors:

Present terms of Mr. Sunil Pathare as Chairman and Managing Director and Mr. Kapil Pathare as Whole Time Director of the Company completed on March 31, 2025 and based on recommendation of Nomination and Remuneration Committee and Board meeting held on February 12, 2025, Mr. Sunil Pathare has been re-appointed as Chairman and Managing Director and Mr. Kapil Pathare as Deputy Managing Director by shareholder of the Company by way of postal ballot for a period of three years w.e.f. April 01, 2025.

Mr. Uday Laxman Ajgaonkar appointed as a Non-Executive Independent Director of the Company with effect from March 22, 2025 by way of postal ballot based on recommendation of the Nomination and Remuneration Committee, the Board of Directors Meeting held on February 12, 2025.

Mrs. Meher Castelino, ceased to be Director of the Company with effect from March 23, 2025 upon completion of her second term as an Independent Director.

Your Directors place on record their appreciation of the services rendered by her during her tenure as Director of the Company.

As on March 31, 2025, the Board consisted of 6 (Six) Directors out of which 4 (Four) are Non-Executive 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.

### Retirement by rotation:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil J. Pathare (DIN: 00192182), Director of the Company, liable to retire by rotation at the ensuing 35<sup>th</sup> Annual General meeting and being eligible have offered himself for re-appointment.

There were no changes apart from above in Directors.

### Key Managerial Personnel:

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

Sr. No.	Name of Director(s)	Designation
1.	Mr. Sunil Pathare	Chairman & Managing Director
2.	Mr. Kapil Pathare	Deputy Managing Director
3.	Mr. Devendra Vyas	Chief Financial Officer
4.	*Mrs. Archana Mungunti	Company Secretary & Compliance Officer
5.	**Mr. Rahul Soni	Company Secretary & Compliance Officer

\*Mrs. Archana Mungunti resigned as Company Secretary and Compliance Officer with effect from June 21, 2024.

\*\*Mr. Rahul Soni appointed as Company Secretary and Compliance Officer with effect from August 14, 2024.

There were no changes apart from above in Key Managerial Personnel.

### **COMMITTEES OF THE BOARD**

Pursuant to the Provisions the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has constituted the following Committees:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

All the above committee was reconstituted with effect from March 22, 2025 by inducting the Mr. Uday Laxman Ajaonkar as a member of the Committee and also Chairman of Stakeholder Relationship Committee.

The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report forming part of this Annual Report FY 2024-25.

### **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 12, 2025 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.

### **NUMBER OF MEETING OF THE BOARD**

The Board of Directors met 6 (Six) times during the financial year 2024-25, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **RELATED PARTY TRANSACTIONS**

All the Related Party Transactions entered by the Company during the year under review were in the ordinary course of business, on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no material related party transactions during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

### **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.

## PUBLIC DEPOSITS

The Company has neither invited nor accepted/renewed any "Deposit" from public within the meaning of the term "Deposits" under the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

## UNSECURED BORROWING

The company has no outstanding unsecured long term borrowing from the Directors of the company in adherence to the provisions of the Companies Act, 2013.

## FIXED DEPOSIT

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

## ANNUAL RETURN

Pursuant to sub section (3) of Section 92 of the Companies Act, 2013, read with relevant Rules, the Company is required to place Annual Return on its website and provide a link of the same in the Board's Report.

Annual Return in the prescribed format proposed to be submitted to the Registrar of Companies for the current financial year is available on the Company's website at <http://www.vipclothing.in/investor.html#parentHorizontalTab2>

## CORPORATE SOCIAL RESPONSIBILITY

Accordance with Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) provisions are applicable only to companies that meet certain thresholds. Our Company does not fulfil the criteria outlined in Section 135, during the financial year specifically regarding the required turnover, net worth, or profit thresholds.

However, the Composition of the Committee remains in place and is in compliance with the Section 135 of the Companies Act, 2013.

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 – A** to this Report. The policy is available on the website of the Company [http://www.vipclothing.in/investor\\_relation/policies/FY\\_22/CSR%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/CSR%20Policy.pdf)

## RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the formation of a Risk Management Committee is not mandatory for the Company. However, in line with best corporate governance practices, the Company has voluntarily constituted a Risk Management Committee to oversee and manage risks associated with its operations.

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 evaluated by Statutory as well as Internal Auditors' and cover all offices, factory 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.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to achieve the same, the Company has formulated a Whistle Blowers Policy to provide a secure environment and to encourage all employees and Directors of the Company, Members, customers, vendors and / or third party intermediaries to report unethical, unlawful or improper practices, acts or activities in the Company if any, and to prohibit managerial personnel from taking any adverse action against those employees who report such practices in good faith. The Whistle Blower Policy is available on the website of the Company at [http://www.vipclothing.in/investor\\_relation/policies/FY\\_22/Whistle%20Blower%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/Whistle%20Blower%20Policy.pdf)

## **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 [http://www.vipclothing.in/investor\\_relation/policies/FY\\_22/Remuneration%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/Remuneration%20Policy.pdf)

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING:**

The Business Responsibility and Sustainability Reporting ("BRSR") 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, 2025.

## **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 Practising Company Secretary confirming the compliance on Corporate Governance forms an integral part of this report.

## **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.

The details related to Directors attending the Familiarisation programmes are available on the website of the Company:

[http://www.vipclothing.in/investor\\_relation/policies/Familiarisation%20Program%20for%20Independent%20Directors\\_24-25.pdf](http://www.vipclothing.in/investor_relation/policies/Familiarisation%20Program%20for%20Independent%20Directors_24-25.pdf)

## **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:

- (a) in the preparation of the annual accounts of the Company for the financial year ended on March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit of the Company for the year ended on March 31, 2025;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## AUDITORS

### APPOINTMENT OF STATUTORY AUDITORS:

#### Casual Vacancy:

M/s. MSKA & Associates Chartered Accountants (FRN: 105047W) were appointed statutory auditor of the Company by the members at the 31<sup>st</sup> Annual General Meeting held on September 24, 2021, for their first term of 5 (Five) year from the conclusion 31<sup>st</sup> AGM till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company to perform the audit of the financial statements of the Company for the financial years 2021-22 to 2025-26., on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W) has resigned from the office of Statutory Auditor vide their letter dated November 14, 2024, before completion of their term. Their resignation has caused a casual vacancy in the office of Statutory Auditors as envisaged by section 139(8) of the Companies Act, 2013 and casual vacancy so caused by the resignation of auditors can only be filled up by the Company after taking consent of the members.

The Board of Directors at their meeting held on November 21, 2024, on the recommendation of the Audit Committee and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, has appointed M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), to hold office as Statutory Auditor of the Company till the conclusion of 35<sup>th</sup> Annual General Meeting and to fill up the casual vacancy caused by the resignation of M/s. MSKA & Associates, Chartered Accountants, subject to approval of members of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received a letter from M/s. DMKH & Co., Chartered Accountants communicating their eligibility and consent to accept the office, if appointed, to act as a Statutory Auditor of the Company in place of M/s. MSKA & Associates, Chartered Accountants with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Thereafter, the members of the Company approved and appointed M/s. DMKH & Co., Chartered Accountants (FRN: 116886W) as Statutory Auditor of the Company through postal ballot on December 29, 2024 till the conclusion till the conclusion of 35<sup>th</sup> Annual General Meeting.

The Statutory Auditors' Report issued by M/s. DMKH & Co., Chartered Accountants (FRN: 116886W) forms part of the Annual Report. There is no audit qualification, reservation, or adverse remark for the year under review.

### **Appointment of Statutory Auditor:**

M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), the present Statutory Auditors of the Company, will hold office till the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company. The Board has recommended the re-appointment of M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), as the statutory auditors of the Company, for a first term of five consecutive years, from the conclusion of the 35<sup>th</sup> Annual General Meeting scheduled to be held in the financial year 2025-26 till the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in the Financial year 2030-31, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

The Ministry of Corporate Affairs (MCA), vide its commencement Notification No. SO 1833(E) dated May 07, 2018, has notified and amended the relevant provision of the Companies Act, 2013 relating to the requirement of placing the matter relating to ratification of appointment of Statutory Auditors by members at every Annual General Meeting. The said amendment has done away with the requirement of Ratification of appointment of the Statutory Auditors. Therefore, M/s. DMKH & Co., Chartered Accountants (FRN: 116886W), will continue to hold office till conclusion of the 40<sup>th</sup> AGM and their appointment will not be subject to ratification by the members at every intervening AGM held after 35<sup>th</sup> AGM.

### **APPOINTMENT OF SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI Listing Regulations, the Board has based on the recommendation of Audit Committee approved appointment of M/s. KRS AND CO., Practicing Company Secretaries (Firm Registration No. S2017MH469000 and Peer Review No. 3967/2023), Thane, Maharashtra, represented by CS. Ketan Ravindra Shirwadkar, Proprietor (Membership No. A37829 and COP No. 15386), a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a period of five years, i.e., from April 1, 2025 to March 31, 2030, subject to approval of the Shareholders of the Company at the ensuing AGM.

### **INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS**

During the year under review, there have been no instances of any fraud reported by the statutory auditors under section 143(12) of Companies Act, 2013 and the Rules made thereunder to the Audit Committee of the Board.

### **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 2024-25.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s. RS & MP Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended on March 31, 2025 is appended as **Annexure – B** to this Report.

In respect of the observations in the Secretarial Audit Report, there no qualification, reservation or adverse remark or disclaimer by the Secretarial Auditors in respect of Secretarial Audit for the year ended March 31, 2025.

## 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 – C** 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 Board's Report for the year ended on March 31, 2025 is given in a separate **Annexure - D** to this Report.

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

## 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.

## MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED DURING THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AS ON THE DATE OF THIS REPORT

No material changes and commitments affecting the financial position of the Company occurred during the financial year to which these financial statements relate as on the date of this report.

## CREDIT RATING

The Credit Rating rationale as on March 28, 2025, India Ratings and Research Private Limited has upgraded the following rating with respect to the Credit Bank Facilities availed by the Company as follows:

Instrument Type	Size Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Fund-based working capital limit working capital limit	INR 616.30	IND BB+/Stable/IND A4+	Long-term rating upgraded; short-term rating affirmed; Off Rating Watch with Positive Implications
Working capital term loan capital limit Working	INR 67.40	IND BB+/Stable	Upgraded; Off Rating Watch with Positive Implications
Non-fund-based working capital Limit	INR 323.50	IND A4+	Affirmed; Off Rating Watch with Positive Implications
Proposed non-fund-based working capital limit	INR 42.80	IND A4+	Affirmed; Off Rating Watch with Positive Implications

## 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.

## **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).

In accordance with the provision of Section 134 of the Companies Act, 2013 read with the revised rule Section 8(5)(A) of the Companies (Accounts) rules, 2014, Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

- (a) number of complaints of sexual harassment received in the year-**NIL**
- (b) number of complaints disposed off during the year; and-**NIL**
- (c) number of cases pending for more than ninety days-**NIL**

During the year 2024-25, initiatives were undertaken to demonstrate Company's zero tolerance policy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material. In addition, online workshops were also run for the employees to enhance awareness and knowledge

## **CONFIRMATION ON COMPLIANCE TO THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961.**

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

## **GENDER-WISE COMPOSITION OF EMPLOYEES**

In alignment with the principles of diversity, equity and inclusion (DEI), the Company discloses below the gender composition of its workforce as on March 31, 2025.

Male Employees : 326

Female Employees : 36

Transgender Employees : NIL

## **A STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE TO THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961.**

The Company has complied with the provisions of the Maternity Benefit Act, 1961.

## **SAFETY, HEALTH & ENVIRONMENT**

Your Company is committed to maintain its efforts in providing a safe working environment to its employees. At the same time, we are keeping our plants operational and thus, trying to contribute towards the restoration of the economic activity and provide earnings to labour and staff.



## HUMAN RESOURCE

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization.

Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Polices and Systems. The Company takes various HR initiatives to align the HR policy to the growing requirements of Business. Your Company regularly conducts technical and safety training programmes.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Regulations is provided in a separate section and forms an integral part of this Report.

## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## DECLARATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was made or any proceedings where pending under the Insolvency and Bankruptcy Code, 2016

## DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review, there are no instance of One time settlement.

## 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.

### Registered Office:

C-6, Road No.22, M.I.D.C.,  
Andheri (East), Mumbai – 400 093  
CIN: L18101MH1991PLC059804

For and on behalf of the Board  
For **VIP Clothing Limited**

**Place:** Mumbai  
**Date:** August 06, 2025

**Sunil J. Pathare**  
**Chairman & Managing Director**  
**DIN: 00192182**

**Email:** [investor.relations@vip.in](mailto:investor.relations@vip.in)  
**Website:** [www.vipclothing.in](http://www.vipclothing.in)

## ANNEXURE A

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. The CSR Policy of the Company shall be reviewed by the Corporate Social Responsibility Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the committee. Any changes or modification on the Policy as recommended by the Committee would be given for approval of the Board of Directors.

#### 2. Composition of CSR Committee.

Sl. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Ms. Vandana Bhardwaj	Chairperson	One	One
2.	Mr. Kishor Navandar	Member	One	One
3.	*Mrs. Meher Castelino	Member	One	One
4.	Mr. Sunil Pathare	Member	One	One
5.	**Mr. Uday Ajgaonkar	Member	One	N.A.

\* Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\*The Committee was reconstituted and Mr. Uday Laxman Ajgaonkar was inducted as a member of the Committee w.e.f. March 22, 2025.

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

- **Composition of CSR committee:** [http://www.vipclothing.in/board-committees.html#\\_parentHorizontalTab6](http://www.vipclothing.in/board-committees.html#_parentHorizontalTab6)
- CSR Policy: [www.vipclothing.in/investor\\_relation/policies/FY\\_22/CSR%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/CSR%20Policy.pdf)
- CSR projects: N.A.

#### 4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of Companies (CSR Policy) Rules, 2014, if applicable (attach the report): N.A.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

#### 6. Average net profit of the company as per section 135(5): N.A.

7. (a) 2% of average net profit of the company as per section 135(5): N.A.  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (b) Amount required to be set off for the financial year, if any: NIL  
 (c) Total CSR obligation for the financial year (7a+7b-7c): N.A.
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,00,000	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Name	Mode of Implementation - Through Implementing Agency
				State	District							CSR registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount allocated for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Name	Mode of Implementation - Through Implementing Agency
				State	District				CSR registration number
1.	Lions Hunger Kitchen Project	promoting health care including preventive health care	Yes	Maharashtra	Thane	5,00,000	YES	N.A.	N.A.

- (d) Amount spent in Administrative Overheads: N.A.  
 (e) Amount spent on Impact Assessment, if applicable: N.A.  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e):

**(g) Excess amount for set off, if any**

Sl. No.	Particulars	Amount (in Rs.)
(i)	2% of average net profit of the company as per section 135(5)	N.A.
(ii)	Total amount spent for the financial year	N.A.
(iii)	Excess amount spent for the financial year [(ii)-(I)]	N.A.
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	N.A.

**9. (a) Details of unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount Spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project Completed On going
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details): Not Applicable**
**11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5): Not Applicable**
**Note:**

Although the provisions of Corporate Social Responsibility (CSR) are not applicable to the Company, it voluntarily contributed ₹ 5,00,000 as CSR towards the Lions Hunger Kitchen Project. This initiative supports the procurement of utensils and other essential items for Ashram schools located in remote areas of the Thane and Palghar, District.

**Mr. Sunil Pathare**  
(Managing Director and  
Member of the Committee)

**Ms. Vandana Bhardwaj**  
(Independent Director and  
Chairperson of the Committee)

**Date:** August 06, 2025

**Place:** Mumbai



## ANNEXURE - B

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[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, 2025** 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, 2025 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, 2018;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable to the Company for the financial year under review**
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **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, 2013 and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not applicable to the Company for the financial year under review and**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **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;

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 as per 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.

The members may note that:

1. During the financial year under review there were no special business passed by the members at the 34th **Annual General Meeting** held on 27<sup>th</sup> September, 2024.
2. During the financial year under review, there were Special Resolution passed in the Extra Ordinary General Meeting held on August 5, 2024 for the following Special business:
  - a. Issue and allot from time to time in one or more tranches, upto 93,06,000 (Ninety-Three Lakhs Six Thousand) equity shares of the Company of face value of ₹ 2/- each fully paid ("the Equity Shares") at a price of ₹ 45/- (Rupees Forty-Five Only), (including a premium of ₹ 43/- (Rupees Forty-Three Only)

per equity share) (hereinafter referred to as the "Issue Price"), which is not less than the floor price as on the Relevant Date, determined as per the provisions of Regulation 164 of SEBI (ICDR) Regulations, aggregating upto ₹ 41,87,70,000/- (Rupees Forty-One Crores Eighty Seven Lakhs and Seventy Thousand Only), for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit to the person belonging to the Non-promoter category.

- b. Issue and allot from time to time in one or more tranches, upto 1,23,03,000 (One Crore Twenty-Three Lakhs Three Thousand) fully Convertible equity warrants ("Warrants") with each warrant convertible into or exchangeable for One (1) fully paid-up equity share of the Company of face value of ₹ 2/- each ("the Equity Shares") at an Issue price of ₹ 45/- (Rupees Forty-Five Only) per Warrant (including premium of ₹ 43/- per Warrant) ("Warrants Issue Price") which is not less than the floor price as on the Relevant Date, determined as per the provisions of Regulation 164 of SEBI (ICDR) Regulations, aggregating upto ₹ 55,36,35,000/- (Rupees Fifty Five Crores Thirty Six Lakhs Thirty Five Thousand only) on a preferential basis, for cash and in such form and manner and in accordance with the terms of the Warrants as set out herein and subject to provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit to the person(s) belonging to the Non-promoter category.

**We further report that during the audit period there was a postal ballot on 29<sup>th</sup> December, 2024 and 22nd March, 2025 for following business i.e.**

Sr. No	Date	Type of Meeting	Agenda
1	29.12.2024	Postal Ballot	To Appoint Statutory Auditor to Fill up the Causal Vacancy.
2.	22.03.2025	Postal Ballot	Re-Appointment of Mr. Sunil Pathare (DIN: 00192182) as Chairman and Managing Director for the Period of Three (3) Years, Commencing from April 1, 2025.
			Appointment of Mr. Kapil Pathare (DIN: 01089517) as a Deputy Managing Director for The Period of Three (3) Years, Commencing from April 1, 2025.
			Appointment of Mr. Uday Laxman Ajgaonkar (DIN: 02219286) as an Independent Director of the Company.

However, there were no instances of:

- i). Public/Preferential issue of shares / debentures / sweat equity **except Allotment of Equity Shares on Preferential Basis and Convertible Warrants into Equity Shares on Preferential Basis** as mentioned below:
- a. to allot 39,83,000 (Thirty-Nine Lakhs Eighty-Three Thousand) equity shares having face value of ₹ 2/- (Rupee Two) each fully paid-up ("Equity Shares") of the Company to Non-Promoter on preferential basis at a price of ₹ 45/- (Rupees Forty-Five Only) per share (including premium of ₹ 43/- (Rupees Forty-Three Only) per share as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164(1) and 166A of the Chapter V of the ICDR Regulations at an aggregate cash consideration of ₹ 17,92,35,000 /- (Rupees Seventeen Cores Ninety-Two Lakhs and Thirty Five Thousand Only) and on such other terms and conditions as may be determined in accordance with the ICDR Regulations or other applicable provisions of the law as may be prevailing at the time.



- b. allot 1,14,05,000 (One Crore Fourteen Lakhs and Five Thousand Only) Warrants convertible into equivalent number of equity shares of the Company of face value of ₹ 2/- (Rupee Two Only) each ("Warrants"), in dematerialized form, on Preferential allotment basis, to non-promoters at a price of ₹ 45/- (Rupees Forty Five Only) per share (including premium of ₹ 43/- (Rupees Forty Three Only) per equity share) as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164 of the Chapter V of the ICDR Regulations at an aggregate cash consideration of ₹ 51,32,25,000/- (Rupees Fifty-One Crore Thirty-Two Lakhs

Twenty-Five Thousand) on receipt of at least 25% total consideration i.e., ₹ 12,83,06,250 (Rupees Twelve Crore Eight-Three Lakhs Six Thousand Two Hundred Fifty only) payable by respective allottee and on such other terms and conditions as may be determined in accordance with the ICDR Regulations or other applicable provisions of the law as may be prevailing at the time.

- 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**

**Rakesh Sanghani, Partner  
FCS: 7647 C.P. No.: 6302  
UDIN: F007647G000947498**

**Date:** August 06, 2025

**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**

**Rakesh Sanghani, Partner  
FCS: 7647 C.P. No.: 6302  
UDIN: F007647G000947498**

**Date:** August 06, 2025

**Place:** Mumbai

## ANNEXURE – C

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 production in respect of Industries specified in scheme thereto:

	Year ended March 31, 2025	Year ended March 31, 2024
Units Consumed (In Lakhs)	6.11	6.41
Units Consumed per kg. of Production	0.85	0.81

### B. TECHNOLOGY ABSORPTION

Efforts are made in technology absorption to the extent applicable.

#### I. Research & Development and Quality Control

- 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 units 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 ₹ 818.40 lakhs (Previous year ₹ 1056.16 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹ 29.60 lakhs (Previous year ₹ 145.96 lakhs).

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

**Mr. Sunil J. Pathare  
Chairman and Managing Director  
DIN: 00192182**

**Place:** Mumbai  
**Date:** August 06, 2025

## ANNEXURE – D

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

#### Q1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2024-2025:

A1: Ratio of remuneration of each Director/ to median remuneration of employees

Name of Director	Ratio
Mr. Sunil Pathare (Managing Director)	26.85
Mr. Kapil Pathare (Deputy Managing Director)	21.58
Mrs. Meher Castelino (Independent Director)	0.66
Mr. Kishor Navandar (Independent Director)	0.66
Mr. Vilas Gupte (Independent Director)	0.66
Ms. Vandana Bhardwaj (Woman Independent Director)	0.66
Mr. Uday Ajgaonkar (Independent Director)	NA

#### Notes:

- The Company has paid sittings fees to only Independent Directors for attending Board meeting during the financial year 2024-25.
- Mr. Uday Ajgaonkar was appointed as Independent Director w.e.f. March 22, 2025. Therefore, percentage increase in the remuneration disclosure is not applicable for him.
- Mr. Kapil Pathare was Whole Time Director upto March 31, 2025 and as Deputy Managing Director w.e.f. April 01, 2025.

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

A2: Percentage increase in remuneration:

Name of Director	% Increase in remuneration
Mr. Sunil Pathare (Managing Director)	5%
*Mr. Kapil Pathare (Deputy Managing Director)	5%
Mr. Devendra Vyas (Chief Financial Officer)	Nil
**Mr. Rahul Soni (Company Secretary)	NA

\*Mr. Kapil Pathare was Whole Time Director upto March 31, 2025 and as Deputy Managing Director w.e.f. April 01, 2025.

\*\*Mr. Rahul Soni was appointed as Company Secretary and Compliance Officer w.e.f. August 14, 2024. Therefore, percentage increase in the remuneration disclosure is not applicable for him.

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

A3: FY 2024-25: 4%

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

A4: 362 Employees + 612 Workers (they are covered under Payment of Wages Act) – As on March 31, 2025.

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

A5: Average percentage increase:

FY: April 2024 - March 2025

M6 & above (Managerial Level) total rise in CTC: **4%**

E1 & Below total rise in CTC: **4%**

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

A6: NA

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

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

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

**Mr. Sunil J. Pathare  
Chairman and Managing Director  
DIN: 00192182**

**Place:** Mumbai  
**Date:** August 06, 2025

## CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's Report on Corporate Governance pursuant to Part C of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2025.

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('SEBI Listing Regulations').

We consider it our inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under SEBI Listing Regulations, as applicable, with regard to Corporate Governance. Adherence to the various policies and codes adopted by the Company from time to time in conformity with the regulatory requirements helps your Company fulfill this responsibility. These policies are available on the Company's website at <http://www.vipclothing.in/investor.html#parentHorizontalTab10>

### 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:

In the Board meeting held on February 12, 2025 based on recommendation of Nomination and Remuneration Committee, recommended to the shareholder through postal ballot the appointment Mr. Uday Laxman Ajgaongkar as an Non-Executive in the capacity of an Independent Director of the Company with effect from March 22, 2025 i.e. date of passing of Special Resolution through Postal Ballot.

Mrs. Meher Castelino cease to be Director with effect from March 23, 2025 on completion of tenure as Independent Director of the Company.

### c. Composition of Board:

- The Board of the Company has an optimum combination of Professional Independent Directors as well as Executive and Non-Executive Directors to maintain the independence of the Board. The Independent Directors on the Board are as statutorily required, having professional and business acumen of all fields at the Board level. The present Chairman of the Board is an Executive-Promoter & Managing Director. The Directors of the Company are appointed by members at General Meetings and two-third Directors, other than Independent Directors are liable to retire by rotation pursuant to the provisions of the Companies Act, 2013. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.
- Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive Independent Directors are Independent in terms of the SEBI Listing Regulations.
- As on March 31, 2025, the strength of the Board of Directors comprises of 6 (Six) Directors, out of which 2 (Two) are Promoters and Executive Directors and 4 (Four) are Non-Executive Independent Directors including a Independent Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations.

The Non-Executive Directors are eminent professionals, having considerable professional experience in their respective fields.

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

#### Composition Analysis

SN	Name of Director(s)	Designation	DIN
1.	Mr. Sunil Jaykumar Pathare	Executive Chairman & Managing Director	00192182
2.	*Mr. Kapil Jaykumar Pathare	Executive Deputy Managing Director	01089517
3.	**Mrs. Meher Bruno Castelino	Non-Executive Woman Independent Director	07121874
4.	Mr. Kishor Somnath Navandar	Non-Executive Independent Director	00164401
5.	Ms. Vandana Kumari Bhardwaj	Non-Executive Woman Independent Director	06839882
6.	Mr. Vilas Chandrakant Gupte	Non-Executive Independent Director	10509707
7.	***Mr. Uday Laxman Ajgaonkar	Non-Executive Independent Director	02219286

#### Note:

\*Mr. Kapil Pathare was Whole Time Director upto March 31, 2025 and as Deputy Managing Director w.e.f. April 01, 2025.

\*\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure as Independent Director.

\*\*Appointed as an Independent Director w.e.f. March 22, 2025.

**d. Board Meetings:**

During the financial year 2024-25, the Board met Six (6) times. The intervening gap between the Meetings was well within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulation. The meetings of Board of Directors were held during the financial year on May 24, 2024, July 12, 2024, August 14, 2024, November 08, 2024, November 21, 2024 and February 12, 2025. Requisite quorum was present for all the meetings.

<b>Name of Directors</b>	<b>Number of Meetings held during the year</b>	<b>Number of Meetings attended</b>
Mr. Sunil Pathare	6	6
Mr. Kapil Pathare	6	6
*Mrs. Meher Castelino	6	6
Mr. Kishor Navandar	6	6
Ms. Vandana Bhardwaj	6	6
Mr. Vilas Gupte	6	6
**Mr. Uday Ajgaonkar	N.A.	N.A.

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure as Independent Director.

\*\*Appointed as an Independent Director with effect from March 22, 2025.

**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	Directorship in other Indian Listed Companies (excluding VIP)	No. of Board Committees (excluding VIP)		No. of Board Meetings attended during FY 2024-25	Attendance in AGM held on 27.09.2024	Directorship in other listed entities (Category of Directorship)
			As Member	As Chairman			
Mr. Sunil J. Pathare DIN: 00192182	Promoter/ Executive Director/ Chairman & Managing Director	-	-	-	6	Yes	-
Mr. Kapil J. Pathare DIN : 01089517	Promoter/ Executive Director WTD Upto 31/03/2025 DY. MD w.e.f. 01/04/2025	-	-	-	6	Yes	-
*Mrs. Meher Castelino DIN : 07121874	Woman Independent Director	-	-	-	6	Yes	-
Mr. Kishor Navandar DIN: 00164401	Independent Director	-	-	-	6	Yes	-
Ms. Vandana Kumari Bhardwaj DIN: 06839882	Woman Independent Director	-	-	-	6	Yes	-
Mr. Vilas Chandrakant Gupte DIN: 10509707	Independent Director	-	-	-	6	Yes	-
**Mr. Uday Laxman Ajgaonkar DIN: 02219286	Independent Director	-	-	-	N.A.	N.A.	-

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure as Independent Director.

\*\*Appointed as an Independent Director w.e.f. March 22, 2025.

The detailed profile of the Directors of the Company is available on the Company's website at [www.vipclothing.in](http://www.vipclothing.in)

**e. Disclosure of relationships between Directors inter-se:**

Mr. Sunil J. Pathare is an elder brother of Mr. Kapil J. Pathare. Except for this there is no inter-se relationship among the Directors.

**f. Number of shares and convertible instruments held by Non-Executive Directors:**

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

**g. Familiarisation programmes for Directors:**

All Directors inducted on the Board are introduced to our Company culture through appropriate orientation sessions. Presentations are made by Executive Directors and Senior Management to provide an overview of our operations and to familiarize the new Non-Executive Directors with our operations.

They are also introduced to our organization structure, our services, group structure and constitution, Board procedures, matters reserved for the Boards and our major risks and management strategy. They seek to enable the Independent Directors to understand the business and strategy and leverage their expertise and experience to the maximum benefit of the Company. Details of programs conducted by the Company for the financial year 2024-25 are available on the website of the Company at

[http://www.vipclothing.in/investor\\_relation/policies/Familiarisation%20Program%20for%20Independent%20Directors\\_24-25.pdf](http://www.vipclothing.in/investor_relation/policies/Familiarisation%20Program%20for%20Independent%20Directors_24-25.pdf)

**h. 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:**

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

Name of Directors	Leadership / Operational experience	Strategic Planning	Sector/ Industry Knowledge & Experience, Research & Development and Innovation	Technology	Financial, Regulatory / Legal & Risk Management	Corporate Governance
Mr. Sunil Pathare	✓	✓	✓	✓	✓	✓
Mr. Kapil Pathare	✓	✓	✓	✓	✓	✓
*Mrs. Meher Castelino	✓	✓	✓	✓	✓	✓
Mr. Kishor Navandar	✓	✓	✓	✓	✓	✓
Ms. Vandana Bhardwaj	✓	✓	✓	✓	✓	✓
Mr. Vilas Gupte	✓	✓	✓	✓	✓	✓
**Mr. Uday Ajoankar	✓	✓	✓	✓	✓	✓

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure as Independent Director.

\*\*Appointed as an Independent Director w.e.f. March 22, 2025.

**I. Declaration of Independence given by Independent Directors:**

The Company affirms that it has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

**j. Directors seeking re-appointment:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil J. Pathare (DIN: 00192182), Director of the Company, liable to retire by rotation at the ensuing Annual General meeting and being eligible have offered himself for re-appointment.

A brief profile of Director seeking re-appointment, the nature of their expertise in specific functional areas, and the names of the Companies in which he hold directorship and the Committees of the Board where-in he is member, are furnished in the Notice of Annual General Meeting. The Notice is also available on the website of the Company <http://www.vipclothing.in/investor.html#parentHorizontalTab7>

**k. Performance Evaluation:**

The Nomination and Remuneration Committee specified the evaluation criteria for performance evaluation of Directors, Board and its Committees. The criteria for performance evaluation cover the areas relevant to the functioning as Promoter Directors and Independent Directors such as participation, preparation, conduct and effectiveness. The evaluation of Promoter Directors and Independent Directors was done by the Board as a whole by Independent Directors and Promoters Directors every year.

The evaluation of Independent Directors includes performance and fulfillment of the independence criteria as specified in SEBI LODR Regulations, 2015 and their independence from the management. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

**3. AUDIT COMMITTEE:****a) Terms of Reference:**

Members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

The extract of terms of reference of the Audit Committee are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing and monitoring the auditor's independence and performance.
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements and quarterly financial statements.
- Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.
- Discussing with Internal Auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval or any subsequent modification of transactions of the Company with related parties.
- To evaluate internal financial controls and risk managements systems.

**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 6 (Six) times on May 24, 2024, July 12, 2024, August 14, 2024, November 08, 2024, November 21, 2024 and February 12, 2025.

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. Kishor Navandar	Chairperson	Independent Director	6	6
Mr. Vilas Gupte	Member	Independent Director	6	6
*Mrs. Meher Castelino	Member	Independent Director	6	6
Mr. Sunil Pathare	Member	Executive Director	6	6
**Mr. Uday Ajgaonkar	Member	Independent Director	N.A.	N.A.

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure as Independent Director.

\*\*The Committee was reconstituted and Mr. Uday Ajgaonkar was inducted w.e.f. March 22, 2025

The Statutory, Internal and Secretarial Auditors are also invited to attend the meetings.

Mr. Rahul Soni is Company Secretary to the Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**
**a) Terms of Reference:**

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

The terms of reference of the NRC are briefly described below:

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment / removal;
- Devising a policy on diversity of Board of Directors;
- formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

- to decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

The composition of Nomination and Remuneration Committee ("NRC") 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 May 24, 2024, August 14, 2024, and February 12, 2025.

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. Kishor Navandar	Chairperson	Independent Director	3	3
Mr. Vilas Gupte	Member	Independent Director	3	3
*Mrs. Meher Castelino	Member	Independent Director	3	3
Ms. Vandana Bhardwaj	Member	Independent Director	3	3
**Mr. Uday Ajgaonkar	Member	Independent Director	N.A.	N.A.

**Note:**

\* Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\* The Committee was reconstituted and Mr. Uday Laxman Ajgaonkar was inducted w.e.f. March 22, 2025.

#Appointed as the Chairperson of the Committee in place of Mrs. Meher Castelino w.e.f. March 22, 2025.

Mr. Rahul Soni is Company Secretary to the Committee.

**c) Performance evaluation criteria for Independent Director**

The Nomination and Remuneration Policy of the Company empowers the Board to formulate a process for effective evaluation of the performance of individual Directors, Committees of the Board and the Board as a whole pursuant to the provisions of the Act and Regulation 17 and other SEBI Regulations.

**5. REMUNERATION OF DIRECTORS:**

**a) Pecuniary relationships or transactions:**

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees.

**b) Criteria of making payment to Non-Executive Director:**

Remuneration payable to the Executive Directors is recommended by the Nomination and Remuneration Committee within the limits prescribed by the Act approved by the Board and is subject to the overall limits approved by the shareholders.

The Non-Executive Directors are paid ₹ 40,000/- for attending each Board meeting of Board.

**c) The details of Remuneration and Sitting Fees paid to Executive and Non-Executive Directors during the financial year 2024-25 are as follows:**

(₹ in Lakhs)

Name of Director	Relationship with other Director/s	Relationship with company	Sitting Fees	Remuneration (Excluding Perquisites)	Commission	Total
Mr. Sunil Pathare	Elder brother of Mr. Kapil Pathare	Promoter	-	99,52,852	-	<b>99,52,852</b>
Mr. Kapil Pathare	Younger brother of Mr. Sunil Pathare	Promoter	-	80,09,136	-	<b>80,09,136</b>
*Mrs. Meher Castelino	None	None	2,00,000	-	-	<b>2,00,000</b>
Mr. Kishor Navandar	None	None	2,00,000	-	-	<b>2,00,000</b>
Mr. Vilas Gupte	None	None	2,00,000	-	-	<b>2,00,000</b>
Mr. Vandana Bhardwaj	None	None	2,00,000	-	-	<b>2,00,000</b>
**Mr. Uday Ajoankar	None	None	N.A.	N.A.	N.A.	<b>N.A.</b>

- The agreement with Managing Director and Whole Time Director is made for a period of 3 year(s).
- Further, either party to the agreement is entitled to terminate the agreement by giving not less than 90 days' notice in writing to the other party.
- Presently, the Company does not have a scheme for grant of stock options to its employees.
- The Independent Directors and Non-Executive Directors are paid sitting fees as determined by the Board from time to time. Sitting fees to the Independent Directors and Non-Executive Directors are being paid as permissible under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Note:**

\* Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*Appointed as an Independent Director w.e.f. March 22, 2025.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### a) Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee ("SRC") are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013, Regulation 20(4) of the Listing Regulations.

The brief terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

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

The composition of Stakeholders Relationship Committee ("SRC") is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. During the financial year Stakeholders Relationship Committee met 4 (Four) times on May 24, 2024, August 14, 2024, November 08, 2024 and February 12, 2025.

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

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
**Mr. Uday Ajgoankar	Chairperson	Independent Director	N.A.	N.A.
Mr. Vilas Gupte	Member	Independent Director	4	4
*Mrs. Meher Castelino	Member	Independent Director	4	4
Mr. Kapil Pathare	Member	Executive Director	4	4
Ms. Vandana Bhardwaj	Member	Independent Director	4	4

As per Regulation 46 of SEBI Listing Regulations the exclusive E-mail Id of the Investor Grievance Department of the Company is [investor.relations@vip.in](mailto:investor.relations@vip.in)

#### Note:

\* Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\* The Committee was reconstituted and Mr. Uday Ajgaonkar was inducted and appointed as the Chairman of the Committee in place of Mrs. Meher Castelino w.e.f. March 22, 2025.

Mr. Rahul Soni is Company Secretary to the Committee.

**c) Number of shareholders' complaints received so far:**

During the financial year ended on March 31, 2025, No complaints were received from shareholders. The statement is as follows:

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

**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.

The brief Roles and responsibilities of the CSR Committee are as follows:

- Formulate, monitor and recommend to the Board, the CSR Policy.
- Recommend to the Board, modifications to the CSR Policy as and when required.
- Recommend to the Board, the amount of expenditure to be incurred on the activities Undertaken.
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation, including the Listing Agreement and the Companies Act, 2013.
- So disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

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

Accordance with Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) provisions are applicable only to companies that meet certain thresholds. After reviewing the company's financials for the year 2024-25, we have determined that our Company does not fulfill the criteria outlined in Section 135, during the financial year specifically regarding the required turnover, net worth, or profit thresholds.

However, the Composition of the Committee remains in place and is in compliance with the Section 135 of the Companies Act, 2013.

The Committee met 1 (once) during the last financial year on July 12, 2024.

The details are as follows:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Ms. Vandana Bhardwaj	Chairperson	Independent Director	1	1
Mr. Kishor Navandar	Member	Independent Director	1	1
*Mrs. Meher Castelino	Member	Independent Director	1	1
Mr. Sunil Pathare	Member	Executive Director	1	1
**Mr. Uday Ajgaonkar	Member	Independent Director	N.A.	N.A.

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\*The Committee was reconstituted and Mr. Uday Ajgaonkar was inducted as a member of the Committee w.e.f. March 22, 2025.

Mr. Rahul Soni is Company Secretary to the Committee.

**8. RISK MANAGEMENT COMMITTEE:**

**a) The Role of Risk Management Committee is as follows:**

- i) Implementation of Risk Management System and Framework;
- ii) Reviewing the Company's financial and risk management policies;
- iii) Assessing risk and minimizing the procedure;
- iv) Framing, implementing and monitoring the risk management plan of the Company.

**b) Composition of Risk Management Committee and number of meetings attended:**

Pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the formation of a Risk Management Committee is not mandatory for the Company. However, in line with best corporate governance practices, the Company has voluntarily constituted a Risk Management Committee to oversee and manage risks associated with its operations.

During the financial year, the Risk Management Committee convened one meeting to review and assess the Company's risk management framework, identify potential risks, and ensure that appropriate mitigation measures were in place. The Company remains committed to strengthening its risk management practices in the future and will continue to monitor its risk landscape closely.

The Risk Management Committee met (1) once during the last financial year on February 12, 2025. The details are as follows:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
Mr. Vilas Gupte	Chairperson	Independent Director	1	1
Mr. Kapil Pathare	Member	Executive Director	1	1
Mr. Sunil Pathare	Member	Executive Director	1	1
*Mrs. Meher Castelino	Member	Independent Director	1	1
Mr. Kishor Navandar	Member	Independent Director	1	1
Ms. Vandana Bhardwaj	Member	Independent Director	1	1
**Mr. Uday Ajgaonkar	Member	Independent Director	N.A.	N.A.

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\*The Committee was reconstituted and Mr. Uday Ajgaonkar was inducted as a member w.e.f. March 22, 2025.

Mr. Rahul Soni is Company Secretary to the Committee.

## 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 Regulation, separate meeting of the Independent Director of the Company was held on February 12, 2025 without the presence of other Directors or management representatives, to review the performance of Non- Independent Directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

The attendance details as under:

Name of Members	Designation	Status	No. of meetings	
			Held	Attended
*Mrs. Meher Castelino	Member	Independent Director	1	1
Mr. Kishor Navandar	Member	Independent Director	1	1
Mr. Vilas Gupte	Member	Independent Director	1	1
Ms. Vandana Bhardwaj	Member	Independent Director	1	1
**Mr. Uday Ajgaonkar	Member	Independent Director	N.A.	N.A.

**Note:**

\*Ceased to be Director w.e.f. March 23, 2025 on completion of tenure of 2 terms as Independent Director.

\*\*Appointed as an Independent Director with effect from March 22, 2025.

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

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaint was received by the Company.

## 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
2023-24	34 <sup>th</sup> AGM	Through Video Conferencing / Other Audio Visual Means	September 27, 2024	11:30 a.m.	NIL
2022-23	33 <sup>rd</sup> AGM	Through Video Conferencing / Other Audio Visual Means	September 14, 2023	11:30 a.m.	NIL
2021-22	32 <sup>nd</sup> AGM	Through Video Conferencing / Other Audio Visual Means	September 23, 2022	11:30 a.m.	NIL

#### b) Extraordinary General Meeting:

During the financial year 2024-25 extraordinary General Meeting ("EOGM") was held on August 5, 2024.

### ii) Postal Ballot:

During financial year 2024-25 the Company sought approval of the Members by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 read with the rules thereunder on two occasions, the details of which are given below:

- **Postal Ballot passed on December 29, 2024:**

<b>Date of the Notice</b>	November 21, 2024
<b>Last Date for receipt of Postal Ballot Forms</b>	December 29, 2024
<b>Date of Declaration of Result</b>	December 30, 2024
<b>Name of the Scrutinizer</b>	Mr. Rakesh Sanghani (FCS: 7647 CP: 6302) or failing him, Mr. Amit Trivedi, (FCS: 11522 CP: 7059), Designated Partner of M/s. RAAM & Associates LLP, Practicing Company Secretaries, Mumbai
<b>Resolutions passed through Postal Ballot</b>	Appointment of Statutory Auditor to fill up the causal vacancy.
<b>Type of Resolution</b>	Ordinary Resolution

Sr. No.	Voting Method	Total Number of shares	Total Valid Votes	Votes in Favour		Votes in Against		Invalid Votes	Abstained Votes
				No. of Shares	% of Total No. of Valid Votes Cast	No. of Shares	% Of Total No. of Valid Votes Cast		
1	Remote e-Voting	43,079,868	43,079,868	43,073,444	9998.509%	6,404	1.4865%	-	20

● **Postal Ballot passed on March 22, 2025**

<b>Date of the Notice</b>	February 20, 2025
<b>Last Date for receipt of Postal Ballot Forms</b>	March 22, 2025
<b>Date of Declaration of Result</b>	March 24, 2025
<b>Name of the Scrutinizer</b>	Mr. Rakesh Sanghani (FCS: 7647 CP: 6302) or failing him, Mr. Amit Trivedi, (FCS: 11522 CP: 7059), Designated Partner of M/s. RAAM & Associates LLP, Practicing Company Secretaries, Mumbai
<b>Resolutions passed through Postal Ballot</b>	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sunil Pathare (DIN: 00192182) as Chairman and Managing Director for the period of Three (3) years, commencing from April 01, 2025.</li> <li>2. Appointment of Mr. Kapil Pathare (DIN: 01089517) as a Deputy Managing Director for the period of Three (3) years, commencing from April 01, 2025.</li> <li>3. Appointment of Mr. Uday Laxman Ajgaonkar (DIN: 02219286) as an Independent Director of the Company.</li> </ol>
<b>Type of Resolution</b>	Special Resolutions

Sr. No.	Voting Method	Total Number of shares	Total Valid Votes	Votes in Favour		Votes in Against		Invalid Votes	Abstained Votes
				No. of Shares	% of Total No. of Valid Votes Cast	No. of Shares	% Of Total No. of Valid Votes Cast		
1.	Remote e-Voting	9,01,29,519	4,43,98,702	4,43,90,369	99.9812%	8,333	0.0188%	-	20
2.	Remote e-Voting	9,01,29,519	4,43,98,102	4,43,89,724	99.9811%	8,378	0.0189%	-	620
3.	Remote e-Voting	9,01,29,519	4,43,98,102	4,43,89,678	99.981%	8,424	0.019%	-	620

**Procedure for Postal Ballot**

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its Shareholders. The Company engaged the services of MUFG India Limited (Formerly Link Intime India Private Limited) for the purpose of providing e-voting facility to all its Shareholders.

The Shareholders had to vote only through e-voting. The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company's Registrar & Share Transfer Agents as on the cut-off date.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Companies Act, 2013 and the Rules issued thereunder.

Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Shareholders desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting. The Scrutinizer submitted his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company.

The results are displayed on the website of the Company at [www.vipclothing.in](http://www.vipclothing.in) besides being communicated to the Stock Exchanges.

## **12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report form part of the Annual Report and include discussion on various matters specified under Schedule V of SEBI Listing Regulations.

## **13. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI, MCA or other Statutory Authorities.

## **14. WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct.

The mechanism provides for adequate safeguards against victimization of employees. The said policy is also available on the website of the Company :

[http://www.vipclothing.in/investor\\_relation/policies/FY\\_22/Whistle%20Blower%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/Whistle%20Blower%20Policy.pdf)

## **15. PREVENTION OF INSIDER TRADING CODE:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window is closed from starting of the quarter till 48 hours after the declaration of results and during occurrence of any material events as per the code.

The Company has appointed Mr. Rahul Soni as Compliance Officer, who is responsible to set procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

## 16. CODE OF CONDUCT:

The Board has laid down a code of conduct for Business and Ethics for all the Board Members and all the employees of the management grade of the Company. All the Board members and senior management personnel have confirmed compliance with the code. The code of conduct is also available on the Company's website [http://www.vipclothing.in/investor\\_relation/policies/FY\\_22/Code%20of%20Conduct%20Policy.pdf](http://www.vipclothing.in/investor_relation/policies/FY_22/Code%20of%20Conduct%20Policy.pdf)

A declaration to that effect signed by Chairman and Managing Director is attached as annexure to Corporate Governance Report and forms part of the Annual Report of the Company.

## 17. SCORES:

There are no pending complaints under SCORES as on March 31, 2025.

## 18. MANAGING DIRECTOR AND CFO CERTIFICATION:

The Managing Director and CFO of the Company have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the year ended March 31, 2025.

The said certificate is annexed to this report.

## 19. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has received the Certificate from M/s. RAAM & Associates LLP, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed to this report.

## 20. OTHER DISCLOSURE:

1. The Company's transaction with related parties, as per requirement of Indian Accounting Standard -24, are disclosed in notes forming part of the Financial statements 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 2024-25 were undertaken in compliance with the aforesaid regulatory provisions which is available on the website of the Company at [www.vipclothing.in](http://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.

2. The Company is having the policy on materiality in relation to group companies which is available on the website of the Company at :  
[http://www.vipclothing.in/investor\\_relation/policies/Policy%20for%20determination%20of%20Materiality.pdf](http://www.vipclothing.in/investor_relation/policies/Policy%20for%20determination%20of%20Materiality.pdf)
3. 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.
4. 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 an agreement with the total number of dematerialized shares held with NSDL and CDSL.

5. 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.
6. The Company has not accepted any public deposits and no amount on account of public deposit was outstanding as on March 31, 2025.
7. 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.
8. Listing fees for the financial year 2024-25 have been paid to the Stock Exchanges on which the shares of the Company are listed.
9. 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.
10. The Company has complied with all the applicable Indian Accounting Standards.
11. The Internal Auditors directly report to the Audit Committee.
12. The Audit Report contains unmodified audit opinion.
13. Details of total fees paid to the Statutory Auditors of the Company are given in in notes forming part of the Financial statements in this Annual Report.
14. There were no shares lying in unclaimed suspense account under Regulation 39 and Schedule VI of Listing Regulations as on March 31, 2025.
15. 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, 2025. The Annual Report of the Company contains a certificate by the Chairman and Managing Director, on the Compliance declaration received from all the members of the board.
16. The Company has not issued equity shares with differential voting rights /Sweat equity shares/ESOP

## **21. 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: <http://www.vipclothing.in/investor.html#parentHorizontalTab10>

## **22. 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](http://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 The Economic Times, Free press journal for English and Navshakti for Marathi edition.
- b) **Website:** The Company's website [www.vipclothing.in](http://www.vipclothing.in) contains a separate section on 'Investor Relation' where shareholders information is available.
- c) **Presentations to institutional investors and analysts:** Details of presentation made to institutional investors or to the analysts are made available on the website of the Company at [www.vipclothing.in](http://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. All complaints received if any through SECORES are resolved in a timely manner by the Company.
- e) **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** NEAPS and BSE Listing Centre are web based application systems for enabling corporate to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, etc.
- f) **Compliance under discretionary requirements under the Listing Regulations:**
- i) **Shareholders Rights:** The quarterly financial results are uploaded on the website for the members of the Company at [www.vipclothing.in](http://www.vipclothing.in).
- ii) **Modified opinion(s) in audit report:** Companies financial statements are with unmodified audit opinion.
- iii) **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 Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("Rules"), the Company is mandatorily required to transfer all such shares respect of which dividend(s) has not been en-cashed or claimed by the shareholder(s) for last 7 (Seven) consecutive years or more to the Demat Account of IEPF Authority set up by the Central Government.

Unclaimed dividend and shares which are transferred to IEPF authority earlier can be claimed by making an application to the IEPF Authority in Form No. IEPF - 5 available on [www.iepf.gov.in](http://www.iepf.gov.in)

### 23. GENERAL SHAREHOLDERS INFORMATION

- a) **Annual General Meeting:** Annual General Meeting will be held in month of September, 2025 date and related details will be mentioned in the Notice of Annual General Meeting.

<b>Financial Calendar</b>	April 1, 2024 to March 31, 2025
<b>Book Closure</b>	Friday, September 12, 2025 to Thursday, September 18, 2025.
<b>Dividend Payment</b>	Dividend, if declared, will be paid / dispatched within the time prescribed under the law.
<b>Registered office of Company</b>	C-6, Road No. 22, MIDC, Andheri (East) Mumbai – 400 093.

- b) **Registrar & Transfer Agent :** MUFG India Private Limited (Formerly Link Intime India Private Limited), C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.

- c) **Listing Details :**

<b>Name of the Stock Exchange</b>	<b>Address</b>	<b>Stock Code</b>
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.	532613
The National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	VIPCLOTHNG

- d) **ISIN :** INE450G01024

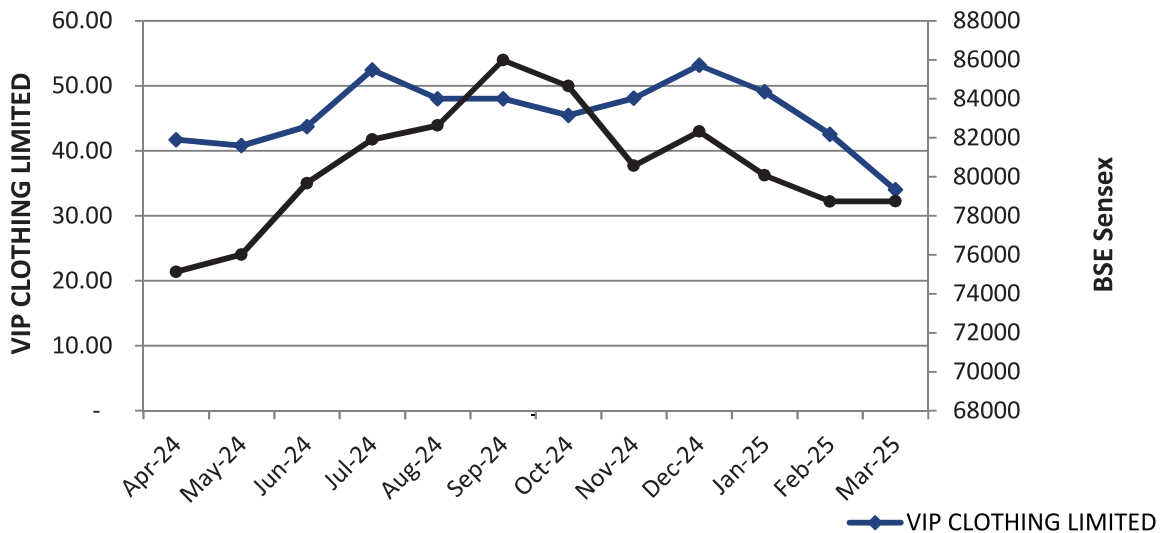
- e) **Stock Market Data:**

<b>Month</b>	<b>BSE Ltd. (BSE)</b>		<b>National Stock Exchange of India Limited (NSE)</b>	
	<b>High (in ₹)</b>	<b>Low (in ₹)</b>	<b>High (in ₹)</b>	<b>Low (in ₹)</b>
April, 2024	41.70	35.05	41.80	34.80
May, 2024	40.80	33.25	40.70	33.20
June, 2024	43.73	28.78	43.70	28.60
July, 2024	52.45	37.50	52.40	37.89
August, 2024	48.00	42.01	48.00	42.00
September, 2024	48.00	40.40	48.71	40.40
October, 2024	45.45	39.00	44.99	38.22
November, 2024	48.08	36.05	48.11	35.52
December, 2024	53.15	44.75	53.20	44.53
January, 2025	49.06	37.23	49.20	36.64
February, 2025	42.55	31.06	42.51	31.00
March, 2025	34.00	28.00	34.01	28.00

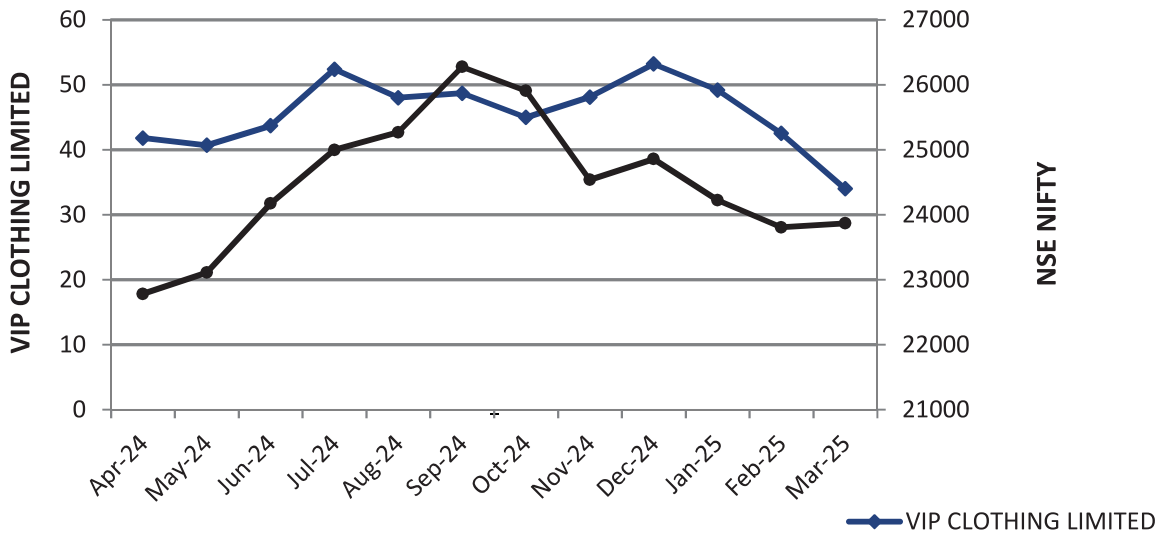
Source: Website of the BSE Limited and National Stock Exchange of India Limited.

**Distribution of Shareholders as on March 31, 2025:**

Slab of no of Shareholding	No. of Share holders	% of Shareholders	No. of Shares held	% of Shares held
1 – 500	24952	76.86	3245568	3.60
501 – 1000	3262	10.05	2716239	3.01
1001 – 2000	1886	5.81	2965086	3.29
2001 – 3000	677	2.09	1743946	1.93
3001 – 4000	285	0.88	1037914	1.15
4001 – 5000	368	1.13	1747374	1.94
5001 – 10000	525	1.62	4059298	4.50
10001 - *****	508	1.56	72614094	80.57
<b>Total</b>	<b>32463</b>	<b>100</b>	<b>90129519</b>	<b>100</b>

**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, 2025.**


Above data has been compiled from data available on BSE website.

**Share price performance relative to Nifty 50 based on the share price on March 31, 2025.**


Above data has been compiled from data available on NSE website.

**f) Shareholding pattern as on March 31, 2025**

Category	No. of Share held	% of total
<b>Promoter and Promoter Group</b>		
1. Indian Promoters & Person Acting in Concert	4,19,55,538	46.55
<b>Sub-total</b>	<b>4,19,55,538</b>	<b>46.55</b>
<b>Public shareholder</b>		
<b>1. Institutions (Domestic)</b>		
1.1 Mutual Funds	875	0.00
<b>2. Institutions (Foreign)</b>		
2.1 Foreign portfolio investors	4,24,725	0.47
<b>3. Central Government/ State Government(s)</b>		
3.1 Central Government / President of India	1,000	0.00
<b>4. Non-Institutions</b>		
4.1 Key Managerial Personnel	1,50,000	0.17
4.2 Investor Education and Protection Fund (IEPF)	9,05,492	1.10
4.3 Indian Public	3,73,28,136	41.42
4.4 NRIs. / NRNs.	20,96,374	2.33
4.5 Bodies Corporate	41,64,378	4.62
4.6 Trust	500	0.00
4.7 Body Corp-Ltd Liability Partnership	5,85,786	9.71
4.8 Hindu Undivided Family	19,53,491	2.37
4.9 Clearing Members	7,240	0.01
<b>Sub-total</b>	<b>4,81,73,981</b>	<b>53.45</b>
<b>Grand Total</b>	<b>9,01,29,519</b>	<b>100.00</b>

**g) Dematerialization of Shares:**

About 99.17 % of the shares of the Company have been dematerialized as on March 31, 2025. The Company has entered into an agreement with National Securities Depository Limited (NSDL), 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:**

Particulars	No. of Shares	% of shares
Holding in dematerialized form	8,93,79,742	99.17
Holding in physical form	7,49,777	0.83
<b>Total</b>	<b>9,01,29,519</b>	<b>100.00</b>

**h) The names and addresses of the Depositories are as under:**

Name of the Depository	Address
National Securities Depository Limited.	3 <sup>rd</sup> Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051.
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25 <sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013.

**h) The names and addresses of the Depositories are as under:**
**i) 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. Investors Grievance Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the prescribed time.

Shares held in dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the depository the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants, etc.

**j) Plant Locations of VIP Clothing Limited:**

Factory Location	Activity
(I) Chinnakkully Village, Pappampatty Panchayat, Coimbatore, Tamil Nadu – 641016.	Wind Mill
(ii) S. F. No. 125, 126 & 127, Appachimarmadam, Erode, Tamil Nadu – 638 055.	Stitching Unit

**k) Address for Investors Correspondence:**

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

**MUFG India Private Limited (Formerly Link Intime India Private Limited)**

Add: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

Tel No. - 022 49186000

Email: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

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**

Add: C-6, Road No. 22, MIDC, Andheri (East), Mumbai – 400093

Tel No.: 022 – 40209000/1/2/3/4/5

Email: [investor.relations@vip.in](mailto:investor.relations@vip.in)

For and on behalf of the Board  
For **VIP Clothing Limited**

**Registered Office:**

C-6, Road No.22, M.I.D.C.,  
Andheri (East), Mumbai – 400 093  
CIN: L18101MH1991PLC059804

**Place:** Mumbai

**Date:** August 06, 2025

**Email:** [investor.relations@vip.in](mailto:investor.relations@vip.in)

**Website:** [www.vipclothing.in](http://www.vipclothing.in)

**Sunil J. Pathare**  
**Chairman & Managing Director**  
**DIN: 00192182**



## 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 2024-25. 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 2024-25."

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

**Mr. Sunil J. Pathare  
Chairman and Managing Director  
DIN: 00192182**

**Place:** Mumbai  
**Date:** August 06, 2025

**Email:** [investor.relations@vip.in](mailto:investor.relations@vip.in)  
**Website:** [www.vipclothing.in](http://www.vipclothing.in)



## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER 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.**

We, Mr. Sunil Pathare, Chairman and Managing Director and Mr. Devendra Vyas, Chief Financial Officer of VIP Clothing Limited hereby certify that as per the Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 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;
  - i. The significant changes in internal control over financial reporting during the year;
  - ii. The significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. The 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 06, 2025

**Mr. Sunil Pathare**  
Chairman & Managing Director  
DIN: 00192182

**Mr. Devendra Vyas**  
Chief Financial Officer



## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Schedule V of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the compliance of conditions of Corporate Governance by **VIP Clothing Limited** having **CIN: L18101MH1991PLC059804** and having registered office at C-6, Road No.22, MIDC, Marol, Andheri (East), Mumbai – 400093 (hereinafter referred to as the 'Company'), produced before me by the Company for the year ended on 31st March 2025 for the purpose of issuing this Certificate in accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India is the responsibility of the management along with the Board of Directors. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

Our examination was limited to review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the corporate. It is neither an audit nor an expression of an opinion of the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on 31st March, 2025.

We further state that this report is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

**RAAM & Associates LLP, Company Secretaries,**  
**Unique code No. L2021MH011800**  
**PR: 5768/2024**

**Amit K Trivedi, Partner**  
**FCS: 11522 CP No.: 7059**  
**UDIN: F011522G001039527**

**Date:** August 20, 2025  
**Place:** Mumbai



**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

We have 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, Marol, 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 our opinion and to the best of our information and according to the verification (including Directors identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers to us physically and electronically, 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, 2025** 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	Date of Appointment	Date of Cessation
1.	Mr. Sunil Jaykumar Pathare	Executive Director	00192182	29/09/1992	--
2.	Mr. Kapil Jaykumar Pathare	Executive Director	01089517	15/09/2002	--
3.	Mr. Uday Laxman Ajgaonkar	Independent Director	02219286	22/03/2025	--
4.	Mr. Kishor Somnath Navandar	Independent Director	00164401	13/02/2024	--
5.	Ms. Vandana Kumari Bhardwaj	Independent Director	06839882	14/02/2024	--
6.	Mr. Vilas Chandrakant Gupte	Independent Director	10509707	15/02/2024	--

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.

**RAAM & Associates LLP, Company Secretaries,**  
**Unique code No. L2021MH011800**  
**PR: 5768/2024**

**Amit K Trivedi, Partner**  
**FCS: 11522 CP No.: 7059**  
**UDIN: F011522G001039571**

**Date:** August 20, 2025  
**Place:** Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAUTIONARY STATEMENT:

The statements in the “Management Discussion and Analysis Report” describe the Company's objectives, projections, estimates and expectations which may be “forward-looking statements” within the meaning of the applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climatic conditions, government policies, taxation and other laws and other incidental factors.

### ECONOMIC OVERVIEW

#### Global textile industry:

The global textile industry, valued at around USD 1.4–1.5 trillion in FY 2024–25, remains a key pillar of global manufacturing and trade. It plays a vital role in the economic development of countries such as China, India, Bangladesh, Vietnam, and Turkey, contributing significantly to employment, exports, and GDP. The market is expected to grow at a CAGR of 4.5% to 5.5% over the next few years, driven by rising global population, increasing urbanization, and evolving consumer preferences in fashion, lifestyle, and technical applications.

Demand drivers include the rapid expansion of e-commerce, growing interest in athleisure and innerwear, and increasing applications of technical textiles across sectors like automotive, healthcare, and construction. Additionally, global consumers are increasingly shifting toward sustainable and functional products, prompting innovation in eco-friendly fabrics, digital printing, and circular production models.

However, the industry faces several economic and structural challenges. These include raw material cost volatility, rising labour and energy expenses, and supply chain disruptions caused by geopolitical tensions and regulatory shifts. Moreover, there is growing pressure on manufacturers to comply with environmental and social governance (ESG) standards, which has increased compliance and production costs—particularly for small and medium enterprises in developing nations.

Despite these challenges, the global textile sector is poised for continued resilience and transformation. Companies are investing in automation, digitalization, and sustainability to future-proof their operations. Emerging markets, especially in Asia and Africa, are expected to drive the next phase of growth, making the textile industry a crucial area of focus for global economic and industrial strategy.

Financial Year 2024 has seen dynamic shifts and surprising resilience in the global textile sector. Despite facing numerous challenges, the industry demonstrated an impressive ability to adapt and innovate. Here is a look at the key trends, challenges, and triumphs in the textile sector and outlook for 2025.

#### Factors that dominated year 2024

Several factors played a crucial role in shaping the global textile landscape in 2024:

**Economic slowdown:** The global economic slowdown significantly impacted consumer spending, leading to decreased demand for apparel and textiles. This was particularly evident in major markets like the US and Europe.

**Inflation and rising costs:** Inflationary pressures and increased raw material costs, especially cotton, squeezed profit margins for textile manufacturers.

**Geopolitical tensions:** Ongoing geopolitical tensions and trade disputes, particularly those involving China, disrupted supply chains and created uncertainty in the market.

**Sustainability concerns:** Growing consumer awareness of environmental and social issues pushed sustainability to the forefront of the textile industry.

**Technological advancements:** Automation, AI, and 3D printing continued to transform textile manufacturing processes, improving efficiency and enabling new possibilities.

**Shifting consumer preferences:** Consumers are increasingly seeking personalized, sustainable, and ethically produced clothing. This trend will compel brands and manufacturers to adapt their offerings.

**Technological disruption:** Further advancements in automation, AI, and data analytics will continue to reshape textile manufacturing, leading to increased efficiency and customization.

**Circular economy:** The concept of a circular economy, where resources are reused and waste is minimized, is gaining traction in the textile industry. This will drive innovation in recycling, upcycling, and sustainable material development.

**Regionalization of supply chains:** The pandemic and geopolitical tensions have exposed the vulnerabilities of global supply chains. Companies are increasingly seeking to diversify their sourcing and manufacturing operations, leading to a more regionalized approach.

## Opportunities

**Sustainable and ethical fashion:** Brands and manufacturers that prioritize sustainability and ethical practices are well-positioned for growth.

**Technical textiles:** The demand for technical textiles, used in various industries like healthcare, automotive, and construction, is expected to surge.

**E-commerce and digitalization:** The rise of e-commerce and digital platforms presents new opportunities for textile businesses to reach consumers directly and expand their market reach.

The global textile sector in 2024 has been a testament of resilience and adaptability. Despite facing economic headwinds and geopolitical challenges, the industry has continued to innovate and evolve. Looking ahead, the sector is poised for further transformation, driven by shifting consumer preferences, technological advancements, and a growing focus on sustainability. By embracing these changes and seizing the opportunities that lie ahead, the textile industry can ensure its continued growth and success in the years to come.

**Sources:** <https://aecegy.com/Page/news.asp>

## INDIAN ECONOMY OVERVIEW

The Indian textile and apparel industry is one of the largest contributors to the country's economy, accounting for approximately 2.3% of GDP, 7% of industry output, and around 12% of total export earnings as of FY 2024–25. Valued at approximately USD 165 billion, the sector is expected to grow to USD 250 billion by 2030, driven by both domestic consumption and export demand. India is also the second-largest textile producer globally, with a strong presence across the entire value chain—from fiber to garments and home textiles.

India enjoys several structural advantages including abundant availability of raw materials like cotton (India is the largest producer) and jute, a large skilled workforce, and growing demand for ready-made garments and technical textiles. The domestic market is projected to grow steadily, supported by rising incomes, changing lifestyles, and increased penetration of organized retail and e-commerce. Segments like innerwear, athleisure, and women’s ethnic wear are experiencing double-digit growth, especially in Tier 2 and Tier 3 cities.

However, the industry faces challenges such as high dependency on cotton, raw material price volatility, infrastructure constraints, and inconsistent power supply in certain manufacturing hubs. Moreover, compliance costs, particularly with regard to sustainability and labor laws, are rising due to global buyer expectations. The unorganized sector, which still forms a large portion of the domestic textile base, also limits productivity and scalability.

To address these challenges and support growth, the Indian government has introduced key initiatives such as the Production Linked Incentive (PLI) Scheme, the PM MITRA Parks, and export promotion schemes under RoDTEP and RoSCTL. These are expected to enhance manufacturing competitiveness, attract FDI, and promote India as a global sourcing hub. With the right policy support and industry adaptation, India’s textile sector remains a major pillar of its industrial and export-led growth strategy in the years ahead.

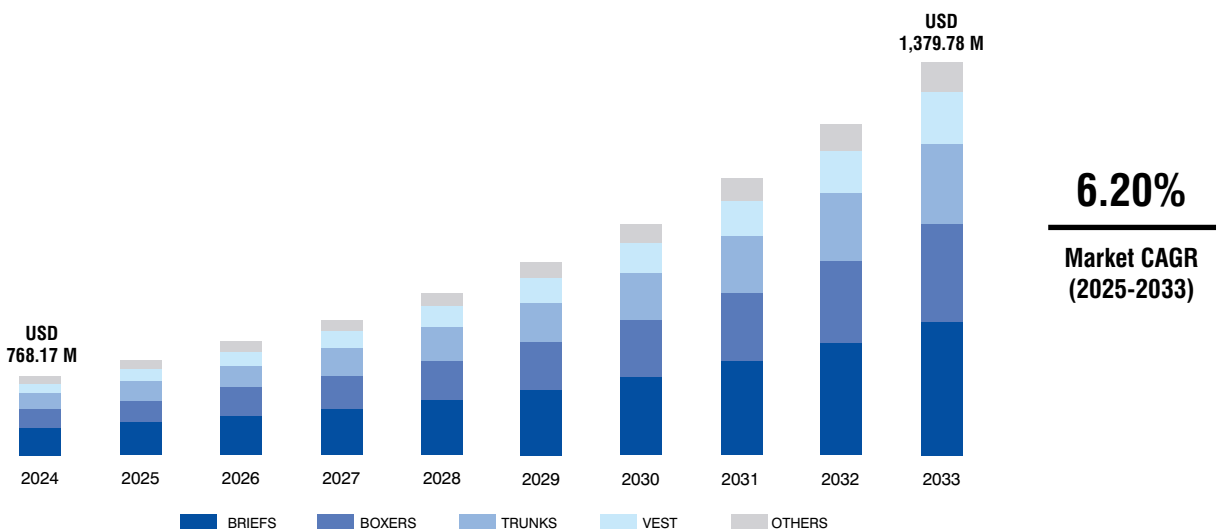
**Men innerwear industry:**

The Indian men's innerwear market is undergoing a significant transformation, driven by evolving consumer preferences, rising disposable incomes, and the expansion of online retail. Once considered a utilitarian necessity, innerwear is now seen as an extension of personal style and an embodiment of comfort and well-being. The market is projected to grow significantly, with one report estimating a compound annual growth rate (CAGR) of 4.80% between 2025 and 2033, reaching a market size of USD 16.30 Billion by 2033., the premium segment within this market is also experiencing strong growth, with a CAGR of 6.20% anticipated over the same period, reaching USD 1,379.78 Million by 2033. This indicates a clear shift towards higher quality and branded innerwear among Indian men.

Source: <https://www.imarcgroup.com/india-premium-male-innerwear-market>

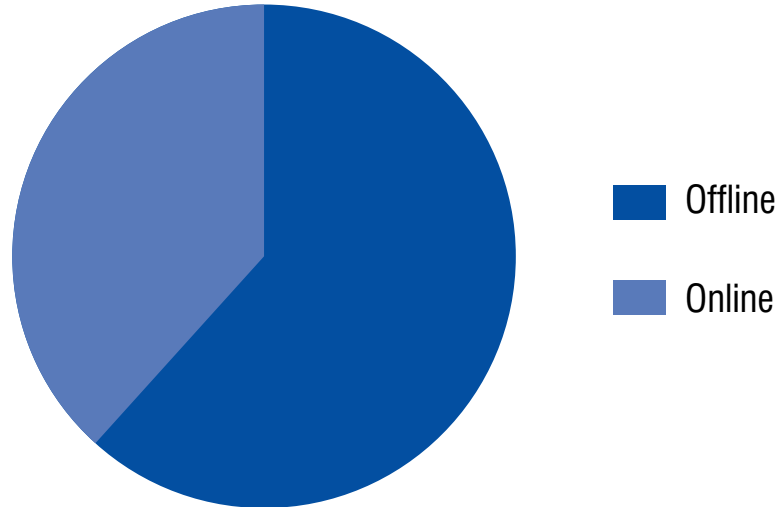
**India premium Male Innerwear Market Forecast**

Size, By Product Type, 2024-2033 (USD Million)



# India premium Male Innerwear Market

Market Share by Distribution Channel, 2024 (in %)



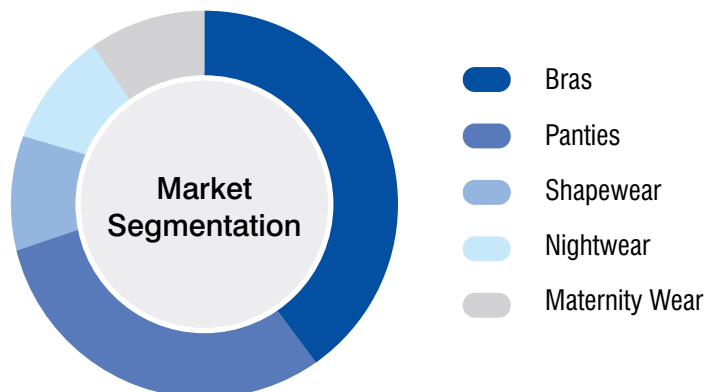
## Women innerwear industry

The Indian women's innerwear market is experiencing a dynamic transformation, driven by evolving cultural perspectives, rising female disposable income, and the increasing adoption of e-commerce. Once a discreet purchase, innerwear has emerged as a category driven by comfort, style, and individual expression. The market is projected to reach approximately \$12 billion by 2032, expanding at an estimated Compound Annual Growth Rate (CAGR) of around 8.4% during the period of 2024 to 2032. Growing awareness about body positivity and self-expression, coupled with rising disposable income, especially in urban areas, are key drivers that the penetration of e-commerce and organized retail has significantly boosted accessibility and diversified the product offerings available to consumers.

Source: <https://www.kenresearch.com/industry-reports/india-women-innerwear-market>

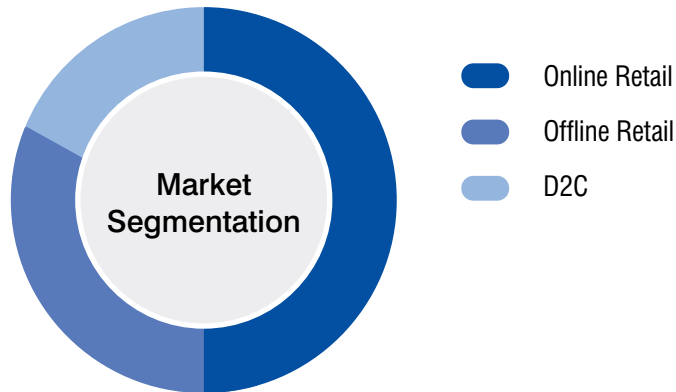
## India Women Innerwear Market Segmentation by Product Type (in value %)

India Women Innerwear Market  
India Women Innerwear Market Segmentation by Product Type



## India Women Innerwear Market Segmentation by Distribution Channel (in value %)

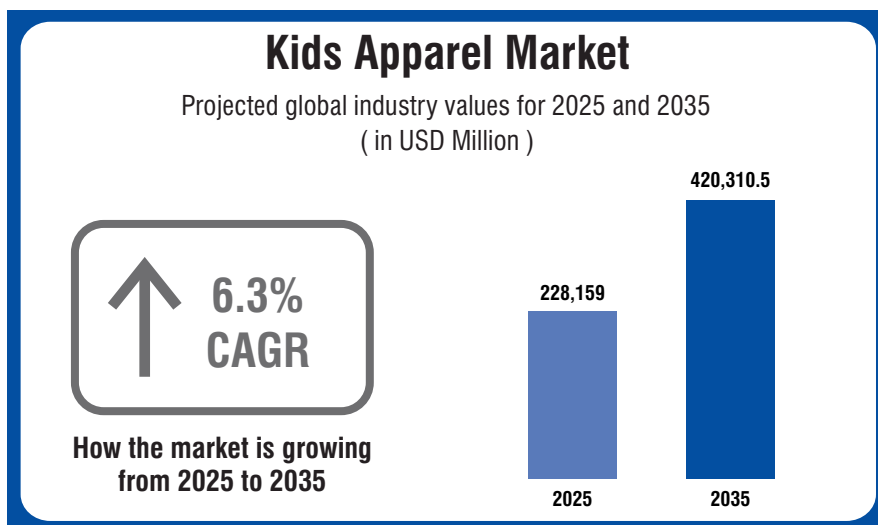
India Women Innerwear Market  
India Women Innerwear Market Segmentation by Distribution Channel



### Kids wear industry:

The Indian kids' innerwear market is undergoing a significant transformation in FY 2024-25, driven by a confluence of rising disposable incomes, increased awareness among parents regarding the quality and comfort of innerwear, and the burgeoning influence of e-commerce platforms. The market reached an estimated size of USD 2.56 Billion in 2024 and is projected to reach USD 5.08 Billion by 2033, exhibiting a growth rate (CAGR) of 7.30% during the 2025-2033 period. Parents, especially those with increased disposable incomes (approximately INR 2.14 lakh per capita in India for FY 2023-24, an 8% YoY increase), are demonstrating a greater willingness to invest in branded and high-quality options, prioritizing comfort and skin-friendly materials. This is leading brands to innovate in terms of style, fit, and functionality to cater to evolving consumer preferences. The convenience and wider selection offered by online retail are also significantly boosting sales, with online innerwear sales witnessing a surge of over 80% in FY 2024.

Source: <https://www.imarcgroup.com/india-kids-innerwear-market>



## INDIAN TEXTILE AND APPAREL INDUSTRY OVERVIEW

The Indian textile and apparel industry continued its trajectory of growth and transformation in FY 2024-25, positioning itself as a key contributor to the Indian economy and a significant player in the global market. The industry contributed nearly 2% to India's GDP, 10% to industrial production, and 8.21% to total exports in FY 2023-24.

The sector provides direct employment to over 45 million people, including a large proportion of women and rural populations, making it the second-largest employment generator in the country, next only to agriculture. The Indian textile and apparel market size is estimated at US\$ 184 billion in 2024-25, with domestic demand accounting for approximately 80% and apparel being the dominant segment at 75%. Exports reached US\$ 37 billion in 2024-25, showing a CAGR of 2% since 2019-20, with apparel representing the largest share at 45%. IBEF states that India is the 6th largest exporter of textiles & apparel globally, holding a 3.9% share of global trade.

The industry's growth in FY 2024-25 was driven by robust domestic demand, fuelled by rising disposable incomes, evolving fashion trends, and a growing population. Technological advancements like automation, AI-driven solutions, and sustainable practices are increasing efficiency and reducing costs within the industry. The expanding e-commerce sector and the rise of D2C brands are increasing market accessibility and consumer engagement. Government initiatives like "Make in India", Production Linked Incentive (PLI) scheme, and PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks scheme are catalyzing growth and attracting investments. However, challenges like intense global competition from countries like Bangladesh and Vietnam, raw material price volatility, and infrastructure bottlenecks need to be addressed to realize the industry's full potential.

Sources: <https://www.ibef.org/industry/textiles>

### Domestic Intimate Industry

The Indian intimate wear industry is experiencing a dynamic transformation, moving beyond its traditional image as a functional necessity to become a significant segment within the fashion industry. Fuelled by factors such as increasing disposable incomes, evolving consumer preferences, and the rapid expansion of e-commerce, the market is poised for significant growth in the coming years. The overall innerwear market size reached USD 10.24 Billion in 2024, with projections to reach USD 19.25 Billion by 2033, exhibiting a compound annual growth rate (CAGR) of 6.70% from 2025 to 2033. Within this, the women's innerwear market is particularly dynamic, valued at USD 5.4 Billion in 2024 and projected to reach USD 12.0 Billion by 2033 at a CAGR of 8.40%. This growth is driven by increasing awareness of body positivity, self-expression, and the accessibility offered by online platforms. Similarly, the men's innerwear market is witnessing a shift towards premium and branded products, with rising fashion consciousness and demand for comfort fuelling its growth.

Key trends shaping the industry include a strong emphasis on comfort and functionality, leading to the adoption of advanced fabrics and ergonomic designs. Brands are increasingly incorporating breathable materials like organic cotton, bamboo, and microfibers, and embracing features like seamless construction and wire-free options to cater to evolving consumer demands for all-day comfort. The industry is also witnessing a surge in premiumization, with consumers willing to invest in higher-quality and branded intimate apparel that reflects their personal style and values. E-commerce and Direct-to-Consumer (D2C) brands are playing a pivotal role in democratizing access to a wider range of products, especially in Tier 2 and Tier 3 cities, and offering a more private and convenient shopping experience for consumers. Sustainability is emerging as a critical trend, with brands focusing on using eco-friendly materials and ethical manufacturing practices to cater to the growing number of environmentally conscious consumers.

Despite the promising outlook, the Indian intimate wear market faces challenges such as intense competition from both organized and unorganized players, price sensitivity in the economy segment, and logistical hurdles in reaching consumers in remote areas. However, these challenges are also fuelling innovation and pushing brands towards a more consumer-centric approach. Leading players are driving innovation, expanding their product portfolios, and leveraging digital marketing strategies to cater to the evolving needs of Indian consumers. The industry is set to continue its growth trajectory, driven by strong consumer demand, a shift towards premiumization, and the increasing penetration of organized retail and e-commerce platforms, offering significant opportunities for both domestic and international brands.

Source: <https://www.marketresearchfuture.com/reports/india-lingerie-market-46602>

### Indian Intimate Wear Scenario – Manufacturing & Retail Perspective

The Indian intimate wear market in FY 2024-25 is characterized by a dynamic interplay between a burgeoning manufacturing sector and an evolving retail landscape. On the manufacturing front, the industry is seeing a shift from traditional, basic innerwear production towards more sophisticated and diverse product offerings, catering to a range of consumer preferences and price points. The "Make in India" initiative is encouraging domestic manufacturing, reducing reliance on imports, and boosting the overall textile sector, including intimate wear. However, challenges persist for Indian manufacturers, including the lack of large-scale manufacturing setups, limited access to skilled labour for high-end women's intimate wear, unavailability of high-quality raw materials within the country, and intense competition from both domestic and international brands in the economy to mid-segment. Investment in research and development, design capabilities, and skilled workforce development are crucial to enable India to compete effectively with countries like Sri Lanka, which have gained an edge in intimate wear manufacturing due to such focus.

The retail landscape for intimate wear in India is experiencing a significant transformation, driven by the increasing penetration of organized retail and the explosive growth of e-commerce. Organized retail, which includes mass merchandisers, specialized stores, and department stores, offers a structured supply chain and a wider range of branded products, especially in urban areas like Mumbai, Delhi, and Bangalore. E-commerce has emerged as a game-changer, overcoming the privacy concerns associated with traditional offline intimate wear shopping and offering unparalleled convenience, a vast selection of styles and sizes, and competitive pricing. Online sales are experiencing robust growth, with over 20 million women purchasing innerwear online in 2024 alone, the omni channel approach, combining both online and offline strategies, is gaining importance as it allows brands to engage with consumers at multiple touchpoints, gather feedback, and offer a seamless shopping experience. This evolving retail ecosystem presents significant opportunities, particularly in expanding into Tier 2 and Tier 3 cities, where rising disposable incomes and increasing digital penetration are driving demand for premium and fashionable intimate wear.

Source: <https://www.kenresearch.com/industry-reports/india-women-innerwear-market>

### THE EVOLUTION & GROWTH OF INNERWEAR MARKET IN INDIA

The Indian innerwear market has undergone significant evolution and growth over the years, driven by changing consumer preferences, increasing disposable incomes, and rising awareness about personal hygiene and comfort. Here's an overview of the evolution and growth of the innerwear market in India:

#### Evolution:

- **Traditional to Modern:** Shift from traditional loincloths (dhotis) and undershirts to modern innerwear like briefs, bras, and panties.

- **Cotton to Synthetic:** Transition from cotton to synthetic fibers like polyester, nylon, and spandex for better comfort and durability.
- **Basic to Fashionable:** Innerwear evolved from basic, functional products to fashionable, trendy, and stylish offerings.

#### Growth Drivers:

- **Increasing Disposable Incomes:** Rising incomes led to increased spending on personal care and hygiene products, including innerwear.
- **Growing Awareness:** Greater emphasis on personal hygiene, comfort, and health drove demand for good-quality innerwear.
- **Changing Lifestyle:** Busy lifestyles, increasing participation in sports and fitness activities, and growing acceptance of Western wear fueled innerwear sales.
- **Demographic Changes:** Growing young population, urbanization, and increasing number of working women contributed to market growth.

#### Trends and Opportunities:

- **Digitalization:** Online sales and e-commerce platforms are gaining traction.
- **Sustainability:** Growing demand for eco-friendly and sustainable innerwear.
- **Innovation:** Introduction of new products, fabrics, and technologies like moisture-wicking and antimicrobial properties.
- **Premiumization:** Increasing demand for premium and luxury innerwear.

#### OPPORTUNITIES

The Indian innerwear market presents significant growth opportunities in FY 2024-25, driven by evolving consumer preferences, rising disposable incomes, and the increasing penetration of modern retail and e-commerce. As the market shifts from a focus on basic functionality to encompassing comfort, style, and fashion, several avenues for growth are emerging:

##### 1. Expanding into premium and luxury segments

- **Growing demand for high-quality products:** Consumers, particularly in metropolitan areas and increasingly in Tier 2 and Tier 3 cities, are willing to spend more on innerwear that offers superior comfort, better fit, and aesthetics.
- **Focus on innovation:** Brands that can offer innovative designs, advanced materials (like organic cotton, bamboo, and microfiber), and incorporate features like seamless construction and wire-free options will find a ready market.
- **Premium Innerwear Sales:** In 2024, premium innerwear sales accounted for 3,000 crore, with demand growing in metropolitan cities such as Delhi, Mumbai, and Bangalore. Brands like Enamor and Amante, focusing on the premium segment, experienced nearly 20% year-on-year growth in this category.

## 2. Leveraging e-commerce and D2C channels

- **Increased accessibility and convenience:** Online platforms provide consumers with greater privacy, a vast selection of styles and brands, and the convenience of shopping from home.
- **Reaching new demographics:** E-commerce is particularly effective in reaching consumers in Tier 2 and Tier 3 cities, where traditional retail presence may be limited. In 2024, these cities accounted for over 25 million consumers purchasing innerwear annually, and e-commerce platforms reported an 18% rise in innerwear sales from non-metro cities.
- **Personalized shopping experiences:** E-commerce platforms allow for personalized recommendations, virtual fitting services, and tailored marketing campaigns, enhancing customer engagement and loyalty.

## 3. Catering to specific consumer needs and preferences

- **Size inclusivity and body positivity:** There's a growing demand for innerwear that caters to diverse body shapes and sizes, reflecting an increasing awareness of body positivity. Brands that offer expanded size ranges and inclusive designs will resonate with a broader customer base.
- **Focus on comfort and functionality:** Consumers are increasingly prioritizing comfort, opting for breathable fabrics, ergonomic designs, and features like moisture management and anti-odor technology.
- **Sustainability and ethical practices:** Growing environmental consciousness is driving demand for innerwear made from eco-friendly materials like organic cotton, bamboo, and recycled fabrics, as well as brands that prioritize ethical manufacturing processes.
- **Athleisure-inspired innerwear:** The athleisure trend is influencing the innerwear market, with consumers seeking styles that combine comfort, style, and functionality for both everyday wear and active pursuits. By 2029, an additional 15 million units of athleisure-inspired innerwear are expected to be sold.

## 4. Expanding into emerging categories and regions

- **Growth in categories like shapewear and sleepwear:** These segments are gaining popularity as innerwear becomes more integral to fashion and self-care. The nightwear and underwear market in India is projected to generate a revenue of US\$9.69bn in 2025, and reach 2.8bn pieces by 2029.
- **Tapping into Tier 2 and Tier 3 cities:** Rising disposable incomes and increasing internet penetration in these regions present significant growth opportunities for brands willing to invest in localized strategies and distribution networks. Leading brands are expected to open over 1,000 new stores in Tier 2 and Tier 3 cities by 2029.

By focusing on these opportunities and understanding the evolving dynamics of the Indian intimate wear market, brands can achieve sustainable growth and capture a larger share of this burgeoning sector.

- **Online Retail Expansion:** The rapid growth of e-commerce provides a vast opportunity for innerwear brands to reach to a wider customer base. Brands can leverage digital platforms to expand their online presence, enhance customer's engagement, and personalised shopping experiences.

Source: <https://www.kenresearch.com/industry-reports/india-women-innerwear-market>

<https://markwideresearch.com/innerwear-market/>

## USEFUL MEASURES TAKEN BY THE GOVERNMENT FOR THE INDIAN TEXTILE INDUSTRY

1. PM MITRA: Pradhan Mantri Mega Integrated Textile Region and Apparel
2. Production-Linked Incentive Scheme
3. Reduction in Custom Duties and Tax Exemptions
4. Textile Cluster Development Scheme
5. Samarth Scheme for Capacity Building in Textile Sector
6. Minimum Support Price (MSP) Operations
7. National Technical Textiles Mission (NTTM)

## 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.

## 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, Distributor Management System, 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.

## HUMAN RESOURCE & INDUSTRIAL RELATIONS

As on March 31, 2025 the Company had 974 people (362 Employees and 612 Workers) 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.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

The Company operates in single segment i.e., Hosiery. The results of the Company under review depict business growth during the period.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

Particulars	2024-25	2023-24
Revenue from operation	23,688.69	18,327.55
Profit before Interest & finance charge, Depreciation & Income Tax	1,800.88	(432.23)
Less : Finance Cost	804.65	908.83
Less : Depreciation	293.95	271.78
Add : Other Income	136.03	43.12
Profit/(Loss) Before exceptional item and Tax	702.28	(1,612.84)
Profit /(Loss) for the year (excluding OCI)	545.65	(1,265.12)
Profit/(Loss) for the year (including OCI)	540.15	(1,284.87)

**Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):**

Particulars	2024-25	2023-24	Change (%)
Return on Net Worth (%)	2.93%	(9.29%)	131.51%
Return on Capital Employed (%)	8.00%	(5.00%)	260.00%
Basic EPS (after exceptional items) in ₹	0.63	(1.53)	141.45%
Debtors Turnover	3.02	2.92	3.42%
Inventory Turnover	1.65	1.31	25.95%
Interest Coverage Ratio	1.87	(0.77)	341.76%
Current Ratio	1.66	1.36	22.06%
Debt Equity Ratio	0.42	0.54	(22.22%)
Operating Profit Margin (%)	7.60%	(2.36%)	422.35%
Net Profit Margin (%)	0.02%	(6.90%)	128.57%

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Financial year	2024-25	2023-24
Return on net worth (%)	2.93%	(9.29%)

Change in Return on Net Worth as compared to the immediately previous financial year is due to Increase in net profit during the year.

**Registered Office:**

C-6, Road No.22, M.I.D.C.,  
Andheri (East), Mumbai – 400 093  
CIN: L18101MH1991PLC059804

Place: Mumbai  
Date: August 06, 2025  
Email: [investor.relations@vip.in](mailto:investor.relations@vip.in)  
Website: [www.vipclothing.in](http://www.vipclothing.in)

On behalf of the Board of Directors  
For **VIP Clothing Limited**

**Sunil J. Pathare**  
**Chairman & Managing Director**  
**DIN: 00192182**



## INDEPENDENT AUDITOR'S REPORT

### To the Members of VIP Clothing Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **VIP Clothing Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 on the financial statements.

#### Key Audit Matters

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

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p>Valuation of Inventories</p> <p>As at 31 March 2025, the Company has reported inventories amounting to ₹ <b>9,243.99 Lakhs</b>, comprising raw materials, work-in-progress, stock in trade and finished goods, as disclosed in <b>Note 9</b> to the standalone Ind AS financial statements.</p> <p>The Company is engaged in the manufacture and sale of innerwear and related apparel products under various brands. Given the dynamic nature of the fashion and apparel industry, there is an inherent risk related to inventory obsolescence due to changing consumer preferences, seasonality, and ageing stock.</p> <p>Under Ind AS 2 Inventories, inventories are required to be measured at the lower of cost and net realizable value (NRV). Determining NRV involves significant judgment, particularly in identifying slow-moving and obsolete items, estimating future selling prices, and evaluating markdowns or promotional strategies.</p> <p>Considering the quantum of inventory, the complexity of SKUs across product categories, and the significant management judgment involved in NRV estimation, we identified inventory valuation as a key audit matter.</p>	<p>Our procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and operating effectiveness of controls over inventory management and NRV estimation.</li> <li>• Verifying the costing methodology applied to different categories of inventory and testing it on a sample basis.</li> <li>• Reviewing the inventory ageing reports and discussing with management their assessment of slow-moving or obsolete items.</li> <li>• Assessing the assumptions used in estimating NRV, including future sales trends, historical markdowns, and post year-end sales data.</li> <li>• Performing independent checks on selected SKUs to compare cost versus latest selling price and evaluating the need for provisioning.</li> <li>• Evaluating the adequacy and appropriateness of the disclosures made in the financial statements as per the requirements of Ind AS 2.</li> </ul>

### **Information Other than the financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 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.
- 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.

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 identify matter that were of such significance in the audit of the financial statements for the financial year ended March 31, 2025, that they would be considered key audit matters. Accordingly, such matters have been described in our auditor's report. Furthermore, there were no circumstances where disclosure was precluded by law or regulation, or where adverse consequences were 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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, based on our audit 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 and proper returns adequate for the purposes of his audit have been received from branches not visited by us.
  - c) As per the information and explanations given to us and as per our records, the company does not have any branch office audited under sub-section (8) of Section 143 by a person other than the company's auditor. Accordingly, reporting under clause (c) of sub-section (3) of Section 143 of the Companies Act, 2013 is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

- e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- f) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company.
- g) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- h) There is no qualification, reservation or adverse remark relating to maintenance of accounts and other matters connected therewith no need to include this.
- i) 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**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- j) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: 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 has exceeded the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V. However, the Company has obtained the necessary approval of the shareholders by way of a special resolution in accordance with the applicable provisions of the Act.
- k) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations / contingent and commitments on its financial position in its financial statements. Refer note no. 46 to the financial statements.
  - ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no amount which is to be transferred to the Investor Education and Protection Fund during the financial year.
  - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The Company has not declared or paid dividend during the year.
- vi) Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, and as mentioned in notes to account no. 48, we report that the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

Further, in accordance with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable with effect from April 1, 2023, the audit trail feature has been operated throughout the financial year ended March 31, 2025, for all transactions recorded in the software, and the audit trail has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For DMKH & CO.**  
**Chartered Accountants**  
**Firm Registration No.:** 116886W

**Manish Kankani**  
**Partner**  
**Membership No.:** 158020  
**UDIN:** 25158020BMIZKE5659

Place: Mumbai  
Date: May 23, 2025

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of VIP Clothing Limited of even date)

**Report on the Companies (Auditor's Report) Order, 2020, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of VIP Clothing Limited ("the Company"):**

- i. a. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B. The Company has maintained proper records showing full particulars of Intangible Assets.
- b. All the Property, Plant and Equipment, and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order is not applicable to the Company.

### ii. In respect of Inventory:

- a. The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b. As disclosed in Note 21 to the Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the Ind AS financial statements, the quarterly returns/statements filed by the Company to the bank are broadly in agreement with the books of accounts, subject to minor differences arising from

timing and reconciliation adjustments. These differences are not material and are part of the regular course of business operations. The Company does not have sanctioned working capital limits from financial institutions during the year on the basis of security of current assets of the Company.

(Rs. in lakhs)

Period	As per Books	Submitted to Banks	Differences	Adjustment	Reason for Difference
Q1	7955.80	7266.22	689.58	686.72	Not considered for Bank: Overheads Inventorised ₹431.12, WIP ₹208.18, Export Reversal ₹42.02, Manual Booking ₹5.40
Q2	7858.81	7174.66	684.35	680.52	Not considered for Bank: Overheads Inventorised ₹431.46, WIP ₹208.18, Export Reversal ₹35.48, Manual Booking ₹5.40
Q3	9086.77	8379.94	706.83	705.61	Not considered for Bank: Overheads Inventorised ₹500.49, WIP ₹199.72, Manual Booking ₹5.40
Q4	9243.99	8508.78	735.21	736.72	Not considered for Bank: Overheads Inventorised ₹531.60, WIP ₹199.72, Manual Booking ₹5.40

- iii. During the year the Company has neither made any investments, not provided any loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.
- The provisions of paragraph 3(iii)(a) of the Order are not applicable since no loans and advances had been given.
  - As per explanation given by management and examination of records, the Company has not made any investments neither provided guarantees, security.
  - As per explanation given by management and examination of records the Company has not given any loans and advances, thus, reporting under clause 3(vi) of the order is not applicable to the Company.
  - The provisions of paragraph 3(iii)(d) of the Order are not applicable since no loans and advances had been given.
  - The provisions of paragraph 3(iii)(e) of the Order are not applicable since no loans and advances had been given.
  - The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has neither advanced loans or made investments in or provided guarantee or security to parties covered by section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Hence reporting under paragraph 3(iv) of the Order is not applicable.

- v. To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public within the meaning of the directives issued by the Reserve Bank of India, provision of Section 73 to 76 of the Act, any other relevant provision of the Act and the relevant rules framed thereunder and therefore, reporting under paragraph 3 (v) of the Order is not applicable.
- vi. In respect to the products/services of the Company, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the cost accounting records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- In our opinion, the Company is generally regular in depositing the undisputed statutory dues including Goods and Services Tax, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Cess, and any other statutory dues to the appropriate authorities, though there has been a slight delay in a few cases. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
  - There were undisputed amounts payable in respect of Goods and Services Tax, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
  - According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (b) above which have not been deposited as on March 31, 2025 on account of any dispute, are as follows:

Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)		Period to which the amount relates	Forum where dispute is pending
			Demanded	Paid		
1	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	195.46	Nil	2001-02	Madras High Court
2	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	5.43	Nil	2001-02	Deputy Commercial Tax Office - Tamil Nadu
3	Tamil Nadu Value Added Tax Act, 2006	Value Added Tax and Central Sales Tax	802.77 *	Nil	2002-03	Deputy Commercial Tax Office - Tamil Nadu
4	Central Sales Tax Act, 1956	Central Sales Tax	7.28	Nil	2005-06	Deputy Commercial Tax Office - Delhi

Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)		Period to which the amount relates	Forum where dispute is pending
			Demanded	Paid		
5	Goods and Service Tax Act, 2017	Goods and Service Tax	76.86	3.48	2017-18	Joint Commissioner of Sales Tax (Appeals) - Maharashtra
6	Goods and Service Tax Act, 2017	Goods and Service Tax	19.20	1.75	2017-18	Deputy Commissioner (GST Appeals) - Tamil Nadu
7	Goods and Service Tax Act, 2017	Goods and Service Tax	20.54	1.87	2018-19	Deputy Commissioner (GST Appeals) - Tamil Nadu
8	Goods and Service Tax Act, 2017	Goods and Service Tax	22.92	2.08	2019-20	Deputy Commissioner (GST Appeals) - Tamil Nadu
9	Goods and Service Tax Act, 2017	Goods and Service Tax	30.26	Nil	2020-21	Assistant Commissioner (ST) (FAC) - Tamil Nadu

\* Judgment passed by the Hon'ble Madras High Court on April 7, 2025, in favor of the Company.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of the clause 3(viii) of the Order is not applicable to the Company.
- ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender;
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company, thus reporting under clause 3(ix)(d) of the order is not applicable to the Company.

- e. To the best of our knowledge and according to the explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. To the best of our knowledge and according to the explanations given to us, the Company has not raised any loans during the year on pledge on securities held in its subsidiaries, associates or joint ventures.
- x.
  - a. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b. In our opinion and according to the information and explanations given to us, the Company has made a preferential allotment of **39,83,000** equity shares and **1,14,05,000** convertible warrants during the year. In addition, out of the convertible warrants issued in earlier years **35,50,000** warrants were converted into equity shares and **66,00,000** warrants were forfeited during the year in accordance with the terms of issue. In our opinion, the Company has complied with the provisions of Sections 42 and 62 of the Companies Act, 2013, and the funds raised have been used for the purposes for which they were raised.
- xi.
  - a. To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. In respect of Internal Audit Report:
  - a. To the best of our knowledge the Company has adequate internal audit system to commensurate with the size and the nature of its business.
  - b. We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors and thus provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.

- xvi. a. According to the information and explanations given by the management, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- b. During the year, the Company has not conducted any non-banking financial activities or housing financial activities and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- c. The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- d. There are no other Companies part of the Group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. As per the information and explanation given by the management, Company has not incurred any cash losses in the Current financial year however, it has incurred cash losses in the immediately preceding financial year amounting to ₹ 1,125.62 Lakhs.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that no material uncertainty exists as on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company. Therefore, reporting under clause 20(a) of the Order is not applicable.
- b. The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company. Therefore, reporting under clause 20(b) of the Order is not applicable.

**For DMKH & CO.**  
**Chartered Accountants**  
**Firm Registration No.: 116886W**

**Manish Kankani**  
**Partner**  
**Membership No.: 158020**  
**UDIN: 25158020BMIZKE5659**

Place: Mumbai  
Date: May 23, 2025

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of VIP Clothing Limited of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

### Opinion

We have audited the internal financial controls over financial reporting of **VIP Clothing Limited** (the "Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and explanations given to us, the Company has, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Managements and Board of Directors' Responsibilities for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 with reference to financial statements.

### **Meaning of internal financial controls with reference to financial statements**

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 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

- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company; and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent limitations of internal financial controls with reference to financial statements**

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.

**For D M K H & CO.**  
**Chartered Accountants**  
**Firm Registration No.:** 116886W

**Manish Kankani**  
**Partner**  
**Membership No.:** 158020  
**UDIN:** 25158020BMIZKE5659

Place: Mumbai  
Date: May 23, 2025

**BALANCE SHEET AS AT MARCH 31, 2025****(Amount in INR lakhs, unless otherwise stated)**

	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,348.45	2,422.13
Right of use assets	3	424.56	554.58
Intangible assets	4	6,937.26	6,937.26
Financial assets			
Loans	5	10.98	11.65
Other financial assets	6	278.85	74.21
Non current tax assets (net)	7	67.98	49.15
Other non-current assets	8	1,297.33	1,443.20
<b>Total non-current assets</b>		<b>11,365.41</b>	<b>11,492.18</b>
<b>Current assets</b>			
Inventories	9	9,243.99	8,279.35
Financial assets			
Trade receivables	10	9,861.13	5,829.94
Cash and cash equivalents	11	70.72	30.01
Bank balances other than above	12	0.58	406.33
Loans	13	22.50	22.80
Other financial assets	14	883.06	67.50
Other current assets	15	1,490.81	926.96
<b>Total current assets</b>		<b>21,572.79</b>	<b>15,562.89</b>
<b>Total assets</b>		<b>32,938.20</b>	<b>27,055.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,802.59	1,651.93
Other equity	17	16,653.31	12,180.60
<b>Total equity</b>		<b>18,455.90</b>	<b>13,832.53</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	93.62	367.92
Lease liabilities	36	327.28	440.45
Other financial liabilities	19	469.20	509.13
Provisions	20	120.93	118.95
Deferred tax liabilities (net)	33	463.65	308.87
<b>Total non-current liabilities</b>		<b>1,474.68</b>	<b>1,745.32</b>

**CONTD...BALANCE SHEET AS AT MARCH 31, 2025****(Amount in INR lakhs, unless otherwise stated)**

	Notes	As at March 31, 2025	As at March 31, 2024
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	7,676.52	7,103.25
Lease liabilities	36	133.24	140.68
Trade payables	22		
i) total outstanding dues of micro enterprises and small enterprises		1,469.08	1,078.74
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,235.05	2,605.15
Other financial liabilities	23	325.10	340.75
Other current liabilities	24	137.67	138.31
Provisions	20	30.96	70.34
<b>Total current liabilities</b>		<b>13,007.62</b>	<b>11,477.22</b>
<b>Total liabilities</b>		<b>14,482.30</b>	<b>13,222.54</b>
<b>Total equity and liabilities</b>		<b>32,938.20</b>	<b>27,055.07</b>

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **D M K H & CO.**  
Chartered Accountants  
Firm Registration No.: 116886W

For and on behalf of the Board of Directors of  
**VIP Clothing Limited**  
CIN: L1810MH1991PLC059804

**Manish Kankani**  
Partner  
Membership No: 158020

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

**Kapil J. Pathare**  
Deputy  
Managing Director  
(DIN: 01089517)

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

Place: Mumbai  
Date: May 23, 2025

**Rahul Soni**  
Company Secretary  
(M. No: ACS-61305)

Place: Mumbai  
Date: May 23, 2025

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	25	23,688.69	18,327.55
Other income	26	136.03	43.12
<b>Total income</b>		<b>23,824.72</b>	<b>18,370.67</b>
<b>Expenses</b>			
Cost of materials consumed	27	8,382.86	8,610.16
Purchases of stock-in-trade		6,276.57	2,186.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(198.90)	(49.65)
Employee benefits expense	29	2,341.55	2,352.04
Finance costs	30	804.65	908.83
Depreciation and amortization expense	31	293.95	271.78
Knitting and processing charges		2,519.21	2,446.10
Other expenses	32	2,702.55	3,257.97
<b>Total expenses</b>		<b>23,122.44</b>	<b>19,983.51</b>
<b>Profit /(loss) before exceptional items and tax</b>		<b>702.28</b>	<b>(1,612.84)</b>
Exceptional items		-	-
<b>Profit /(loss) before tax</b>		<b>702.28</b>	<b>(1,612.84)</b>
<b>Income tax expense</b>	33		
Current tax		-	-
Deferred tax charge / (credit)		156.63	(347.72)
<b>Total income tax expense</b>		<b>156.63</b>	<b>(347.72)</b>
<b>Profit /(loss) for the year after tax</b>		<b>545.65</b>	<b>(1,265.12)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(7.35)	(26.39)
Tax credit / (charge) on re-measurement gains / (losses) on defined benefit plans		1.85	6.64
Items that will be reclassified subsequently to profit or loss			
Fair value of cash flow hedges through other comprehensive income (net of tax)		-	-
<b>Total other comprehensive income for the year</b>		<b>(5.50)</b>	<b>(19.75)</b>
<b>Total comprehensive income for the year</b>		<b>540.15</b>	<b>(1,284.87)</b>

## CONTD...STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Earnings / (loss) per equity share</b>	34		
Basic (in INR)		0.63	(1.52)
Diluted (in INR)		0.62	(1.52)

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **DMKH & CO.**

Chartered Accountants

Firm Registration No.: 116886W

For and on behalf of the Board of Directors of

**VIP Clothing Limited**

CIN: L1810MH1991PLC059804

**Manish Kankani**

Partner

Membership No: 158020

**Sunil J. Pathare**

Chairman &

Managing Director

(DIN: 00192182)

**Kapil J. Pathare**

Deputy

Managing Director

(DIN: 01089517)

**Devendra Vyas**

Chief Financial Officer

(M.No.ACA-150498)

Place: Mumbai

Date: May 23, 2025

**Rahul Soni**

Company Secretary

(M. No: ACS-61305)

Place: Mumbai

Date: May 23, 2025

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025****(Amount in INR lakhs, unless otherwise stated)**

	<b>Year ended March 31, 2025</b>	Year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	702.28	(1,612.84)
Adjustments for:		
Depreciation and amortization expenses	293.95	271.78
Unrealised foreign exchange gain (net)	1.79	15.85
Provision for bad and doubtful debts	50.00	345.00
Provision for doubtful advances	-	30.00
Bad debts	1.20	4.28
(Profit) / loss on disposal of property, plant and equipment (net)	-	(0.67)
Re-measurement gains / (loss) on defined benefit plans	(7.35)	(26.39)
Interest income	(60.47)	(24.85)
Interest on unwinding of security deposits	(3.44)	(4.27)
Interest on unwinding of employee loans	(3.76)	(6.87)
Finance cost	804.65	910.07
Liabilities no longer required written back and reversal	(57.89)	(0.02)
Gain on cancellation of lease (net)	(4.00)	(1.73)
	<b>1,014.68</b>	<b>1,512.18</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>1,716.96</b>	<b>(100.66)</b>
<b>Changes in working capital</b>		
Increase in inventories	(964.64)	(207.65)
(Increase) / decrease in trade receivables	(4,084.18)	556.23
Decrease in loans	4.73	6.08
(Increase) / decrease in other financial assets	(1,007.46)	94.37
Increase in other assets	(417.98)	(170.82)
Increase in trade payables	1,078.13	872.43
(Decrease) / increase in provisions	(37.40)	19.51
Decrease in other financial liabilities	(4.78)	(2.09)
Decrease in other current liabilities	(0.64)	(2.47)
<b>Total changes in working capital</b>	<b>(5,434.22)</b>	<b>1,165.59</b>
<b>Cash (used in) / generated from operations</b>	<b>(3,717.26)</b>	<b>1,064.93</b>
Income tax paid (net)	(18.83)	(22.06)
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(3,736.09)</b>	<b>1,042.87</b>

**CONTD...STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025****(Amount in INR lakhs, unless otherwise stated)**

	<b>Year ended March 31, 2025</b>	Year ended March 31, 2024
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(62.16)	(17.01)
Proceeds from sale of property, plant and equipment	-	2.01
Proceeds from sale of investment	-	0.25
Investment in fixed deposits with maturity of more than 3 months	(1,460.71)	(522.83)
Proceeds from fixed deposits with maturity of more than 3 months	1,866.46	500.28
Interest received	51.17	20.26
<b>Net cash generated / (used in) from investing activities (B)</b>	<b>394.76</b>	<b>(17.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	336.40	(1,106.18)
Principal paid on lease liabilities	(144.69)	(162.57)
Interest paid on lease liabilities	(47.43)	(31.55)
Proceeds from issue of equity shares	150.66	-
Proceeds from issue of warrants convertible into equity shares	3,932.55	-
Finance cost paid	(845.45)	(822.82)
<b>Net cash generated/(used in) from financing activities (C)</b>	<b>3,382.04</b>	<b>(2,123.12)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>40.71</b>	<b>(1,097.29)</b>
Cash and cash equivalents at the beginning of the year	30.01	1,127.30
<b>Cash and cash equivalents at the end of the year</b>	<b>70.72</b>	<b>30.01</b>
<b>Cash and cash equivalents comprise (refer note 11)</b>		
(a) Cash on hand	0.04	0.05
(b) Balances with banks		
(i) In current accounts	70.68	29.96
<b>Total cash and cash equivalents at end of the year</b>	<b>70.72</b>	<b>30.01</b>

(i) Figures in brackets represent cash outflow.

(ii) The above Statement of Cash Flows has been prepared under "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows".

As per our report of even date  
For **D M K H & CO.**  
Chartered Accountants  
Firm Registration No.: 116886W

**Manish Kankani**  
Partner  
Membership No: 158020

Place: Mumbai  
Date: May 23, 2025

For and on behalf of the Board of Directors of  
**VIP Clothing Limited**  
CIN: L1810MH1991PLC059804

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

**Rahul Soni**  
Company Secretary  
(M. No: ACS-61305)

**Kapil J. Pathare**  
Deputy  
Managing Director  
(DIN: 01089517)

Place: Mumbai  
Date: May 23, 2025

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### A. EQUITY SHARE CAPITAL:

Equity shares of INR 2/- each issued, subscribed and fully paid

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance as at April 1	8,25,96,519	1,651.93	8,25,96,519	1,651.93
Changes in equity share capital during the year	75,33,000	150.66	-	-
<b>Balance as at March 31</b>	<b>9,01,29,519</b>	<b>1,802.59</b>	<b>8,25,96,519</b>	<b>1,651.93</b>

### B. OTHER EQUITY:

For the year ended March 31, 2025

Particulars	Other equity					Total
	Money received against share warrants	Reserves and Surplus				
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2024</b>	<b>1,129.69</b>	<b>4,035.00</b>	<b>7,472.40</b>	<b>817.30</b>	<b>(1,273.79)</b>	<b>12,180.60</b>
Profit for the year	-	-	-	-	545.65	545.65
Additions for the year	153.40	734.58	3,044.58	-	-	3,932.56
Deletions for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(5.50)	(5.50)
<b>Total comprehensive income</b>	<b>153.40</b>	<b>734.58</b>	<b>3,044.58</b>	<b>-</b>	<b>540.15</b>	<b>4,472.71</b>
<b>Balance as at March 31, 2025</b>	<b>1,283.09</b>	<b>4,769.58</b>	<b>10,516.98</b>	<b>817.30</b>	<b>(733.64)</b>	<b>16,653.31</b>

## CONTD...STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(Amount in INR lakhs, unless otherwise stated)

For the year ended March 31, 2024

Particulars	Other equity					Total
	Money received against share warrants	Reserves and Surplus				
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2023</b>	<b>1,129.69</b>	<b>4,035.00</b>	<b>7,472.40</b>	<b>817.30</b>	<b>11.07</b>	<b>13,465.46</b>
Loss for the year	-	-	-	-	(1,265.12)	(1,265.12)
Additions for the year	-	-	-	-	-	-
Deletions for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(19.74)	(19.74)
<b>Total comprehensive income</b>	-	-	-	-	<b>(1,284.86)</b>	<b>(1,284.86)</b>
<b>Balance as at March 31, 2024</b>	<b>1,129.69</b>	<b>4,035.00</b>	<b>7,472.40</b>	<b>817.30</b>	<b>(1,273.79)</b>	<b>12,180.60</b>

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **DMKH & CO.**  
Chartered Accountants  
Firm Registration No.: 116886W

For and on behalf of the Board of Directors of  
**VIP Clothing Limited**  
CIN: L1810MH1991PLC059804

**Manish Kankani**  
Partner  
Membership No: 158020

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

**Kapil J. Pathare**  
Deputy  
Managing Director  
(DIN: 01089517)

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

Place: Mumbai  
Date: May 23, 2025

**Rahul Soni**  
Company Secretary  
(M. No: ACS-61305)

Place: Mumbai  
Date: May 23, 2025

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 1. General 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 equity shares of Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

### 2. Material accounting policies

Material accounting policies adopted by the Company are as under:

#### 2.1 Basis of preparation of financial statements

##### a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for defined benefit plans - plan assets measured at fair value and certain other financial assets and financial liabilities.

##### c) Current / non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities. The Company presents its assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

- Expected to be realised within twelve months after the reporting period, or
- 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:

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

#### d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 2.21 for detailed discussion on estimates and judgments.

#### e) Rounding off of amounts

The financial statements are reported in Indian Rupee which is functional currency of the Company and all the values are rounded to the nearest lakhs (INR 00,000).

### 2.2 Property, plant and equipment

At the time of first-time adoption of Indian Accounting Standards (Ind AS) in the financial year 2016, the Company elected to measure its land at fair value and use such fair value as its deemed cost as permitted under Ind AS 101 – First-time Adoption of Indian Accounting Standards. Since the date of transition, the land has been carried at the revalued amount, which is considered its deemed cost under Ind AS. No subsequent revaluation of land has been performed. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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.

### Depreciation methods, estimated useful lives

Depreciation is recognized (other than on capital work-in-progress) on a straight line method over the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. 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. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The estimated useful lives of assets are stated below:

Particulars	Useful life
Leasehold improvements*	Lease period
Buildings	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Electrical installations and equipments	10 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

\* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, if any, as appropriate.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### 2.3 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises of purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

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.

Indefinite-life intangible assets comprises of brands for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues.

#### Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortises intangible assets (definite useful life) over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Other intangible assets	Estimated useful life
Computer software	5 years

Indefinite-life intangible assets i.e. brands are not amortized but are tested for impairment on an annual basis.

### 2.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 cash generating unit (CGU) to which the asset belongs.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

For non-financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

## 2.5 Foreign currency transactions

### a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

### b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

## 2.6 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### 2.7 Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with modified retrospective approach. Ind AS 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.

#### Sale of goods

Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are dispatched. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. Transaction price is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates and discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are reduced on the date of sale or on the date when the

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

amount can be reasonably estimated. A refund liability and a right to recover the returned goods is recognised for the goods expected to be returned.

Insurance claims are recognised when its amount can be measured reliably, and ultimate collection is reasonably certain.

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

### Other operating revenue - export incentives

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

## 2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year-end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.9 Leases

The Company's lease asset classes primarily consist of leases for Buildings and Plant & Machineries. 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.

The right-of-use assets are initially recognised 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. Right-of-use 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.

The lease liability is initially measured 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 remeasured 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 remeasured 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 remeasurement normally also adjusts the leased assets.

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

## Notes forming part of the Financial Statements for the year ended March 31, 2025

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(Amount in INR lakhs, unless otherwise stated)

### 2.10 Inventories

#### **Basis of valuation:**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

#### **Method of valuation:**

Cost of raw materials, packing materials and stores and spare parts has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs / overheads incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

### 2.11 Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

### 2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

#### a) Financial assets

##### i. Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortised cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

### iii. Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

The expected credit loss provision on trade receivables are based on assumptions about risk of default and expected timing of collection (ageing i.e. 91-180 days at 5%, 181-365 days at 10% & more 365 days at 25%). The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness and market conditions at the end of each reporting period. Also, the Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less expected credit losses.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss.

#### iv. Derecognition of financial assets

##### A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

#### b) Financial liabilities

##### i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

##### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

##### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

##### iii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### d) Derivative instruments and hedge accounting

#### Derivative financial instruments

The Company enters into a derivative financial instrument such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

## 2.15 Employee benefits

### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current provisions in the balance sheet.

### b) Other long-term employee benefit obligations

#### i. Defined contribution plan

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### ii. Defined benefit plans

**Gratuity (funded):** The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

### iii. Other long-term employee benefit obligations

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

## 2.16 Share capital

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one reporting segment i.e. Hosiery and others. Hence no separate segment information has been furnished in the financial statements.

### 2.19 Government grant

Grants from the Government are recognized 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 Property, plant and equipment 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.

### 2.20 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.21 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### a) Defined benefit plans and other long-term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

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### (Amount in INR lakhs, unless otherwise stated)

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer note 35.

#### **b) Useful economic lives of property, plant and equipment**

The Company reviews the estimated useful economic 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.

#### **c) Deferred tax**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 3 Property, plant and equipment

Particulars	Gross block				Depreciation				Net block
	As at April 1, 2024	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2025	As at April 1, 2024	For the year	Deductions/ Adjustments	As at March 31, 2025	As at March 31, 2025
<b>Owned assets</b>									
Leasehold land	-	-	-	-	-	-	-	-	-
Freehold land	1,290.83	-	-	1,290.83	-	-	-	-	1,290.83
Buildings warehouse	5.88	-	-	5.88	5.58	-	-	5.58	0.30
Buildings factory	1,406.26	-	-	1,406.26	676.48	62.04	-	738.52	667.74
Plant and machinery	1,447.25	1.45	-	1,448.70	1,150.30	45.21	-	1,195.51	253.19
Furniture and fixtures	15.16	0.88	-	16.04	4.02	1.81	-	5.83	10.21
Office equipment	97.91	1.21	-	99.12	73.75	6.11	-	79.86	19.26
Vehicles	145.17	55.14	-	200.31	97.53	16.63	-	114.16	86.15
Electrical installation	1.16	-	-	1.16	0.61	0.11	-	0.72	0.44
Computers	211.73	3.48	-	215.21	190.94	3.94	-	194.88	20.33
<b>Total</b>	<b>4,621.35</b>	<b>62.16</b>	<b>-</b>	<b>4,683.51</b>	<b>2,199.21</b>	<b>135.85</b>	<b>-</b>	<b>2,335.06</b>	<b>2,348.45</b>
Right of use assets									
Buildings	684.84	41.08	57.34	668.58	130.26	158.10	44.34	244.02	424.56
<b>Total</b>	<b>684.84</b>	<b>41.08</b>	<b>57.34</b>	<b>668.58</b>	<b>130.26</b>	<b>158.10</b>	<b>44.34</b>	<b>244.02</b>	<b>424.56</b>
<b>Grand total</b>	<b>5,306.19</b>	<b>103.24</b>	<b>57.34</b>	<b>5,352.09</b>	<b>2,329.47</b>	<b>293.95</b>	<b>44.34</b>	<b>2,579.08</b>	<b>2,773.01</b>

Particulars	Gross block				Depreciation				Net block
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 1, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024
<b>Owned assets</b>									
Leasehold land	-	-	-	-	-	-	-	-	-
Freehold land	1,290.83	-	-	1,290.83	-	-	-	-	1,290.83
Buildings warehouse	5.88	-	-	5.88	5.58	-	-	5.58	0.30
Buildings factory	1,406.26	-	-	1,406.26	630.54	45.94	-	676.48	729.78
Plant and machinery	1,446.57	1.80	1.12	1,447.25	1,105.23	45.59	0.52	1,150.30	296.95
Furniture and fixtures	14.07	1.09	-	15.16	0.64	3.38	-	4.02	11.14
Office equipment	93.47	5.77	1.33	97.91	66.93	8.02	1.20	73.75	24.16
Vehicles	153.98	-	8.81	145.17	92.83	13.07	8.37	97.53	47.64
Electrical installation	1.16	-	-	1.16	0.50	0.11	-	0.61	0.55
Computers	207.34	8.35	3.96	211.73	189.86	4.84	3.76	190.94	20.79
<b>Total</b>	<b>4,619.56</b>	<b>17.01</b>	<b>15.22</b>	<b>4,621.35</b>	<b>2,092.11</b>	<b>120.95</b>	<b>13.85</b>	<b>2,199.21</b>	<b>2,422.13</b>
Right of use assets									
Buildings	604.68	451.61	371.45	684.84	333.45	150.76	353.95	130.26	554.58
<b>Total</b>	<b>604.68</b>	<b>451.61</b>	<b>371.45</b>	<b>684.84</b>	<b>333.45</b>	<b>150.76</b>	<b>353.95</b>	<b>130.26</b>	<b>554.58</b>
<b>Grand total</b>	<b>5,224.24</b>	<b>468.62</b>	<b>386.67</b>	<b>5,306.19</b>	<b>2,425.56</b>	<b>271.71</b>	<b>367.79</b>	<b>2,329.47</b>	<b>2,976.72</b>

#### 3.1 Property, plant and equipment hypothecated as charge against borrowings.

Refer to Note 21 for information on property, plant and equipment hypothecated as charge against borrowing by the Company.

During the financial year, there was no revaluation of fixed assets conducted by management.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 4 Intangible assets

Particulars	Gross block			Amortisation				Net block	
	As at April 1, 2024	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2025	As at April 1, 2024	For the year	Deductions/ Adjustments	As at March 31, 2025	As at March 31, 2025
License / Brands	6,923.83	-	-	6,923.83	-	-	-	-	6,923.83
Computer software	268.63	-	-	268.63	255.20	-	-	255.20	13.43
<b>Total</b>	<b>7,192.46</b>	<b>-</b>	<b>-</b>	<b>7,192.46</b>	<b>255.20</b>	<b>-</b>	<b>-</b>	<b>255.20</b>	<b>6,937.26</b>

Particulars	Gross block			Amortisation				Net block	
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 1, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024
License / Brands	6,923.83	-	-	6,923.83	-	-	-	-	6,923.83
Computer Software	268.63	-	-	268.63	255.13	0.07	-	255.20	13.43
<b>Total</b>	<b>7,192.46</b>	<b>-</b>	<b>-</b>	<b>7,192.46</b>	<b>255.13</b>	<b>0.07</b>	<b>-</b>	<b>255.20</b>	<b>6,937.26</b>

4.1 For licenses with indefinites useful lives, impairment testing is done annually or when there are indicators of impairment. During the year the Company has not carried out the impairment testing of licenses and there were no indicator of impairment. There were no intangible under development, whose completion is overdue or has exceeded its cost compared to its original plan during the year ended March 31, 2024 and March 31, 2025.

### 5 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Unsecured considered good</u>		
Loans and advances to employees	10.98	11.65
<b>Total</b>	<b>10.98</b>	<b>11.65</b>

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

### 6 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	67.13	73.96
In Fixed deposit accounts with more than 12 month maturity ^	211.72	0.25
<b>Total</b>	<b>278.85</b>	<b>74.21</b>

^ The Company has kept as a margin of fixed deposits to the extent of INR 11.27 lakhs (March 31, 2024 of INR 0.25 lakhs) with banks for bank guarantees as lien.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 7 Non current tax assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax and tax deducted at source [net of provisions amounting INR Nil (March 31, 2024: INR Nil)]	67.98	49.15
<b>Total</b>	<b>67.98</b>	<b>49.15</b>

### 8 Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with Government authorities		
Sales tax refund receivable	414.65	415.52
Goods and service tax input balance	872.13	1,014.34
Prepaid rent	10.55	13.34
<b>Total</b>	<b>1,297.33</b>	<b>1,443.20</b>

### 9 Inventories (at lower of cost and net realisable value) \*

Particulars	As at March 31, 2025	As at March 31, 2024
Raw material	2,604.07	1,916.10
Packing material	500.46	422.69
Work in progress	1,905.87	2,014.14
Finished goods	3,180.53	2,813.22
Stock in trade	1,053.06	1,113.20
<b>Total</b>	<b>9,243.99</b>	<b>8,279.35</b>

\* Hypothecated as charge against borrowings refer note 21.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 10 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, considered good	469.20	507.77
Unsecured, considered good	9,391.93	5,322.17
Unsecured, considered doubtful	809.80	759.80
	10,670.93	6,589.74
Less: Allowance for bad and doubtful debts	(809.80)	(759.80)
<b>Total</b>	<b>9,861.13</b>	<b>5,829.94</b>
<b>Further classified as:</b>		
Receivable from related parties (refer note 37)	-	-
Receivable from others	9,861.13	5,829.94
	<b>9,861.13</b>	<b>5,829.94</b>

### Ageing of trade receivables As on March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	5,688.44	2,721.91	290.90	342.51	236.71	565.87	9,846.34
(ii) Undisputed – considered doubtful	-	-	-	-	-	550.64	550.64
(iii) Disputed – considered good	-	3.08	-	5.73	5.97	-	14.78
(iv) Disputed – considered doubtful	-	-	-	-	-	259.17	259.17
<b>Total</b>	<b>5,688.44</b>	<b>2,724.99</b>	<b>290.90</b>	<b>348.24</b>	<b>242.69</b>	<b>1,375.67</b>	<b>10,670.93</b>

### Ageing of trade receivables As on March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	2,367.95	1,874.80	503.34	345.22	195.91	525.29	5,812.50
(ii) Undisputed – considered doubtful	-	-	-	-	-	482.69	482.69
(iii) Disputed – considered good	-	1.35	4.59	5.85	5.64	-	17.43
(iv) Disputed – considered doubtful	-	-	-	-	-	277.12	277.12
<b>Total</b>	<b>2,367.95</b>	<b>1,876.15</b>	<b>507.93</b>	<b>351.07</b>	<b>201.55</b>	<b>1,285.10</b>	<b>6,589.74</b>

Note: Secured trade receivables are secured against security deposits from customers.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 11 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Balances with banks:</b>		
in current accounts (refer note 41C)	70.68	29.96
Cash on hand	0.04	0.05
<b>Total</b>	<b>70.72</b>	<b>30.01</b>

### 12 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
In Fixed deposit accounts with less than 3 month maturity ^	0.58	406.33
<b>Total</b>	<b>0.58</b>	<b>406.33</b>

^ The Company has kept as a margin of fixed deposits to the extent of INR 0.58 lakhs (March 31, 2024 of INR 9.15 lakhs) with banks for bank guarantees as lien.

### 13 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Unsecured considered good</u>		
Loans and advances to employee	22.50	22.80
<b>Total</b>	<b>22.50</b>	<b>22.80</b>

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 14 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	14.29	6.02
In Fixed deposit with original maturity for more than 3 months but less than 12 months ^	755.41	10.04
Interest accrued on fixed deposits	22.80	13.50
Receivable from skill project	90.56	37.61
Derivatives forward assets (forward contract) (refer note 40)	-	0.33
<b>Total</b>	<b>883.06</b>	<b>67.50</b>

^ The Company has kept as a margin of fixed deposits to the extent of INR 9.32 lakhs (March 31, 2023 of INR 10.04 lakhs) with banks for bank guarantees as lien.

### 15 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance to suppliers	729.81	228.95
Less: Provision for doubtful advances	-	(30.00)
	<b>729.81</b>	<b>198.95</b>
Balance with Government authorities		
Goods and service tax input balance	633.85	614.88
Prepaid expenses	93.83	79.03
Export incentive receivables	33.32	34.10
<b>Total</b>	<b>1,490.81</b>	<b>926.96</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 16 Share capital

#### (A) Equity shares

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorized</b>		
15,00,00,000 (March 31, 2024: 15,00,00,000) equity shares of INR 2/- each	3,000.00	3,000.00
Total	3,000.00	3,000.00
<b>Issued, subscribed and paid up</b>		
9,01,29,519 (March 31, 2024: 8,25,96,519) equity shares of INR 2/- each fully paid	1,802.59	1,651.93
<b>Total</b>	<b>1,802.59</b>	<b>1,651.93</b>

#### (I) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	8,25,96,519	1,651.93	8,25,96,519	1,651.93
Add: Issued during the year ^	75,33,000	150.66	-	-
Outstanding at the end of the year	<b>9,01,29,519</b>	<b>1,802.59</b>	<b>8,25,96,519</b>	<b>1,651.93</b>

^ The members of the Company through Postal Ballot on January 10, 2023 had approved issue of 1,01,50,000. Further, the allotment of equity warrants was undertaken on January 25, 2023 on receipt of 25% consideration towards subscription and allotment of warrants. The balance 75% part consideration from the warrant holders received on various dates upto July 24, 2024 towards exercising the equity and consequently, the Securities Allotment Committee approved the allotment of 35,50,000 equity shares upon conversion of warrants on July 24, 2024. The warrants are converted into equity and same form part of listing and paid up capital of the Company.

^ The members of the Company had approved the preferential issue of 93,06,000 equity to person(s) belonging to Non-Promoter category at the Extra Ordinary General Meeting held on August 5, 2024. Further, the Company had allotted the 39,83,000 Equity shares on October 3, 2024 by passing resolution by circulation under section 175 of the Companies Act, 2013 on against the receipt of money from the subscriber various dates upto October 3, 2024. The Company have received the listing and trading approval from NSE and BSE and same form part of listing and paid up capital of the Company.

#### (ii) Rights, preferences and restrictions attached to shares

**Equity Shares:** The Company has only one class of equity shares having par value of INR 2 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
<b>Equity shares of INR 2 each fully paid</b>				
Sunil J. Pathare	1,69,92,008	18.85%	1,67,42,008	20.27%
Kapil J. Pathare	1,50,65,548	16.72%	1,48,15,548	17.94%
Lalita J. Pathare	73,38,652	8.14%	73,38,652	8.88%

### (iv) Details of Shares held by promoters at the end of the year

Promoter name	As at March 31, 2025			As at March 31, 2024		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Sunil Jaykumar Pathare	1,69,92,008	18.85%	1%	1,67,42,008	20.27%	0%
Kapil Jaykumar Pathare	1,50,65,548	16.72%	2%	1,48,15,548	17.94%	0%
<b>Total</b>	<b>3,20,57,556</b>	<b>35.57%</b>	<b>3%</b>	<b>3,15,57,556</b>	<b>38.21%</b>	<b>0%</b>

(v) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

### (B) Preference shares

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Authorized</u>		
45,00,000 (March 31, 2024: 45,00,000) Preference Shares of INR 100/- each	4,500.00	4,500.00
<b>Total</b>	<b>4,500.00</b>	<b>4,500.00</b>

The Company has an authorised preference share capital having a par value of INR 100 per share, referred to herein as preference share capital.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 17 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium	10,516.98	7,472.40
General reserve	817.30	817.30
Retained earnings	(733.64)	(1,273.79)
Capital redemption reserve	4,769.58	4,035.00
Money received against share warrants	1,283.09	1,129.69
<b>Total</b>	<b>16,653.31</b>	<b>12,180.60</b>

### Nature and purpose of other reserves

Nature	Purpose of the reserves
Capital redemption reserve	This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.
Securities premium	The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.
General reserve	Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve to be utilised in accordance with the specific provisions of the Companies Act 2013.
Surplus / (deficit) in the Statement of Profit and Loss/ retained earnings	Retained earnings are the profits or deficits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

### (A) Securities premium

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	7,472.40	7,472.40
Add : Securities premium credited on share issue	3,044.58	-
<b>Closing balance</b>	<b>10,516.98</b>	<b>7,472.40</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### (B) General reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	817.30	817.30
Add: Transfer during the year	-	-
<b>Closing balance</b>	<b>817.30</b>	<b>817.30</b>

### (C) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	(1,273.79)	11.07
Add: Net profit / (loss) for the current year	545.65	(1,265.12)
Add: Addition during the year	-	-
Less: Re-measurement (gain) / loss on post employment benefit obligation (net of tax)	(5.50)	(19.74)
<b>Closing balance</b>	<b>(733.64)</b>	<b>(1,273.79)</b>

### (D) Capital redemption reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	4,035.00	4,035.00
Add: Addition for the year	734.58	-
Less: Deletion for the year	-	-
<b>Closing balance</b>	<b>4,769.58</b>	<b>4,035.00</b>

### (E) Money received against share warrants

Particulars	As at March 31, 2025	As at March 31, 2024
Amount received on issue of warrants convertible into equity shares ^	1,283.09	1,129.69
	<b>1,283.09</b>	<b>1,129.69</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

^ The member of the Company through Postal Ballot on January 10, 2023 had approved issue of 1,01,50,000 share warrants convertible into equity shares @ INR 44.50 per share warrant, the Company has issued 35,00,000 share warrants convertible into equity shares to promoter entities and 66,50,000 share warrants convertible into equity shares to non-promoter entities. Further, the allotment of equity warrants was undertaken on January 25, 2023 on receipt of 25% of the issue price (i.e. INR 11.13 per warrant) as warrant subscription money. The balance 75% of the issue price (i.e. INR 33.37 per warrant) part consideration from promoter and non-promoter entities received on various dates upto July 24, 2024 towards exercising the equity and consequently, the Securities Allotment Committee approved the allotment of 10,00,000 equity shares to promoter entities and 25,50,000 equity shares to non-promoter entities upon conversion of warrants on July 24, 2024. The warrants are converted into equity and same form part of listing and paid up capital of the Company.

^ The members of the Company approved the preferential issue of 1,23,03,000 fully Convertible equity warrants with each warrant convertible into or exchangeable for One fully paid-up equity share of the Company to person(s) belonging to Non-Promoter category at the Extra Ordinary General Meeting held on August 5, 2024. As per Special Resolution, passed by the members, an amount equivalent to twenty-five per cent of the consideration towards subscription and allotment of warrants was received by Company various date upto 03.10.2024, Consequent Security Allotment Committee allotted 1,14,05,000 warrants on October 3, 2024, by passing resolution by circulation under section 175 of the Companies Act, 2013.

The warrants are allotted to the investors reflecting in the account under the temporary ISIN and upon excising the allotment of equity on payment of remaining seventy-five percent amount the warrants will be converted and transfer to the main ISIN post on receipt of listing and trading approval.

### 18 Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Secured</b>		
<b>(a)Term loan - from Banks</b>		
Term loan from IDBI GECL	-	64.00
Term loan from SBI GECL	60.00	299.86
<b>(b)Vehicle loan</b>	33.62	4.06
<b>Total non current maturities of long term borrowings</b>	<b>93.62</b>	<b>367.92</b>

#### A. Terms of non-current borrowing are as under

Particulars	Rate of interest	Repayment terms
<b>Non current, secured borrowings</b>		
Term loan from Banks	ROI 9.25%	Repayable in monthly installments
Vehicle loan	ROI 8.11%	Repayable in monthly installments

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### B. Nature of security :

- i. IDBI and SBI Guaranteed Emergency Credit Line ('GECL') term loan secured by way of hypothecation of inventories, book debts and movable property, plant and equipment of the Company on paripassu basis with members in consortium and further secured by way of second charge of property situated at Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).
- ii. Vehicle loan is secured by vehicle.

### C. Period and amount of default:

The Company has made no defaults in the payment of principal or interest during the year ended March 31, 2025.

D. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

### E.

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
YES Bank - Vehicle loan	Purchase of Vehicle	Yes	None
IDBI - GECL	Working capital	Yes	None
SBI - GECL	Working capital	Yes	None

## 19 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits from customers	469.20	507.77
Retention money	-	1.36
<b>Total</b>	<b>469.20</b>	<b>509.13</b>

## 20 Provisions

Name of the shareholder	Long term		Short term	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Provisions for compensation ^	33.83	33.83	-	-
Provision for employee benefits (refer note 35)				
Provision for gratuity (funded)	-	-	20.30	59.74
Provision for leave encashment (unfunded)	87.10	85.12	10.66	10.60
<b>Total</b>	<b>120.93</b>	<b>118.95</b>	<b>30.96</b>	<b>70.34</b>

^ 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 INR 33.83 lakhs in form of compensation for the loss suffered. However, the Company has appeal in Supreme Court. The Company has made provision accordingly.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 21 Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, from banks -		
Cash credit	5,781.82	2,256.72
FCNRB loan ^	-	3,835.20
Letter of credit	1,567.53	645.25
Current maturity of long term debts *	327.17	366.08
<b>Total short-term borrowings</b>	<b>7,676.52</b>	<b>7,103.25</b>

^ The Company entered into the Foreign Currency Non-Resident Borrowing ('FCNRB') Agreement (hedged item) with SBI on August 02, 2024 and raised finance of US \$ 46,00,000. The said FCNRB loan was raised to finance for concessional interest rate compared to interest rate on cash credit. The rate of interest on the FCNRB loan is based on Secured Overnight Finance Rate (SOFR) for 6-month period + 4.50% p.a.

\* Includes interest accrued on borrowings.

The FCNRB 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 to hedge the foreign exchange risk on principal & interest payable in USD. The forward contracts entered into by the Company is a derivative as defined in Ind AS 109.

#### A. Terms of current borrowing are as under

Particulars	Rate of interest	Repayment terms
Secured, from bank		
Cash credit	Ranging from 11.50% to 14.85%	Repayable on demand
Letter of credit	Ranging from 1.26% to 1.90%	Repayment terms 90 to 120 days

#### B. Nature of security :

Cash credit and SBI FCNRB 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 Thingalur (Tamil Nadu), Edyaarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).

C. The statements of current assets and stocks submitted by the Company with banks are materially in agreement with the books of accounts.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### D. Disclosure as required by Ind AS 7 - "Cash Flow Statements" - changes in liabilities arising from financing activities:

Particulars	As at April 1, 2024	Cash flows	Non-cash changes				As at March 31, 2025
			Net Additions	Accrued interest	Foreign exchange loss/gain	Current/ Non-current	
Borrowings - Non-current (refer note 18)	367.92	-	-	-	-	(274.30)	93.62
Borrowings - Current (refer note 21)	7,103.25	336.40	-	(37.43)	-	274.30	7,676.52
Lease liabilities (refer note 36)	581.13	(144.70)	24.08	-	-	-	460.51

Particulars	As at April 1, 2023	Cash flows	Non-cash changes				As at March 31, 2024
			Net Additions	Accrued interest	Foreign exchange loss/gain	Current/ Non-current	
Borrowings - Non-current (refer note 18)	685.77	-	-	-	-	(317.85)	367.92
Borrowings - Current (refer note 21)	7,864.24	(1,106.19)	-	9.92	17.43	317.85	7,103.25
Lease liabilities (refer note 36)	311.32	(162.57)	432.38	-	-	-	581.13

## 22 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	1,469.08	1,078.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,235.05	2,605.15
<b>Total</b>	<b>4,704.13</b>	<b>3,683.89</b>
Further classified as:		
Payable to related parties (refer note 37)	20.98	85.66
Payable to others	4,683.15	3,598.23
	<b>4,704.13</b>	<b>3,683.89</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

**Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:**

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,469.08	1,078.74
Interest	18.01	68.81
<b>Total</b>	<b>1,487.09</b>	<b>1,147.55</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	18.01	68.81
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

### Ageing of trade payables

As at March 31, 2025

Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of ayment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	356.15	1,031.11	81.23	0.26	0.33	1,469.08
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	419.69	1,482.38	1,237.11	57.87	20.04	17.96	3,235.05
(iv) Disputed dues - others	-	-	-	-	-	-	-
<b>Total</b>	<b>419.69</b>	<b>1,838.53</b>	<b>2,268.22</b>	<b>139.10</b>	<b>20.30</b>	<b>18.29</b>	<b>4,704.13</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

As at March 31, 2024

Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	242.53	823.43	7.23	3.29	2.26	1,078.74
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	349.04	709.55	1,457.57	56.27	10.09	22.63	2,605.15
(iv) Disputed dues - others	-	-	-	-	-	-	-
<b>Total</b>	<b>349.04</b>	<b>952.08</b>	<b>2,281.00</b>	<b>63.50</b>	<b>13.38</b>	<b>24.89</b>	<b>3,683.89</b>

Note: The credit period for trade payables generally range from fifteen to ninety days.

### 23 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on MSME payable	18.01	68.81
Others-		
Advance from skill project	33.54	3.40
Employee benefits payable	273.55	268.54
<b>Total</b>	<b>325.10</b>	<b>340.75</b>

### 24 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customer	85.68	85.52
Statutory dues payable	51.99	52.79
<b>Total</b>	<b>137.67</b>	<b>138.31</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 25 Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Revenue from contracts with customers</b>		
Sale of products	23,528.05	18,144.84
	<b>23,528.05</b>	<b>18,144.84</b>
<b>Other operating revenue</b>		
- Sale of scrap	71.81	76.23
- Job work	35.78	22.41
- Export incentives	53.05	84.07
	<b>160.64</b>	<b>182.71</b>
<b>Total</b>	<b>23,688.69</b>	<b>18,327.55</b>

#### A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products	23,528.05	18,144.84
<b>Total</b>	<b>23,528.05</b>	<b>18,144.84</b>

#### Geographic revenue

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
- India	22,688.42	17,071.83
- Rest of the world	839.63	1,073.01
<b>Total</b>	<b>23,528.05</b>	<b>18,144.84</b>

#### B. Reconciliation of revenue recognised:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gross revenue	29,280.80	24,473.67
Rebates, discounts	4,765.90	5,277.21
Adjustment for credit notes	986.84	1,051.62
	<b>23,528.06</b>	<b>18,144.83</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

**Note:**

- i) The amounts receivable from customers become due after expiry of credit period which on an average ranges around from seven to ninety days. There is no significant financing component in any transaction with the customers.
- ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
- iii) The Company has recognised revenue of ₹ 55.08 lakhs (March 31, 2024 - ₹ 55.24 lakhs) from the amounts included under advance received from customers at the beginning of the year.

**C. The changes in Contract Liabilities are as follows:**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Contract Liabilities - Opening	85.52	88.10
Add: Additions during the year, excluding amounts recognised as revenue during the year	55.24	52.66
Less: Revenue recognised in the current year which was included in Contract Liabilities	55.08	55.24
<b>Contract Liabilities - Closing</b>	<b>85.68</b>	<b>85.52</b>

**26 Other income**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rental income	2.61	3.29
Interest income		
- on fixed deposits designated as amortized cost	60.47	24.85
- on interest on unwinding of security deposit	3.44	4.27
- on others	3.76	6.87
Profit on disposal of property, plant and equipments	-	0.67
Liabilities no longer required written back	57.89	0.02
Gain on cancellation of lease (net)	4.00	1.73
Miscellaneous income	3.86	1.42
<b>Total</b>	<b>136.03</b>	<b>43.12</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 27 Cost of materials consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Raw material at the beginning of the year	2,338.79	2,180.80
Add: Purchases	9,148.60	8,768.15
Less: Raw material at the end of the year	3,104.53	2,338.79
<b>Cost of raw materials consumed</b>	<b>8,382.86</b>	<b>8,610.16</b>

### 28 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the beginning of the year		
-Finished goods	2,813.22	2,509.20
-Work-in-progress	2,014.14	2,114.50
-Stock in trade	1,113.20	1,267.21
	<b>5,940.56</b>	<b>5,890.91</b>
Less: Inventories at the end of the year		
-Finished goods	3,180.53	2,813.22
-Work-in-progress	1,905.87	2,014.14
-Stock in trade	1,053.06	1,113.20
	<b>6,139.46</b>	<b>5,940.56</b>
<b>Net increase</b>	<b>(198.90)</b>	<b>(49.65)</b>

### 29 Employee benefits expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages, bonus and other allowances	2,039.30	2,031.44
Contribution to provident fund and other funds (refer note 35)	111.69	112.85
Gratuity expenses (refer note 35)	34.84	30.50
Leave compensation expenses	21.54	25.80
Staff welfare expenses	134.18	151.45
<b>Total</b>	<b>2,341.55</b>	<b>2,352.04</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 30 Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowing	625.63	606.79
Interest on term loan	53.68	79.25
Interest expense on security deposits	5.25	24.70
Interest expense on lease liability	47.43	30.31
Interest on MSME dues	(50.80)	45.78
Other borrowing cost	123.46	122.00
<b>Total</b>	<b>804.65</b>	<b>908.83</b>

### 31 Depreciation and amortization expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 3)	135.85	120.95
Depreciation on right of use (refer note 3)	158.10	150.76
Amortization of intangible assets (refer note 4)	-	0.07
<b>Total</b>	<b>293.95</b>	<b>271.78</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 32 Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Electricity and water charges	74.90	76.62
Repairs and maintenance - building	1.28	6.30
Repairs and maintenance - machinery	25.29	33.59
Repairs and maintenance - others	143.28	148.93
Rates and taxes	30.86	47.26
Legal and professional charges	105.59	113.28
Insurance	54.99	60.73
Travel and conveyance	436.60	448.03
Auditor's remunerations [refer note (i) below]	21.66	26.54
Rent	6.37	6.44
Advertisement expenses	290.50	403.23
Bad debts	1.20	4.28
Provision for bad and doubtful debts	50.00	345.00
Provision for doubtful advances	-	30.00
Business promotion expenses	227.62	174.64
Freight expenses	516.96	608.68
Garmenting charges	185.17	213.19
Bus hire charges	92.55	93.48
Postage and courier	26.93	20.53
Printing and stationery	17.24	19.20
Communication expenses	19.04	15.61
Commission	253.78	211.46
Corporate Social Responsibility (CSR) Activities (refer note 42)	6.00	-
Foreign exchange fluctuation (net)	45.49	79.20
Security charges	47.83	47.12
Miscellaneous expenses	21.42	24.63
<b>Total</b>	<b>2,702.55</b>	<b>3,257.97</b>
Note (i) : The following is the break-up of Auditors remuneration		
<b>As auditor:</b>		
Statutory audit	16.50	23.25
In other capacity:		
Tax audit	2.00	-
Certification fees	-	0.25
Reimbursement of expenses	3.16	3.04
<b>Total</b>	<b>21.66</b>	<b>26.54</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 33 Deferred tax and Income tax

#### A Deferred tax relates to the following

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax assets</b>		
On provision for employee benefits	(24.60)	(24.09)
On provision for doubtful debts	(211.36)	(198.78)
On provision for bonus payable	(6.09)	(6.03)
On provision for gratuity	(6.43)	(8.39)
On provision for gratuity OCI	-	(6.64)
On unabsorbed depreciation and carry forward business losses	(1,158.46)	(1,342.32)
On carry forward capital losses	(29.44)	(29.44)
On lease liabilities	(118.17)	(146.26)
	<b>(1,554.55)</b>	<b>(1,761.95)</b>
<b>Deferred tax liabilities</b>		
On valuation of brand and license	1,742.59	1,742.59
On property, plant and equipment	275.61	328.23
	<b>2,018.20</b>	<b>2,070.82</b>
<b>Deferred tax liabilities (net)</b>	<b>463.65</b>	<b>308.87</b>
<b>Deferred tax charge /(credit)</b>	<b>154.78</b>	<b>(354.36)</b>

#### B Recognition of deferred tax asset to the extent of deferred tax liability

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Balance sheet</b>		
Deferred tax asset	1,554.55	1,761.95
Deferred tax liabilities	(2,018.20)	(2,070.82)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(463.65)</b>	<b>(308.87)</b>

During the year ended March 31, 2025, in the absence of certainty of taxable income in future years, the Company has recorded the deferred tax asset on unabsorbed depreciation / carry forward losses only to the extent of deferred tax liability. Further, during the year ended March 31, 2024, the Company had recorded the deferred tax assets on such items only to the extent of deferred tax liability.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### C Income tax expense

Particulars	As at March 31, 2025	As at March 31, 2024
- Current tax taxes	-	-
- Deferred tax (credit) / charge	156.63	(347.72)
- Deferred tax (credit) / charge on OCI items	(1.85)	(6.64)
<b>Income tax expense</b>	<b>154.78</b>	<b>(354.36)</b>

### D Reconciliation of tax expense and profit before tax

Particulars	As at March 31, 2025	As at March 31, 2024
Profit / (loss) before income taxes	702.28	(1,612.84)
Corporate tax rate as per Income Tax Act, 1961	25.168%	25.168%
Computed expected tax expense	176.75	(405.92)
Effect of expenses that are not deductible	0.48	14.70
Adjustments for tax related to earlier years	(20.60)	46.22
Effect of capital gain tax computed as per Income Tax Act, 1961	-	-
Others	-	(2.72)
Income tax expense recognised in statement of profit and loss	<b>156.63</b>	<b>(347.72)</b>

### 34 Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit / (loss) attributable to equity share holders	545.65	(1,265.12)
Weighted average number of equity shares for basic EPS	8,72,15,403	8,30,17,615
Weighted average number of equity shares for diluted EPS	8,84,21,178	8,30,17,615
Basic profit / (loss) per share (INR) *	0.63	(1.52)
Diluted profit / (loss) per share (INR) **	0.62	(1.52)

## Notes forming part of the Financial Statements for the year ended March 31, 2025

### (Amount in INR lakhs, unless otherwise stated)

\* The basic EPS for the previous year has been restated to reflect the impact of a preferential allotment of equity shares made at a price below the market value. This restatement ensures comparability with the current year's EPS by appropriately adjusting the weighted average number of equity shares outstanding. For the current year, the basic EPS has been calculated after accounting for the fresh issue of equity shares as well as the conversion of warrants into equity shares during the year. These changes have resulted in an increase in the share capital, affecting the earnings attributable per share in accordance with applicable Indian accounting standards.

\*\* The diluted EPS for the current financial year reflects the potential dilution arising from the issue of warrants. These warrants, if converted into equity shares, would increase the total number of outstanding shares, thereby reducing the earnings attributable per share. In accordance with relevant Indian accounting standards, the impact of such potential equity shares has been considered in the computation of diluted EPS to provide a more comprehensive view of the earnings per share, assuming full conversion of outstanding warrants.

### 35 Employee benefits

#### (A) Defined contribution plans

During the year, the Company has recognized the following amounts in the statement of profit and loss –

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employers' contribution to Provident Fund	106.45	106.55
Employers' contribution to Employees State Insurance	5.24	6.30

#### (B) Defined benefit plans

- a) Gratuity payable to employees (funded)
- b) Compensated absences for employees

#### i) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (per annum)	7.23%	7.50%
Rate of increase in salary	4.50%	4.50%
Expected average remaining working lives of employees (years)	12	12
Attrition rate	4.00%	4.00%

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### ii) Changes in the present value of defined benefit obligation

Particulars	Employee's gratuity fund	
	As at March 31, 2025	As at March 31, 2024
<b>Present value of obligation at the beginning of the year</b>	<b>395.56</b>	<b>337.32</b>
Interest cost	28.60	25.30
Current service cost	33.80	26.71
Benefits paid	(48.32)	(21.33)
Actuarial (gain) / loss on obligations - due to change in financial assumptions	9.91	5.88
Actuarial (gain) / loss on obligations - due to experience	(1.71)	21.68
<b>Present value of obligation at the end of the year</b>	<b>417.84</b>	<b>395.56</b>

### iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	As at March 31, 2025	As at March 31, 2024
<b>Fair value of plan assets at the beginning of the year</b>	<b>335.82</b>	<b>286.72</b>
Interest income	24.28	21.50
Contributions by the employer	84.91	47.76
(Benefits paid from the fund)	(48.32)	(21.33)
Return on plan assets, excluding interest income	0.85	1.17
<b>Fair value of plan assets at the end of the year</b>	<b>397.54</b>	<b>335.82</b>

### iv) Expense recognized in the statement of profit and loss

Particulars	Employee's gratuity fund	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	33.80	26.71
Interest cost	28.60	25.30
Interest income	(24.28)	(21.51)
<b>Total expenses recognized in the statement profit and loss</b>	<b>38.12</b>	<b>30.50</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### v) Expense recognized in the statement of other comprehensive income

Particulars	Employee's gratuity fund	
	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial (gains) / losses on obligation for the period	8.20	27.56
Return on plan assets, excluding interest income	(0.85)	(1.17)
<b>Net (income) / expense for the period recognized in OCI</b>	<b>7.35</b>	<b>26.39</b>

### vi) Assets and liabilities recognized in the Balance Sheet:

Particulars	Employee's gratuity fund	
	Year ended March 31, 2025	Year ended March 31, 2024
Present value of unfunded obligation as at the end of the year	(417.84)	(395.56)
Fair value of plan assets at the end of the year	397.54	335.82
Funded status [surplus / (deficit)]	(20.30)	(59.74)
<b>Unfunded net asset / (liability) recognized in Balance Sheet</b>	<b>(20.30)</b>	<b>(59.74)</b>

### vii) Expected contribution to the fund in the next year

Particulars	Employee's gratuity fund	
	As at March 31, 2025	As at March 31, 2024
Gratuity	55.77	93.54

### viii) Net interest cost for the next year

Particulars	Employee's gratuity fund	
	Year ended March 31, 2025	Year ended March 31, 2024
Present value of unfunded obligation as at the end of the year	417.84	395.56
(Fair value of plan assets at the end of the year)	(397.54)	(335.82)
<b>Net liability / (asset) at the end of the year</b>	<b>20.30</b>	<b>59.74</b>
Interest cost	28.33	28.60
(Interest income)	(26.95)	(24.28)
<b>Net interest cost for the next year</b>	<b>1.38</b>	<b>4.32</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### ix) Expenses recognised in statement of profit and loss for next year

Particulars	Employee's gratuity fund	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	35.47	33.80
Net interest cost (Expected contribution by employees)	1.38 -	4.32 -
<b>Expenses recognized for next year</b>	<b>36.85</b>	<b>38.12</b>

### x) A quantitative sensitivity analysis for significant assumption as at date of Balance Sheet is as shown below:

Particulars	Employee's gratuity fund	
	As at March 31, 2025	As at March 31, 2024
<b>Impact on defined benefit obligation</b>		
Discount rate		
Delta Effect of 1% increase in rate of discounting	(21.37)	(20.92)
Delta Effect of 1% decrease in rate of discounting	23.95	23.42
<b>Rate of salary increase</b>		
Delta Effect of 1% increase in rate of salary increase	22.24	22.05
Delta Effect of 1% decrease in rate of salary increase	(20.67)	(20.26)
<b>Rate of employee turnover</b>		
Delta Effect of 1% increase in rate of employee turnover	3.14	3.94
Delta Effect of 1% decrease in rate of employee turnover	(3.50)	(4.36)

### xi) Maturity profile of defined benefit obligation

Particulars	Employee's gratuity fund	
	As at March 31, 2025	As at March 31, 2024
1st Following year	69.63	67.31
2nd Following year	44.28	22.99
3rd Following year	33.18	46.30
4th Following year	26.74	31.10
5th Following year	84.55	28.11
Sum of years 6 to 10	165.01	218.48
Sum of years 11 and above	237.59	242.18

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### (c) Other long term employee benefit obligation

#### Leave entitlement

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of year is INR 97.76 lakhs as at March 31, 2025 (March 31, 2024: INR 95.72 lakhs). Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

### 36 Leases where Company is a lessee

#### (A) (ia) Changes in the carrying value of right of use assets - refer note 3

#### (ib) Changes in the lease liabilities

Particulars	Category of ROU asset	
	Buildings	Total
<b>Balance as at April 1, 2023</b>	<b>311.32</b>	<b>311.32</b>
Additions	451.61	451.61
Interest on lease liability	31.55	31.55
Lease payments	(194.12)	(194.12)
Deletions	(19.23)	(19.23)
<b>Balance as at March 31, 2024</b>	<b>581.13</b>	<b>581.13</b>
Additions	41.08	41.08
Interest on lease liability	47.43	47.43
Lease payments	(192.12)	(192.12)
Deletions	(17.00)	(17.00)
<b>Balance as at March 31, 2025</b>	<b>460.52</b>	<b>460.52</b>

#### (ii) Break-up of current and non-current lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	133.24	140.68
Non-current lease liabilities	327.28	440.45

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### **(iii) Maturity analysis of lease liabilities on undiscounted basis**

<b>Particulars</b>	<b>As at March 31, 2025</b>	As at March 31, 2024
Less than one year	176.72	188.46
One to five years	383.30	520.56
More than five years	-	-
<b>Total</b>	<b>560.02</b>	<b>709.02</b>

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands and ensure Lease liabilities have not been grouped together with other financial liabilities in disclosure of maturity plan in accordance with requirements of Paragraph 58 of Ind AS 116.

### **(iv) Amounts recognised in statement of profit and loss account**

<b>Particulars</b>	<b>As at March 31, 2025</b>	As at March 31, 2024
Interest on lease liabilities #	47.43	31.55
Short-term leases expensed	6.37	6.44
<b>Total</b>	<b>53.80</b>	<b>37.99</b>

# Interest on lease liabilities of INR 47.43 lakhs (March 31, 2024 of INR 31.55 lakhs) includes INR NIL lakhs (March 31, 2024 of INR 1.24 lakhs) pertaining to project expenses.

### **(v) Amounts recognised in statement of cash flows**

<b>Particulars</b>	<b>As at March 31, 2025</b>	As at March 31, 2024
Total cash outflow for leases	(192.12)	(194.12)

**(B)** The Company has chosen to apply short term and low value exemption available in Ind AS 116 - Leases and amount debited to statement of profit and loss account amounting to INR 6.37 lakhs.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 37 Related party disclosures:

#### (A) Names of related parties and description of relationship as identified and certified by the Company:

**Entities where Key Managerial Personnel have control and where transactions have taken place during the year:**

Hybo Hindustan

#### **Key Management Personnel (KMP)**

Mr. Sunil J. Pathare (Chairman and Managing Director)

Mr. Kapil J. Pathare (Deputy Managing Director) with effect from 01/04/2025

Mr. Vilas Gupte (Independent Director)

Mr. Kishor s. Navandar (Independent Director)

Mrs. Vandana Kumari Bhardwaj (Independent Director)

Mrs. Meher Bruno Castelino (Independent Director) upto 31/03/2025

Mr. Uday Laxman Ajgaonkar (Independent Director) with effect from 22/03/2025

Mr. Devendra Vyas (Chief Financial Officer)

Mrs. Archana Mungunti (Company Secretary) upto 21/06/2024

Mr. Rahul Soni (Company Secretary) with effect from 14/08/2024

#### **Relatives of key management personnel**

Mr. Kanishk S. Pathare (Son of Sunil J. Pathare)

#### (B) Details of transactions with related party in the ordinary course of business for the year ended:

##### (i) Transactions with related party

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Transactions - rent, electricity, water charges and sale of investment in shares</b>		
Hybo Hindustan	139.95	134.69
Kapil J. Pathare	9.33	8.89
<b>Director sitting fees</b>		
Chetan Sheth	-	1.60
Gopal Sehjpal	-	1.60
Mehre Castelino	2.40	1.60
Robin Banerjee	-	1.20
Vandana Bhardwaj	2.40	-
Kishor Navandar	2.40	-
Vilas Chandrakant Gupte	2.40	-
<b>Money received against share warrants</b>		
Sunil J. Pathare	83.43	-
Kapil J. Pathare	83.43	-
Kanishk S. Pathare	166.85	-
Devendra Vyas	50.06	-

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### (ii) Key Management Personnel (KMP)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Compensation of key management personnel</b>		
Salaries including bonuses		
Sunil J. Pathare	98.02	95.82
Kapil J. Pathare	86.04	81.81
Kanishk S. Pathare	16.07	15.46
Devendra Vyas	76.00	66.84
Rahul Soni with effect from 14/08/2024	7.64	-
Archana Mungunti upto 21/06/2024	2.73	12.51

### (c) Amount due to/from related party as on:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) Related parties payables</b>		
Hybo Hindustan	(2.40)	57.48
<b>(ii) Key Management Personnel (KMP)</b>		
Employee related payables		
Devendra Vyas	1.04	1.50
Rahul Soni	(0.49)	-
Archana Mungunti	-	(0.31)
Kanishk S. Pathare	0.38	0.38
<b>Other payables / (receivables)</b>		
Sunil J. Pathare	13.87	12.46
Kapil J. Pathare	9.13	15.34

### (D) Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 38 Segment reporting

The Company has only one reporting segment i.e. Hosiery and others. Hence no separate segment information has been furnished herewith.

An analysis of the Company's revenue from operation is as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (INR)	%	Amount (INR)	%
Sale of products	23,528.05	99.32%	18,144.84	99.00%
Other operating revenue	160.64	0.68%	182.71	1.00%
	<b>23,688.69</b>	<b>100.00%</b>	<b>18,327.55</b>	<b>100.00%</b>

The Company categorizes its revenue based on delivery channel and further by geographical region, as summarized below, which as per management is most appropriate:

#### (A) Sale of products

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (INR)	%	Amount (INR)	%
India	22,688.42	96.43%	17,071.83	94.09%
Outside India	839.63	3.57%	1,073.01	5.91%
	<b>23,528.05</b>	<b>100.00%</b>	<b>18,144.84</b>	<b>100.00%</b>

#### (B) Non-current assets

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (INR)	%	Amount (INR)	%
India	11,365.41	100.00%	11,492.19	100.00%
Outside India	-	0.00%	-	0.00%
	<b>11,365.41</b>	<b>100.00%</b>	<b>11,492.19</b>	<b>100.00%</b>

### 39 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2025 were as follows

Particulars	Note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
<b>Financial assets</b>						
Non current loans	5	10.98	-	-	-	10.98
Other non current financial assets	6	278.85	-	-	-	278.85
Other current financial assets	14	883.06	-	-	-	883.06
Trade receivable	10	9,861.13	-	-	-	9,861.13
Cash and cash equivalents	11	70.72	-	-	-	70.72
Bank balances other than cash and cash equivalents	12	0.58	-	-	-	0.58
Current loans	13	22.50	-	-	-	22.50
		<b>11,127.82</b>	-	-	-	<b>1,127.82</b>
<b>Financial liabilities</b>						
Non current borrowings	18	93.62	-	-	-	93.62
Non current lease liability	36	327.28	-	-	-	327.28
Current borrowings	21	7,676.52	-	-	-	7,676.52
Other non current financial liabilities	19	469.20	-	-	-	469.20
Current lease liabilities	36	133.24	-	-	-	133.24
Other current financial liabilities	23	325.10	-	-	-	325.10
Trade payables	22	4,704.13	-	-	-	4,704.13
		<b>13,729.09</b>	-	-	-	<b>13,729.09</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows:

Particulars	Note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
<b>Financial assets</b>						
Non current loans	5	11.65	-	-	-	11.65
Other non current financial assets	6	74.21	-	-	-	74.21
Other current financial assets	14	67.17	0.33	-	0.33	67.50
Trade receivable	10	5,829.94	-	-	-	5,829.94
Cash and cash equivalents	11	30.01	-	-	-	30.01
Bank balances other than cash and cash equivalents	12	406.33	-	-	-	406.33
Current loans	13	22.80	-	-	-	22.80
		<b>6,442.11</b>	<b>0.33</b>	-	<b>0.33</b>	<b>6,442.44</b>
<b>Financial liabilities</b>						
Non current borrowings	18	367.92	-	-	-	367.92
Non current lease liability	36	440.45	-	-	-	440.45
Current borrowings	21	7,103.25	-	-	-	7,103.25
Other non current financial liabilities	19	509.13	-	-	-	509.13
Current lease liabilities	36	140.68	-	-	-	140.68
Other current financial liabilities	23	340.75	-	-	-	340.75
Trade payables	22	3,683.89	-	-	-	3,683.89
		<b>12,586.07</b>	-	-	-	<b>12,586.07</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### 40 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

**The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Fair value measurement hierarchy of assets</b>		
<b>Level 2</b>		
<b>Financial assets measured at fair value through profit and loss:</b>		
Derivatives contracts	-	0.33
	-	0.33

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Fair value measurement hierarchy of liabilities</b>		
<b>Level 2</b>		
<b>Financial liability measured at fair value through profit and loss:</b>		
Derivatives forward liability	-	-
	-	-

**The details of outstanding derivative financial instruments is given below:**

Particulars	Underlying	Nature of risk being hedged
<b>Derivatives instruments at fair value through profit or loss</b>		
Foreign exchange forward contracts	Foreign currency non resident borrowing (FCNRB)	Foreign currency exchange rate movement risk

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### 41 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

##### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in basis points	Effect on profit before tax
<b>2025</b>		
INR	+45	33.49
INR	-45	(33.49)
<b>2024</b>		
INR	+45	31.97
INR	-45	(31.97)

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward foreign exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Category	Instrument	Currency	Cross Currency	Foreign currency in lakhs	Buy/Sell	Period
Hedges of recognised liabilities (FCNRB loan)	Forward Contract	USD	INR	Nil	Buy	As at March 31, 2025
Hedges of recognised liabilities (FCNRB loan)	Forward Contract	USD	INR	46.00	Buy	As at March 31, 2024

Particulars	Foreign currency	March 31, 2025		March 31, 2024	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
FCNRB loan	USD	-	-	46.00	3,835.20
Trade receivables	USD	2.60	223.80	2.91	242.70

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts. All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

### (iii) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in US\$ rate	Effect on profit / (loss) before tax
2025	+5%	(11.19)
	-5%	11.19
2024	+5%	179.63
	-5%	(179.63)

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### **(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

#### **Expected Credit Loss (ECL) for Trade Receivables and Deposits:**

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

#### **Movement in expected credit loss allowance on trade receivables:**

<b>Particulars</b>	<b>As at March 31, 2025</b>	As at March 31, 2024
Balance as at 1st April	759.80	414.80
Provision for bad and doubtful debts	50.00	345.00
<b>Balance as at 31st March</b>	<b>809.80</b>	<b>759.80</b>

**The ageing analysis for accounts receivables has been considered from the date the invoice falls due:**

<b>Particulars</b>	<b>As at March 31, 2025</b>	As at March 31, 2024
Not due	5,688.44	2,367.95
Less than 6 months	2,724.99	1,876.15
6 months to 12 months	290.90	507.93
beyond 12 months	1,966.60	1,837.71
<b>Total</b>	<b>10,670.93</b>	<b>6,589.74</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.)

**The table below summarizes the maturity profile of the Company's financial liabilities. The amounts are based on contractual undiscounted payments.**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2025</b>				
Long-term borrowings	-	93.62	-	93.62
Lease liabilities	176.72	383.30	-	560.02
Other non current financial liabilities	-	469.20	-	469.20
Short term borrowings	7,676.52	-	-	7,676.52
Trade payables	4,704.13	-	-	4,704.13
Other current financial liabilities	325.10	-	-	325.10
	<b>12,882.47</b>	<b>946.12</b>	<b>-</b>	<b>13,828.59</b>
<b>As at March 31, 2024</b>				
Long-term borrowings	-	367.92	-	367.92
Lease liabilities	188.46	520.56	-	709.02
Other non current financial liabilities	-	509.13	-	509.13
Short term borrowings	7,103.25	-	-	7,103.25
Trade payables	3,683.89	-	-	3,683.89
Other current financial liabilities	340.75	-	-	340.75
	<b>11,316.35</b>	<b>1,397.61</b>	<b>-</b>	<b>12,713.96</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### 42 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, the provisions relating to Corporate Social Responsibility are not applicable to the Company for the financial year ended March 31, 2025.

However, during the year, the Company has voluntarily incurred an amount of INR 6.00 lakhs (Previous Year: INR Nil) towards Corporate Social Responsibility -related activities.

### 43 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents borrowings from bank & others and liability component of redeemable non cumulative non convertible preference shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (i)	7,770.14	7,471.17
Less: cash and cash equivalents	70.72	30.01
<b>Net debt</b>	<b>7,699.42</b>	<b>7,441.16</b>
Total capital (ii)	18,455.90	13,832.53
<b>Capital and net debt</b>	<b>26,155.32</b>	<b>21,273.69</b>
<b>Gearing ratio</b>	<b>0.29</b>	<b>0.35</b>

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings and interest accrued on Non-current and Current borrowings.

(ii) Capital is defined as Equity share capital and other equity.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 44 Additional regulatory information - ratios

#### (A) Accounting ratios

S No.	Ratio	Formula	Particulars		March 31, 2025		March 31, 2024		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2025	March 31, 2024				
(a)	Current Ratio	Current assets / Current liabilities	Current Assets = Inventories + Trade receivable + Cash & cash equivalents + Other bank balance + Loans + Other financial assets + Current tax assets + Other current assets	Denominator = Short term borrowings + Lease liability + Trade payables + Other financial liability + Other current liability + Provisions + Current tax liabilities	21,572.79	13,007.62	15,562.89	11,477.23	1.66	1.36	22.06%	N.A.
(b)	Debt-Equity Ratio	Debt / Equity	Debt = long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Denominator = Equity + Other equity	7,770.14	18,455.90	7,471.17	13,832.53	0.42	0.54	-22.22%	N.A.
(c)	Debt Service Coverage Ratio	Net operating income / Debt service	Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	1,631.85	701.17	(5.33)	2,123.12	2.33	-	233.00%	Increase in net operating profit during the year
(d)	Return on Equity Ratio	Profit after tax less pref. dividend x 100 / Shareholder's equity	Net Income = Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	545.65	16,144.22	(1,265.12)	14,474.96	3.00%	-9.00%	133.33%	Company has made profit and there is increase in net profit during the year
(e)	Inventory Turnover Ratio	Cost of goods sold / Average inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	14,460.53	8,761.67	10,746.79	8,175.53	1.65	1.31	25.95%	Increase in the revenue during the year
(f)	Trade Receivables Turnover Ratio	Net credit sales / Average trade receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	23,688.69	7,845.54	18,327.55	6,282.07	3.02	2.92	3.42%	N.A.
(g)	Trade Payables Turnover Ratio	Net credit purchases / Average trade payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	15,425.17	4,194.01	10,954.43	3,247.69	3.68	3.37	9.20%	N.A.
(h)	Net Capital Turnover Ratio	Revenue / Working capital	Revenue	Working Capital = Current assets - Current liabilities	23,688.69	8,565.17	18,327.55	4,085.67	2.77	4.49	38.31%	Increase in the revenue during the year
(i)	Net Profit Ratio	Net profit / Net sales	Net Profit	Net Sales	545.65	23,688.69	(1,265.12)	18,327.55	0.02	(0.07)	128.57%	Increase in net profit during the year
(j)	Return on Capital Employed	EBIT / Capital employed	EBIT = Earnings before interest and taxes	Capital Employed = Tangible net worth + Total debt+Deferred tax liabilities (net)	1,506.93	19,752.43	(704.01)	14,675.31	8.00%	-5.00%	260.00%	Increase in EBIT during the year
(k)	Return on Investment	Net profit / Net investment	Net Profit	Net Investment = Net Equity	545.65	18,455.90	(1,265.12)	13,832.53	3.00%	-9.00%	133.33%	Increase in net profit during the year

## Notes forming part of the Financial Statements for the year ended March 31, 2025

**(Amount in INR lakhs, unless otherwise stated)**

### 44 Additional regulatory information

#### **(B) Title deeds of Immovable Properties not held in name of the Company**

The Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company, at anytime during the year ended March 31, 2025.

**(C)** The Company has not revalued its property, plant and equipment and intangibles during the year ended March 31, 2025 and March 31, 2024.

#### **(D) Details of Benami Property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### **(E) Wilful Defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(F)** Relationship with Struck off Companies under section 248 of The Companies Act, 2013 or section 560 of The Companies Act, 1956

During the financial year the Company have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 the details are given below:

<b>Name of struck off Company</b>	<b>Nature of transaction with struck off Company</b>	<b>Balance outstanding as at March 31, 2025</b>	<b>Balance outstanding as at March 31, 2024</b>	<b>Relationship with the struck off Company, if any</b>
KKS Distribution Pvt Ltd	Trade receivables	7.25	7.25	NA
Devram Valji & Co Pvt Ltd	Trade receivables	3.92	3.96	NA
Pantaloon Retail (I) Ltd	Trade receivables	-	2.62	NA

1. The Company has made provision for doubtful debts for the balances.
2. There were no new transactions with these companies during the year.

#### **(G) Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### **(H) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

#### **(I) Compliance with approved Scheme(s) of Arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

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**(Amount in INR lakhs, unless otherwise stated)**

**(J) Utilisation of Borrowed funds and share premium:**

- (I) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(K) Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**(L) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**45 Subsequent event**

No significant subsequent events have been observed which may require an adjustment to financial statements.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### 46 Contingencies and commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Guarantees given by bank	97.41	104.41
Letter of credits	201.74	409.39
Claims against the Company not acknowledged as debts - Indirect tax related:		
Tamil Nadu Value Added Tax Act, 2006, Tamil Nadu (FY 2001-02)	195.46	195.46
Tamil Nadu Value Added Tax Act, 2006, Tamil Nadu (FY 2001-02)	5.43	5.43
Tamil Nadu Value Added Tax Act, 2006, Tamil Nadu (FY 2002-03) *	-	802.77
Central Sales Tax Act, 1956, Delhi (FY 2005-06)	7.28	7.28
Goods and Service Tax Act, 2017, Maharashtra (FY 2017-18)	73.38	73.38
Goods and Service Tax Act, 2017, Tamil Nadu (FY 2017-18)	17.45	17.45
Goods and Service Tax Act, 2017, Tamil Nadu (FY 2018-19)	18.67	-
Goods and Service Tax Act, 2017, Tamil Nadu (FY 2019-20)	20.84	-
Goods and Service Tax Act, 2017, Tamil Nadu (FY 2020-21)	30.26	-

\* Pursuant to a judgment passed by the Hon'ble Madras High Court on April 7, 2025, in favor of the Company, the contingent liability has been reduced by INR 802.77 lakhs. During the year the contingent liability has been increased by INR 73.72 lakhs.

**47** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and postemployment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 48 Audit Trail

#### Enhancing Accountability and Transparency: Implementation of Audit Trail

The Company had implemented an audit trail system within our Company's software which has impact on books of accounts with effect from April 01, 2023. This implementation underscores our commitment to transparency, accountability, and data integrity. Audit trail has been implemented for all transactions recorded in the software throughout the year.

By capturing and documenting critical events and activities within our systems, we ensure a comprehensive record that enhances security, facilitates compliance, and supports effective decision-making.

In addition, audit trail data is preserved in the system as per statutory requirement for record retention. The Company's dedication to maintain a robust audit trail reflects ongoing efforts to uphold the highest standards of governance and security across all aspects of business operations.

## Notes forming part of the Financial Statements for the year ended March 31, 2025

(Amount in INR lakhs, unless otherwise stated)

### Backup Schedule and Data

#### Preservation:

The Company is following a backup schedule and data preservation protocol within the organization. The Company's backup schedule entails frequent and systematic backups of critical data assets to safeguard against potential data loss or corruption. This proactive approach ensures that valuable information remains protected and accessible in the event of unforeseen circumstances. The Backup for the accounting software Intellect Core Banking System is done on a Daily basis and preserved at Disaster Recovery (DR) site located at Thingalur.

- 49** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 50** These financial statements were authorised for issue by the Board of Directors on May 23, 2025.

As per our report of even date  
For **D M K H & CO.**  
Chartered Accountants  
Firm Registration No.: 116886W

For and on behalf of the Board of Directors of  
**VIP Clothing Limited**  
CIN: L1810MH1991PLC059804

**Manish Kankani**  
Partner  
Membership No: 158020

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

**Kapil J. Pathare**  
Deputy  
Managing Director  
(DIN: 01089517)

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

Place: Mumbai  
Date: May 23, 2025

**Rahul Soni**  
Company Secretary  
(M. No: ACS-61305)

Place: Mumbai  
Date: May 23, 2025

# FINANCIAL HIGHLIGHTS

(Amount in INR lakhs, unless otherwise stated)

Particulars	Financial Year									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Equity Share capital	1,803 <sup>4</sup>	1,652	1,652	1,652	1,652	1,652	1,652	1,652 <sup>1</sup>	1,322	1,322
Redeemable Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Convertible Pref. Shares Capital	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	16,653 <sup>5</sup>	12,181	13,465	11,687	11,853	12,007	13,527	14,199 <sup>2</sup>	14,301	8,012
Misc exp. not written off	-	-	-	-	-	-	-	-	-	-
Net Worth	18,456	13,833	15,117	13,339	13,505	13,659	15,179	15,851	15,623	9,334
Long term Debts	94	368	686	1,003	313	15	22	31	42	212
Net Asset Block	9,710	9,914	9,736	10,380	10,689	10,923	10,852	11,130 <sup>3</sup>	17,110	6,153
Total Income	23,825	18,371	20,238	18,550	14,512	17,554	20,943	22,366	23,270	19,514
Profit before tax	702	(1,613)	831	(412)	(979)	(2,758)	(651)	(252)	(773)	(947)
Taxation	156	(348)	167	(191)	(875)	(1,263)	(32)	46	(35)	46
Profit after tax	546	(1,265)	664	(221)	(104)	(1,495)	(619)	(298)	(738)	(993)
Dividend Rate on										
Equity share	-	-	-	-	-	-	-	-	-	-
Redeemable Pref. Shares	-	-	-	-	-	-	-	-	-	-
No of Equity Shares	901.30 <sup>6</sup>	825.96	825.96	825.96	825.96	825.96	825.96	825.96	660.77	660.77
Face value of Share-Equity Preference	2	2	2	2	2	2	2	2	2	2
	100	100	100	100	100	100	100	100	100	100
Earning per share	0.63	(1.53)	0.80	(0.27)	(0.13)	(1.81)	(0.75)	(0.39)	(0.97)	(1.50)
Book value per share	20.48	16.75	18.30	16.15	16.35	16.54	18.38	19.19	23.64	14.13
Current Ratio	1.66	1.36	1.54	1.41	1.42	1.50	1.78	1.81	1.35	1.31

- ₹ 330 Lakhs increased on account of issue of 1,65,19,304 Equity shares at right issue @ ₹ 26/- (face value of shares is ₹ 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.
- Effect has been give for the first time adoption of IND AS and correction of brand valuation.
- ₹151 Lakhs increased on account of issue of 75,33,000 Equity Shares by way of Preferential issue which includes 35,50,000 Conversion of Share warrants into Equity shares @ ₹ 44.50 (Face value ₹ 2) and 39,83,000 equity shares @ ₹ 45 (Face value ₹ 2)
- Increase in Securities Premium ₹ 3,044.58 Lakhs on account of Preferential issue which includes 35,50,000 Conversion of Share warrants into Equity shares @ ₹ 44.50 (Premium @ ₹ 42.50) and 39,83,000 equity shares @ ₹ 45 (Premium @ ₹ 43)
- Number of Equity shares increased to 901.30 on account of Preferential issue which includes 35,50,000 Conversion of Share warrants into Equity shares and 39,83,000 equity shares.



To,  
MUFG 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, MUFG Intime India Private Limited. Shareholders holding







# VIP Clothing Limited



Scan to know more



VIP Clothing Limited, C-6, Road No. 22, M.I.D.C., Andheri (E), Mumbai 400093.  
Customer Care Executive No.: +918291981012 | [customercare@vip.in](mailto:customercare@vip.in) | Made in India | [www.vip.in](http://www.vip.in)