

Independent Auditor's Report on Audited Annual Financial Results of the VIP Clothing Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To the Board of Directors of VIP Clothing Limited

Report on the Audit of Financial Results

Opinion

We have audited the accompanying statement of annual financial results of VIP Clothing Limited (hereinafter referred to as 'the Company') for the year ended March 31, 2024 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net loss, and other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial results 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net loss, and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards)



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Rules, 2015, as amended, issued thereunder and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 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 with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 Statement or, if such



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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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors 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.

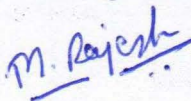
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W


Rajesh Murarka
Partner
Membership No.120521
UDIN: 24120521BKGQJK3542



Place: Mumbai
Date: May 24, 2024

VIP CLOTHING LIMITED

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

CIN : L18101MH1991PLC059804 Website : www.vipclothing.in E-mail : investor.relations@viporg.com Telephone : 2825 7624/25

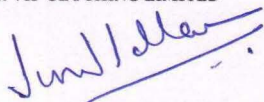
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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024 Audited (refer note 3)	December 31, 2023 Unaudited	March 31, 2023 Audited (refer note 3)	March 31, 2024 Audited	March 31, 2023 Audited
	Income					
I	Revenue from operations	3,237.51	4,489.07	5,163.02	18,327.55	20,063.97
II	Other income	10.18	10.26	10.58	43.12	174.25
III	Total income (I+II)	3,247.69	4,499.33	5,173.60	18,370.67	20,238.22
	Expenses					
IV	(a) Cost of materials consumed	1,302.30	1,652.73	2,626.90	8,610.16	9,149.90
	(b) Purchases of stock-in-trade	663.88	438.56	694.73	2,186.28	2,164.53
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	78.88	665.53	(471.43)	(49.65)	947.14
	(d) Employee benefits expense	621.30	582.53	527.98	2,352.04	1,930.70
	(e) Finance costs	251.45	220.07	186.14	908.83	911.84
	(f) Depreciation and amortization expense	70.17	65.87	66.34	271.78	306.22
	(g) Knitting and processing charges	403.07	512.15	442.00	2,446.10	1,704.98
	(h) Freight expenses	126.63	126.04	148.37	608.68	580.28
	(i) Other expenses	824.07	624.79	729.88	2,649.29	2,325.15
	Total expenses (IV)	4,341.75	4,888.27	4,950.91	19,983.51	20,020.74
V	(Loss) / profit before exceptional items and tax (III- IV)	(1,094.06)	(388.94)	222.69	(1,612.84)	217.48
VI	Exceptional items (refer note 4)	-	-	-	-	613.24
VII	(Loss) / profit before tax (V+VI)	(1,094.06)	(388.94)	222.69	(1,612.84)	830.72
VIII	Income tax expense:					
	(a) Current tax	-	-	-	-	119.62
	(b) Deferred tax (credit) / charge	(354.07)	(50.95)	25.07	(347.72)	47.42
	Total income tax expense (VIII)	(354.07)	(50.95)	25.07	(347.72)	167.04
IX	(Loss) / profit for the period / year after tax (VII-VIII)	(739.99)	(337.99)	197.62	(1,265.12)	663.68
X	Other comprehensive income					
	(a) Items that will not be reclassified subsequently to profit or loss:					
	- Re-measurement gains / (losses) on defined benefit plans	0.52	(1.13)	(12.64)	(26.39)	(44.98)
	- Tax on re-measurement gains / (losses) on defined benefit plans	(0.13)	0.28	11.32	6.64	11.32
	(b) Items that will be reclassified subsequently to profit or loss:					
	Fair value of cash flow hedges through other comprehensive income (net of tax)	-	-	-	-	18.45
	Total other comprehensive income for the period / year (X)	0.39	(0.85)	(1.32)	(19.75)	(15.21)
XI	Total comprehensive income for the period / year (IX+X)	(739.60)	(338.84)	196.30	(1,284.87)	648.47
XII	Paid up equity share capital - (face value of ₹ 2/- each)	1,651.93	1,651.93	1,651.93	1,651.93	1,651.93
XIII	Other equity				12,180.60	13,465.46
XIV	(Loss) / earnings per equity share (not annualised for the quarter)					
	(a) Basic (in ₹)	(0.90)	(0.41)	0.24	(1.53)	0.80
	(b) Diluted (in ₹)	(0.90)	(0.41)	0.24	(1.53)	0.80

FOR VIP CLOTHING LIMITED



Chairman & Managing Director

Sunil J. Pathare

(DIN: 00192182)

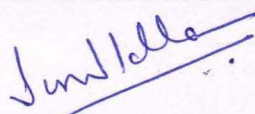
Mumbai

Dated: May 24, 2024



Sr. No.	Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
I	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	2,422.13	2,527.44
	(b) Right of use assets	554.58	271.23
	(c) Intangible assets	6,937.26	6,937.32
	(d) Financial assets		
	(i) Investments	-	0.25
	(ii) Loans	11.65	14.52
	(iii) Other financial assets	74.21	88.71
	(e) Income tax assets (net)	49.15	35.06
	(f) Other non-current assets	1,443.20	1,296.84
	Total non-current assets	11,492.18	11,171.37
2	Current assets		
	(a) Inventories	8,279.35	8,071.70
	(b) Financial assets		
	(i) Trade receivables	5,829.94	6,734.19
	(ii) Cash and cash equivalents	30.01	1,127.30
	(iii) Bank balances other than (ii) above	406.33	383.78
	(iv) Loans	22.80	19.15
	(v) Other financial assets	67.50	138.18
	(c) Other current assets	926.96	932.50
	Total current assets	15,562.89	17,406.80
	Total assets	27,055.07	28,578.17
II	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	1,651.93	1,651.93
	(b) Other equity	12,180.60	13,465.46
	Total equity	13,832.53	15,117.39
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	367.92	685.77
	(ii) Lease liabilities	440.45	138.06
	(iii) Other financial liabilities	509.13	526.49
	(b) Provisions	118.95	109.39
	(c) Deferred tax liabilities (net)	308.87	663.24
	Total non-current liabilities	1,745.32	2,122.95
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	7,103.25	7,864.24
	(ii) Lease liabilities	140.68	173.26
	(iii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	1,078.74	852.76
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,605.15	1,958.72
	(iv) Other financial liabilities	340.75	279.70
	(b) Other current liabilities	138.31	140.79
	(c) Provisions	70.34	60.39
	(d) Income tax liabilities (net)	-	7.97
	Total current liabilities	11,477.22	11,337.83
	Total liabilities	13,222.54	13,460.78
	Total equity and liabilities	27,055.07	28,578.17

FOR VIP CLOTHING LIMITED


Chairman & Managing Director
Sunil J. Pathare
(DIN: 00192182)
Mumbai
Dated: May 24, 2024



Particulars	Year ended March 31, 2024 (Audited)	Year ended March 31, 2023 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(1,612.84)	830.72
Adjustment for:		
Depreciation and amortization	271.78	306.22
Unrealised foreign exchange loss (net)	15.85	36.17
Provision for bad and doubtful debts	345.00	113.64
Provision for advances	30.00	-
Bad debts	4.28	19.13
(Profit) / loss on disposal of property, plant and equipment (net)	(0.67)	13.85
Re-measurement loss on defined benefit plans	(26.39)	(44.98)
Interest income	(24.85)	(16.82)
Interest on unwinding of security deposits	(4.27)	(4.02)
Interest on unwinding of employee loans	(6.87)	(3.14)
Finance cost	910.07	911.84
Liabilities no longer required written back and reversal	(0.02)	49.74
Gain on cancellation of lease (net)	(1.73)	-
Exceptional items (refer note 4)	-	(613.24)
	1,512.18	768.39
Operating profit before working capital changes	(100.66)	1,599.11
Changes in working capital:		
(Increase) / decrease in inventories	(207.65)	1,159.20
Decrease / (increase) in trade receivables	556.23	(863.23)
Decrease / (increase) in loans	6.08	(12.58)
Decrease / (increase) in other financial assets	94.37	(101.82)
Increase in other assets	(170.82)	(88.32)
Increase / (decrease) in trade payables	872.43	(359.53)
Increase in provisions	19.51	55.62
Decrease in other financial liabilities	(2.09)	(68.22)
Decrease / (increase) in other current liabilities	(2.47)	96.06
Total changes in working capital	1,165.59	(182.82)
Cash generated from operations	1,064.93	1,416.29
Income tax paid (net)	(22.06)	(103.93)
Net cash generated from operating activities (A)	1,042.87	1,312.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(17.01)	(23.43)
Proceeds from sale of property, plant and equipment	2.01	1,127.87
Proceeds from sale of investment	0.25	-
Investment in fixed deposits with maturity of more than three months	(522.83)	(488.12)
Proceeds from fixed deposits with maturity of more than three months	500.28	476.71
Interest received	20.26	14.53
Net cash (used in) / generated from investing activities (B)	(17.04)	1,107.56
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,106.18)	(1,472.55)
Principal paid on lease liabilities	(162.57)	(163.40)
Interest paid on lease liabilities	(31.55)	(40.15)
Proceeds from issue of warrants convertible into equity shares	-	1,129.70
Finance cost paid	(822.82)	(880.05)
Net cash used in financing activities (C)	(2,123.12)	(1,426.45)
Net (decrease) / increase in cash & cash equivalents [A+B+C]	(1,097.29)	993.48
Cash and cash equivalents at the beginning of the year	1,127.30	133.82
Cash and cash equivalents at the end of the year	30.01	1,127.30

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

FOR VIP CLOTHING LIMITED

Sunil J. Pathare

Chairman & Managing Director
Sunil J. Pathare
(DIN: 00192182)
Mumbai
Dated: May 24, 2024



Notes:

1. The above audited financial results for the quarter and year ended March 31, 2024 have been duly reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 24, 2024. The Statutory auditors of the Company have expressed an unmodified opinion on the results.
2. The audited Ind AS financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended.
3. The figures for quarter ended March 31, 2024 and March 31, 2023 are arrived as difference between audited figures in respect of full financial year and the unaudited published figures upto nine months of the relevant financial years, which were subject to limited review.
4. Exceptional items for the quarter ended December 31, 2022 of ₹ 613.24 lakhs comprise of net profit on sale of leasehold land, building and plant and machinery thereon, situated at Daheri, Taluka Umbergaon, Dist. Valsad – 396 171.
5. The Company is engaged in the business of "Hosiery and others" and there is one reportable Segment as per Ind AS 108 Operating Segments. There is no other operating segment.
6. Previous period / year figures have been re-grouped, re-arranged and re-classified wherever necessary to conform to current period's classification.

FOR VIP CLOTHING LIMITED



Chairman & Managing Director
Sunil J. Pathare
(DIN: 00192182)
Mumbai
Dated: May 24, 2024

