



VIP Clothing Ltd.



ANNUAL REPORT
2020



OUR VISION

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

OUR MISSION

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





LEADER

MUSCLE GYM
VEST



- Body Hugging Fit
- Unique Square Neck Cut

The image on the packaging is representative of the style.



Frenchie
FLASH

Frank

**TRENDING
FASHIONABLE
INNERWEAR**

**NEW
LAUNCH**

Brat



PLAIN PRINT MULTI
COLOUR STICKER



POP ART PRINTED
OUTER ELASTIC



FULL PRINTED
INNER ELASTIC



STYLISH FRONT
PRINT WHITE VEST



STYLISH CAPTIONS
COLOUR VEST



**NEW
LAUNCH**

Brat



PLAIN PRINT
MULTI COLOUR
STICKER



POP ART
PRINTED
OUTER
ELASTIC



FULL
PRINTED
INNER ELASTIC





Corporate Information

Board of Directors

Sunil J. Pathare	Chairman and Managing Director
Kapil J. Pathare	Whole Time Director
Gopal Sehgal	Independent Director
Chetan Sheth	Independent Director
Robin Banerjee	Independent Director
Meher Castelino	Independent Director

Chief Financial Officer & Company Secretary

Ashish Mandaliya (Till May 15, 2020)

Chief Finance Controller

Devendra Vyas

Statutory Auditor

M/s. Sharp & Tannan
Chartered Accountants

Internal Auditor

M/s. Haribhakti & Co. LLP
Chartered Accountants

Bankers

State Bank of India
IDBI Bank Limited
HDFC Bank Limited

Registered Office

C-6, Road No.22, MIDC,
Andheri (East),
Mumbai 400 093.
Phone : + 91 22 28257624/27/33,40209000
Fax : + 91 22 28371023/24
E-mail : investor.relations@viporg.com
Website : <http://www.vipclothing.in>
CIN : L18101MH1991PLC059804

Registrar & Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West),
Mumbai - 400 083
Phone : + 91 22 49186000
Fax : + 91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

Contents

Corporate Information	..... 1
Notice	..... 2
Directors' Report	..... 9
Corporate Governance Report	..... 29
Management Discussion & Analysis	..... 42
Auditors' Report	..... 47
Balance Sheet	..... 54
Statement of Profit & Loss	..... 55
Cash Flow Statement	..... 57
Notes to the Financial Statements	..... 59
Financial Highlights	..... 89

Plant Location

Stitching Units	: 92/94, New GIDC, Umbergaon, Gujarat – 396171
	: SF – 125/126/127, Appachimarmadam, Thingalur, Erode, Tamil Nadu - 638055
Wind Mill	: Chinnakkully Village, Pappampatty Panchayat, Coimbatore, Tamil Nadu - 641016

30th ANNUAL GENERAL MEETING

Day : Thursday
Date : 24th September, 2020
Time : 11.30 a.m.
Through Video Conferencing (VC)/
Other Audio Visual Means (OAVM)



NOTICE

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of VIP Clothing Limited will be held on **Thursday, 24th day of September, 2020 at 11.30 a.m.** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on March 31, 2020 and the Reports of the Directors and Auditors thereon.

2. Appointment of Director

To appoint a Director in place of Mr. Kapil J. Pathare (DIN 01089517), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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

Place: Mumbai
Date: August 13, 2020

Sunil J. Pathare
Chairman and Managing Director
(DIN 00192182)

NOTES:

- In view of the outbreak of COVID-19 Pandemic, the **Ministry of Corporate Affairs** ('MCA') has vide its Circular No.20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (hereinafter referred as ("MCA Circulars")) and other applicable circulars issued by Securities and Exchange Board of India (SEBI), permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (as amended) ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- The AGM is being held pursuant to the **MCA Circulars** 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.**
- In accordance with, the Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in 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).
- Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 17, 2020 to Thursday, September 24, 2020 (both days inclusive).
- Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their unclaimed dividend from the Company, within the stipulated timeline. The Members, whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF - 5 available on www.iepf.gov.in, for details, please refer point no. 13(g) of Corporate Governance Report which is a part of this Annual Report.
- Members holding shares in electronic form are requested to intimate immediately any change in their 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, Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400083.

8. 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, Link Intime India Private Limited.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent, Link Intime India Private Limited.

A Form for capturing the above details is appended in the Annual Report 2018-19. Members holding shares in physical form are requested to submit filled form to the Company or our Registrars and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

10. 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 investor.relations@viporg.com. The same will be replied suitably.
11. Members may be aware, that the Equity Shares of the Company have been sub-divided from one equity shares of ₹10/- each to 5 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, Link Intime India Private Limited, since the old Share Certificate of ₹10/- each are no longer tradable.
12. 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.
13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. The Notice of the 30th AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at, www.vipclothing.in, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intime India Private Limited at, <https://instavote.linkintime.co>.
15. Members are requested to note that in case of transfers, deletion of name of the deceased shareholder, transmission and transposition of names in respect of share held in physical form, the submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is now mandatory.
16. Mr. Kapil J. Pathare, Whole time Director of the Company, retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any changes in address or 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.
18. Section 72 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed forms which are available on the website of the Company “www.vipclothing.in” shareholders requested to avail this facility.
19. Mr. Rakesh Sanghani or on failing of him Mr. Marmik Patel, Practising Company Secretary from M/s. RS & MP Associates (Unique Code No. P2017MH061400) has been appointed as the Scrutinizer to scrutinize the e-Voting in a fair and transparent manner.
20. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first count the votes cast during the meeting, thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 hours of conclusion of the meeting, a Consolidated Scrutinizer'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.
21. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.vipclothing.in and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Voting through electronic means:

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 30th 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 from a place other than venue of the AGM ("remote e-Voting") will be provided by Link Intime India Private Limited.

The remote e-Voting period commence on Monday, September 21, 2020 at 10.00 a.m. and ends on Wednesday, September 23, 2020 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 17, 2020, may cast their vote electronically. The e-Voting module shall be disabled by Link 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 as well as a person who is not a member as on the Cut-off date should treat this Notice for information purpose only.

E-Voting procedure/Instructions:

Instructions for shareholders to vote electronically:

Login to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-Voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form: Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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)

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form /Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the Company record for the said demat account or folio <ul style="list-style-type: none"> number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the Company records for the said demat account or folio number.

If you are holding shares in demat form and had registered on e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question &