

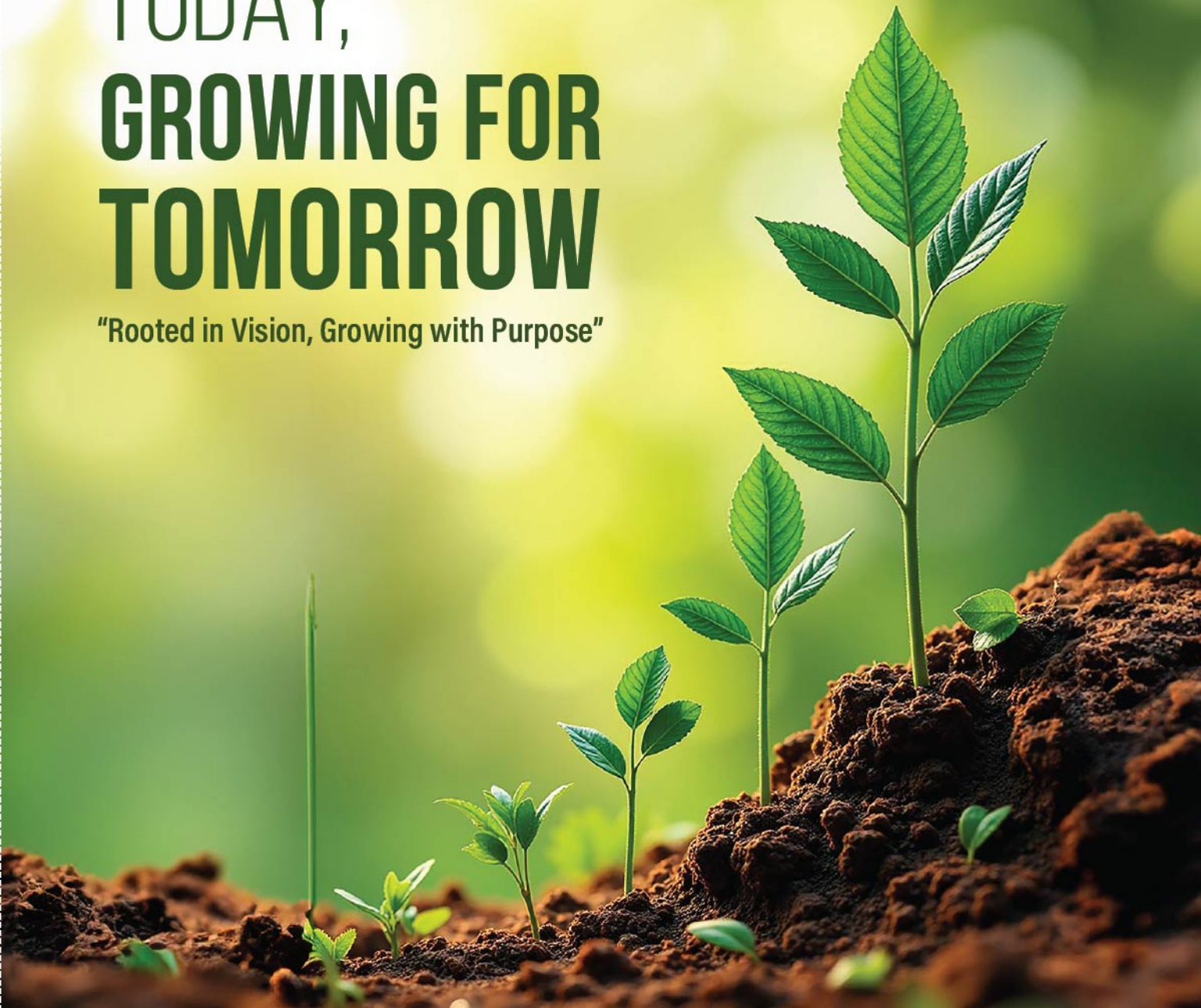


VIP Clothing Limited

ANNUAL  
REPORT  
2025-26

# PLANTING TODAY, GROWING FOR TOMORROW

"Rooted in Vision, Growing with Purpose"



HOUSE OF BRANDS



Frenchie

*Feelings*

**LEADER**

*Brat*

RIVOLTA

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



# "DEEPLY ROOTED IN TRUST. BRANCHING INTO NEW HORIZONS."

## 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 **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.**





1992

Launch of  
Feelings:  
A Brand for  
Women



1991

Expansion of VIP  
into international  
markets



1982

Launch of  
Frenchie

1981

The Launch of  
Petals Lycra and  
moulded cups

1971

VIP Launched as  
Hybo Hindustan

1993

Got listed on OTC Stock  
Exchange. Establishment  
of our TTC Plant



1994

Renaming to Maxwell  
Industries Ltd

1996

Founded a  
new Brand  
Rivolta

2019

Introduced the new  
VIP Fresh Range



2020

Launch of Masks  
during the  
Pandemic Year

2021

Restructuring the Company:  
Launch of Leisurewear and  
High Ticket value products



2022

Launch of  
Frenchie U19 an  
exclusive product  
line for the Teens



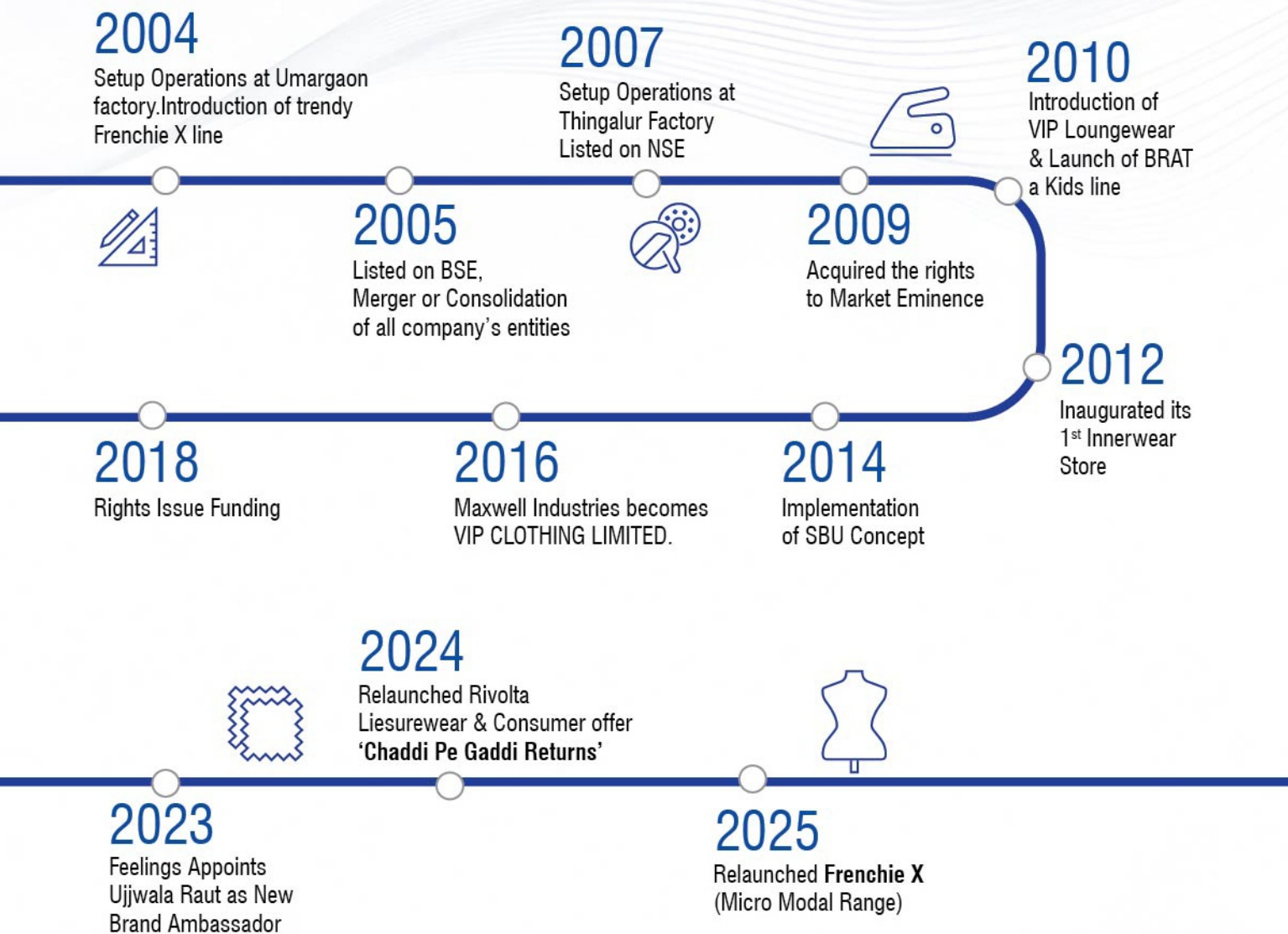
A TIMELINE  
WORTH TRAVELLING



DID YOU KNOW!



# 56 YEARS OF INNERWEAR EXPERTISE



THE STIRRING JOURNEY OF 56 YEARS FROM WARDROBES TO HEARTS

TODAY VIP IS AN EMOTION FELT BY THE NATION



## "Style with Substance: The Next Era of Innerwear"



Frenchie X has entered a dynamic new phase, centring its identity on cutting-edge product technology, everyday performance, and an uncompromised commitment to modern youth culture. Today's collection is built for Gen Z, millennials, and the youth-at-heart who demand supreme comfort without sacrificing bold, confident style.

### "Engineered for Comfort, Crafted for the Youth"

At the heart of the current Frenchie X range is advanced TENCEL™ Micro Modal fabric technology:

- **Ultra-Soft & Breathable:** Delivers a feather light feel with superior moisture-wicking properties designed for active, non-stop days.
- **Youth-Centric Innovation:** Tailored to keep up with dynamic, modern lifestyles, offering high-energy style for the young and young-at-heart.
- **Accessible Premiumization:** VIP Clothing Ltd. brings high-tech, ultra-comfortable fabric out of the niche luxury segment and into everyday reach, making premium innerwear genuinely accessible.

### "Designed to Move, Built to Perform"

Beyond high-performance fabrics, the Frenchie X product range focuses on precision engineering and modern aesthetics. Featuring adaptive fits, shape-retaining stretch, and vibrant contemporary designs, every piece offers an effortless blend of functionality and flair. It is an innerwear crafted to seamlessly adapt to vibrant, expressive lifestyles—delivering confidence from the inside out. As VIP Clothing Ltd. continues to drive the brand forward under visionary leadership, Frenchie X stands as a benchmark for how modern innerwear should perform: bold, innovative, and spirited.

**"Unapologetically Bold. Effortlessly Young."**





**Frenchie**  
MAKES A BIG IMPRESSION



**BRIEF | TRUNK | VEST**



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



**VIP.IN**





SKIMPYS • SKIEN II • SENSORY





*Confidence starts with comfort!*



### ***"Redefining Youth Fashion: The Yuwa Series"***

The Yuwa Series stands as VIP's premier youth-focused line, tailored specifically to the lifestyle demands of India's fashion-forward Gen Z and millennial consumers. Blending expressive design with functional performance, the collection reinforces VIP's brand narrative rooted in boldness, individuality, and uncompromised everyday comfort. Crafted with premium fabrics, modern silhouettes, and trend-driven aesthetics, the Yuwa Series provides tailored options across diverse youth lifestyles:

**Maxer:** A sporty mini trunk designed for active movement and dynamic styling.

**Univo:** Universal-style briefs delivering classic appeal with all-day breathability.

**Ascent:** Premium mini trunks offering superior support and a refined fit.

**Azure:** Ultra-light, sleek briefs engineered for modern minimalism and ease.

**One Up:** Bold, printed long trunks made for those who express confidence through their wardrobe.

The Yuwa Series plays an integral role in VIP's strategy to premiumize its portfolio and strengthen its lifestyle connection with younger demographics. Far beyond basic innerwear, the range serves as a statement of personality and self-expression. Through this collection, VIP Clothing Ltd. continues to serve as a modern lifestyle partner—catering to a generation that is vibrant, fearless, and always comfortable.

***"Fashion Meets Function for the Next Generation."***



  
**VIP**<sup>®</sup>

Fit itna mast,  
ab no adjust.



*Fresh*

**STAY FRESH**  
**24x7** 



# Feelings

BY **VIP**<sup>®</sup>

CAMISOLE • BRA • PANTY • SOCKS • LEISUREWEAR



**HIPSTER**  
Amelie - 108



**PASSION**  
Outer Elastic



**BOY SHORT**  
Amelie - 113



**INTIMATE**  
Outer Elastic



**BOY LEG**  
Amelie - 112



# 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





Frenchie  
BY VIP®

PRO  
BRIEF

MADE TO  
IMPRESS







**PREMIUM SOCKS**

*Premium Comfort,  
Daily Styles.*

**NO SHOW • ANKLE LENGTH • FULL LENGTH**

Available in different styles for Men & Women





# LEADER

BY VIP<sup>®</sup>

जो देश को  
आगे बढ़ाता है!

DELUXE  
TRUNK



100% COTTON  
INTERLOCK FABRIC



COVERED ELASTIC  
WAISTBAND



# RIVOLTA

BY **VIP**<sup>®</sup>



T-SHIRTS • JOGGERS • SHORTS



# OUR LEADERSHIP

## BOARD OF DIRECTORS



**Dr. 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 is a distinguished colour technology professional with over two decades of experience in colour science, technology and industry solutions. He holds an M.Sc. in Organic Chemistry (Research) and an Advanced Course in Colour Technology from Rensselaer Polytechnic Institute, USA, with international experience at Milton Roy, USA, and senior roles with the Mafatlal Group and AGS Transact Technologies Ltd. He has extensive expertise in colour matching and spectrophotometry across textiles, paints, plastics, printing & packaging and automotive industries. He is a Visiting Professor at ICT, Mumbai and DKTE, Ichalkaranji, and has received the Chartered Colourist (C. Col.) and Fellow (F.S.D.C.) distinctions, along with the Society's Silver Medal and the Service Gold Medal of the Textile Association of India



**MR. UDAY AJGAONKAR**

Mr. Uday Laxman Ajgaonkar is a seasoned textile industry professional with over 55 years of distinguished experience in the yarn sector. A B.Sc. graduate from Karnataka University, he possesses extensive expertise in yarn trading, exports and strategic advisory, including over three decades of association with leading textile groups such as Gokak and Vardhaman. Over the course of his career, he has advised and served several prominent organisations across the garments, socks, towels, shirts and innerwear segments, including Welspun, Jockey, VIP, Arvind, Ashima and Spenta. His deep industry knowledge, extensive professional network and long-standing sectoral experience bring valuable insights to the Board.



**DR. KISHOR NAVANDAR**

Dr. Kishor Navandar is a distinguished entrepreneur, economist and business leader with over two decades of experience in strategic management and enterprise development. He is the Chairman & Managing Director of Blue Billion Group, with diversified interests across real estate, hospitality, infrastructure, media, energy and consumer sectors. He holds leadership positions in prominent industry and professional bodies, including AACCI, International Council of Jurists, Global Chambers of Consumer Rights and Marwadi Chambers of Commerce. His strategic acumen, industry expertise and understanding of corporate governance enable him to provide valuable guidance to the Board and contribute to the Company's long-term growth and value creation.



**MS. VANDANA BHARDWAJ**

Ms. Vandana Bhardwaj is a distinguished entrepreneur and business leader, serving as Director and Spokesperson of Marie Claire – B2C Network LLP, a Paris-based salon franchise in India. She holds a B.Com., Master's in Public Administration and a Ph.D. in Social Work.

She is the Founder of "My Helping Hands", dedicated to the welfare of children and animals, and has been recognised with several accolades, including the Mumbai Entrepreneur Award, Maharashtra Ratna Puruskar and Hindustani Pillar Award. She has also ventured into the entertainment sector through her production house, Acolade Entertainment.



# KEY MANAGERIAL PERSONNEL



**MR. DEVENDRA VYAS**

Chief Financial Officer

Mr. Devendra Vyas has been associated with the Company since 2012 and is a Chartered Accountant with a Master's degree in Business Administration. He brings over 23 years of extensive experience in finance, accounting, taxation, costing, audit, budgeting, financial planning and business management. He has played a pivotal role in strengthening the Company's financial management, internal controls and operational processes, while driving strategic financial initiatives and enhancing operational efficiency. Prior to joining the Company, he held key finance positions with reputed organisations including J.K. Cement Limited, Prince Pipes and Fittings Limited, Parksons Graphics Limited and Unimin India Limited. His expertise in financial strategy, risk management, corporate governance and regulatory compliance enables him to provide effective financial leadership and contribute to the Company's sustainable growth.



**MR. RAHUL SONI**

Company Secretary & Compliance Officer

Mr. Rahul Soni is a Company Secretary and Associate Member of the Institute of Company Secretaries of India (ICSI), with over 13 years of experience in corporate laws, securities regulations, corporate governance and secretarial practice. He holds a B.Com. degree from the University of Mumbai, LL.B. and a Diploma in Corporate Law. He has been associated with reputed organisations including India Infoline Limited (IIFL), Euro Ceramics Limited, Dholakia & Associates LLP and Gujarat Themis Biosyn Limited, handling complex corporate, regulatory and governance matters. His expertise encompasses Board and Committee processes, SEBI and stock exchange compliances, corporate governance and regulatory advisory, enabling him to contribute effectively to the Company's governance and compliance framework.



“

*The true test of leadership is not how an organisation performs when conditions are favourable, but how it responds when the path ahead is uncertain.*”

CHAIRMAN &  
MANAGING DIRECTOR

**Dr. Sunil J. Pathare**



### Dear Shareholders,

Every challenge presents a choice—to remain unchanged or to reinvent. At VIP Clothing Limited, we have consistently chosen the path of reinvention. Our legacy of more than five decades has been built on resilience, trust and disciplined execution, and our future will continue to be shaped by innovation, integrity and an unwavering commitment to excellence.

The financial year 2025–26 was another year of transition for the Indian apparel and innerwear industry. Changing consumer preferences, pricing pressures, intense competition, fluctuating raw material costs and a rapidly evolving retail landscape continued to test businesses across the sector. At VIP Clothing Limited, we viewed these challenges as an opportunity to strengthen our fundamentals and accelerate transformation.

While our financial performance reflects the realities of the prevailing business environment, the year also marked important progress in building a stronger foundation for sustainable growth. We focused on improving operational efficiency, strengthening product development, optimising our supply chain, expanding distribution, enhancing governance and investing in capabilities that will support the Company’s long-term ambitions.

### Financial Performance



**Revenue from Operations:**  
₹ 253.83 Crore



**EBITDA:**  
₹ 23.93 Crore



**Profit After Tax:**  
₹ 9.81 Crore



**EBITDA Margin:**  
9%



**Earnings Per Share:**  
₹ 1.09



**Net Worth:**  
₹ 194.37 Crore



Financial performance remains an important measure of progress; however, our focus extends beyond short-term numbers. We are equally committed to strengthening the organisation, its brands, capabilities and competitive position for the years ahead.

### BUILDING THE NEXT CHAPTER

The Indian innerwear and apparel market continues to offer significant long-term potential, supported by rising incomes, increasing brand consciousness, premiumisation, organised retail and the rapid expansion of digital commerce.

To capture these opportunities, our strategy is centred on **five priorities**.





1

### STRENGTHENING OUR BRANDS



Our brands have earned the confidence of consumers across generations. We will continue investing in product innovation, design, quality, consumer insights and brand communication to strengthen their relevance and leadership.

2

### EXPANDING DISTRIBUTION



We are strengthening our presence across traditional trade, modern and organised retail, e-commerce, institutional business and international markets. Our objective is to ensure that our products are accessible wherever our consumers choose to shop.

3

### MANUFACTURING EXCELLENCE



Our integrated manufacturing capabilities remain a key competitive strength. Continued investments in technology, automation, quality systems and process improvement will enhance productivity, consistency and responsiveness to market demand.

4

### DIGITAL TRANSFORMATION



Technology is increasingly becoming integral to our business strategy. We are strengthening digital capabilities across planning, manufacturing, inventory, supply chain, customer engagement and analytics to improve transparency, agility and decision-making.

5

### DISCIPLINED CAPITAL ALLOCATION



Our approach to growth will remain financially disciplined. We are focused on improving working capital efficiency, return on capital employed and profitability while creating sustainable long-term value for shareholders.



### PEOPLE: OUR GREATEST STRENGTH

"Factories manufacture garments; people build companies."

Every product carrying the VIP name reflects the dedication of our employees across factories, warehouses, offices and markets, together with the commitment of our distributors, retailers, suppliers and business partners.

We remain committed to building a culture where people are respected, empowered and encouraged to grow. Leadership, in my view, is not measured merely by the number of people one leads, but by the number of people who grow because of that leadership.

### RESPONSIBLE GROWTH

Corporate success carries responsibilities beyond financial performance. We remain committed to environmental sustainability, ethical business practices, employee well-being, workplace safety, responsible manufacturing and strong corporate governance.

Our approach to ESG is not limited to compliance; it is rooted in our belief that responsible business practices are essential to creating enduring value for all stakeholders.

### LOOKING AHEAD

India is entering an exciting phase of consumption-led growth, supported by favourable demographics, rising disposable incomes, urbanisation and increasing digital connectivity. We believe VIP Clothing Limited is well positioned to participate meaningfully in this opportunity.

Our priorities are clear—to accelerate profitable growth, strengthen our leadership in innerwear, expand into adjacent categories, grow our international business, build a digitally enabled and consumer-centric organisation, and continue investing in innovation, quality and people.

Our ambition extends beyond financial milestones. We aspire to build one of India's most admired apparel companies—recognised for its brands, integrity, innovation, operational excellence and contribution to society.

### A NOTE OF GRATITUDE

I sincerely thank our customers, distributors, retailers, suppliers, bankers, institutional partners, business associates, investors and shareholders for their continued trust and support.

I also extend my deepest appreciation to every member of the VIP Clothing Limited family for their perseverance, professionalism and dedication, and to our Board of Directors for their invaluable guidance and commitment to the long-term interests of the Company.

The future belongs to organisations that evolve while remaining true to their values. At VIP Clothing Limited, we move forward with confidence, humility and determination—strengthening our legacy while building a stronger tomorrow.





## Dear Shareholders,

Every year gives us an opportunity to look beyond the numbers and reflect on what we have built, what we have learnt and, importantly, what we must do better. For VIP Clothing Limited, this has been a period of consolidation, strengthening and purposeful transformation. As a member of the leadership team, I see our responsibility clearly: to protect the trust built over more than five decades while preparing the Company for the realities of a very different market.

The past year was not without its challenges. Input costs remained volatile, consumer preferences continued to evolve and supply-chain conditions demanded greater vigilance. External developments also affected international business and consumer sentiment. We acknowledge these realities openly. Our response has been to remain disciplined, focus on what we can control and strengthen the fundamentals of the business rather than chase short-term outcomes.



DEPUTY  
MANAGING DIRECTOR

**Mr. Kapil J. Pathare**

Our operating foundation remains one of our key strengths. The Thingalur facility in Tamil Nadu, spread across 19.2 acres, continued to demonstrate our focus on productivity, safety and manufacturing discipline. Its on-campus facilities supporting more than 300 women workers also reflect our belief that a strong manufacturing organisation must create opportunities for its people. Through selective automation, tighter process control and focused training, we have worked to improve throughput without compromising the quality associated with our brands.



People have remained central to this effort. During the year, our Human Resources agenda moved beyond compliance towards capability and culture. Training for frontline teams was expanded, clearer growth pathways were created, particularly for women within our production units. These are not merely HR initiatives; they are investments in building a more capable, accountable and resilient organisation. We continued to strengthen employee welfare, statutory compliance and HR processes to create a safe, supportive and compliant workplace.



We have also paid greater attention to the consumer's experience. Packaging was upgraded to be more durable, attractive and better suited to modern retail and e-commerce requirements. Product development remained focused on comfort, quality and value, while selected ranges introduced better fabrics, smarter construction and more eco-considerate materials. The objective is straightforward: to keep VIP relevant to today's consumer without losing the trust that has been earned over decades.



Operationally, we have learnt that consistent growth depends as much on discipline as on ambition. We diversified important elements of our supply base, strengthened energy-efficient practices and improved demand forecasting, inventory planning and order fulfilment. Better data and planning are helping us shorten lead times, improve service levels and manage working capital with greater precision.





Technology is now an important part of this transformation. During FY2025–26, we continued strengthening our digital e-commerce and supply-chain ecosystem through Order Management and marketplace integration using Vinculum's omnichannel, AI-driven SaaS platform. This is improving visibility of inventory and orders across channels and supporting faster fulfilment.



## DIGITAL & TECHNOLOGY TRANSFORMATION

Our D2C platform, [www.vip.in](http://www.vip.in), operates on Shopify and has been strengthened through an AI-driven checkout system powered by pragma.AI, an RTO reduction suite, WhatsApp-based CRM and abandoned-cart recovery. Together, these capabilities are helping us build a more connected digital commerce ecosystem, improve the customer journey and make our online operations more responsive and efficient.

We are also introducing Massist, an AI-powered Sales Force Automation system, to strengthen the way our field organisation works. Real-time order booking, better territory and beat planning, and improved visibility of retailer and distributor performance will enable faster field response and help connect sales activity more closely with business decisions. For us, technology is valuable only when it improves execution on the ground.

A major next step is our ERP transformation. The new ERP initiative is not being viewed simply as an IT replacement. It is an opportunity to redesign business processes, reduce manual intervention, improve data accuracy and strengthen governance. Alongside this, business intelligence, standardised SOPs, approval workflows and escalation mechanisms are being strengthened to create greater transparency, accountability and control.



## RETAIL & INTERNATIONAL PRESENCE

On the market side, our approach remains measured. We are strengthening our presence across core domestic channels while expanding digital and omnichannel engagement. Internationally, we have taken selective steps in markets including the Middle East and Gulf and some parts in Africa island. These initiatives are intended to build a durable presence and broaden our revenue base over time.

I am conscious that shareholders ultimately judge us not by the number of initiatives we announce, but by the quality and consistency of their execution. Your expectations of us are rightly high: sound financial discipline, transparency in decision-making, accountability for outcomes and a business that can create value sustainably. We therefore remain focused on getting the fundamentals right — reliable production, consistent supply, product quality, stronger systems, capable people and careful management of cash and working capital. We may not get everything right in the first attempt, but we must remain honest about what needs to improve and decisive in improving it.

As we enter the next phase, our priorities are therefore clear. We will strengthen manufacturing and supply-chain capabilities, build organisational capability, improve technology and management controls, develop our brands and expand selectively across domestic, digital and international channels. Innovation will remain important, but it will be pursued with commercial discipline. Our aim is not only growth at any cost; but it is to build a business that is more efficient, more responsive and better prepared to deliver consistency and profitable growth.

“ I would like to thank our employees, vendors, trade partners, bankers, investors and customers for their continued commitment and collaboration. Most importantly, I thank you, our shareholders, for your trust. Carrying forward a legacy of more than five decades comes with responsibility, but it also gives us a strong foundation from which to build.”



Our task now is to respect that legacy while having the courage to change what needs to change. We will remain focused on execution, disciplined in our decisions and accountable for the results. That, in my view, is the right way to honour the past, strengthen the present and build the next chapter of **VIP Clothing Limited.**”



# CORPORATE INFORMATION

## INFORMATION



### COMPANY INFORMATION

**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](mailto:investor.relations@vip.in)  
**Website**: <http://www.vipclothing.in>  
**CIN** : L18101MH1991PLC059804



### REGISTRAR & TRANSFER AGENTS

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



### BANKERS

STATE BANK OF INDIA  
IDBI BANK LIMITED  
HDFC BANK LIMITED



### AUDITORS

Statutory Auditor  
**M/S DMKH & Co.**  
Practising Chartered Accountants

Secretarial Auditor:  
**M/S. KRS & Co.**  
Practising Company Secretaries



### PLANT LOCATIONS

**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

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

**Kolkata** : C/o. Frontier Warehousing Ltd.,  
Block - E, Ground Floor, Godown No.11&12,  
153F, S. M. Bose Road, Panihati,  
P.O. Agarpara, Kolkata – 700 114

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



### INVESTOR INFORMATION

Market capitalization as at March 31, 2026

**BSE** ₹ 13,474.36 (In Lakhs)

**NSE** ₹ 13,330.16 (In Lakhs)

BSE Scrip Code 532613

NSE Symbol VIPCLOTHNG

**36<sup>th</sup> AGM Date** Monday, September 28<sup>th</sup>, 2026  
at 12:00 noon (IST)  
Through Video Conferencing



# COMMITTEES

## AUDIT COMMITTEE

DR. KISHORE NAVANDAR (CHAIRMAN)

MR. VILAS GUPTÉ

MR. UDAY AJGAONKAR

DR. SUNIL PATHARE

## NOMINATION & REMUNERATION COMMITTEE

DR. KISHOR NAVANDAR (CHAIRPERSON)

MR. VILAS GUPTÉ

MS. VANDANA BHARDWAJ

MR. UDAY AJGAONKAR

## STAKEHOLDERS RELATIONSHIP COMMITTEE

MR. UDAY AJGAONKAR (CHAIRPERSON)

MR. VILAS GUPTÉ

MS. VANDANA BHARDWAJ

MR. KAPIL PATHARE

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

MS. VANDANA BHARDWAJ (CHAIRPERSON)

DR. KISHORE NAVANDAR

MR. UDAY AJGAONKAR

DR. SUNIL PATHARE



# FINANCIAL HIGHLIGHTS

## OPERATING REVENUE

₹ 25,382.85  
(IN LAKHS)



## PROFIT AFTER TAX

₹ 980.96  
(IN LAKHS)



## EARNINGS PER SHARE

₹ 1.09



## BOOK VALUE PER SHARE

₹ 21.57



## CONTENTS

|                                   |        |
|-----------------------------------|--------|
| Notice of Annual General Meeting  | ...001 |
| Board's Report                    | ...015 |
| Corporate Governance Report       | ...039 |
| Management Discussion & Analysis  | ...066 |
| Auditor's Report                  | ...076 |
| Balance Sheet                     | ...090 |
| Statement of Profit & Loss        | ...092 |
| Cash Flow Statement               | ...094 |
| Notes to The Financial Statements | ...098 |
| Financial Highlights              | ...159 |





## NOTICE

**NOTICE** is hereby given that the **36<sup>th</sup>** Annual General Meeting (the "AGM" or the "Meeting") of the Members of **VIP Clothing Limited** (the "Company") will be held on **Monday, 28<sup>th</sup> September, 2026** at **12:00 Noon** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2026, together with the reports of the Board of Directors and the Auditors 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 the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, together with the notes thereto and the reports of the Board of Directors and the Auditors thereon be and are hereby received, considered, approved and adopted."

- 2. To appoint a Director in place of Mr. Kapil J. Pathare (DIN: 01089517), 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. Kapil J. Pathare (DIN: 01089517), who retires by rotation at this Annual General Meeting, and, being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### Registered Office:

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

**Place:** Mumbai

**Date:** August 13, 2026

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

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

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

SD/-

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



**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, General Circular No. 09/2024 dated 19.09.2024 and latest General Circular No 03/2025 dated September 22, 2025 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, General Circular No. 09/2024 dated 19.09.2024 and latest General Circular No 03/2025 dated September 22, 2025 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 **Tuesday, September 22, 2026 to Monday, September 28, 2026**. (both days inclusive)
6. MUFG Intime India Private Limited ("MI IPL") (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).



#### a. **Niveshak Shivir – Investor Facilitation Initiative**

Shareholders may also take note of the “Niveshak Shivir”, an investor-facilitation initiative jointly undertaken by the Securities and Exchange Board of India (“SEBI”) and the Investor Education and Protection Fund Authority (“IEPFA”), Ministry of Corporate Affairs, with the objective of assisting investors in resolving issues relating to unpaid dividends, unclaimed shares, KYC and nomination updates, and pending claims with the IEPF Authority.

The Niveshak Shivir provides an opportunity for investors to obtain assistance from SEBI, IEPFA, Stock Exchanges, Depositories and Registrar and Transfer Agents (“RTAs”) in relation to their pending investor-related matters. Such initiatives are intended to facilitate investors in claiming their legitimate entitlements and reducing unclaimed investor assets.

Shareholders are encouraged to make use of such investor-facilitation initiatives, wherever applicable, and to keep their KYC, PAN, bank account, contact details and nomination details updated with the Company/RTA and their Depository Participant, as applicable.

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 available on the website of the Company at <https://www.vipclothing.in/investor.html#parentHorizontalTab6>.
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 the Securities and Exchange Board of India (“SEBI”), vide Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, has mandated that listed companies shall issue securities in dematerialised form only while processing service requests such as issue of duplicate security certificates, claim from Unclaimed Suspense Account, renewal/exchange of security certificates, endorsement, sub-division/splitting of security certificates, consolidation of security certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting duly filled and signed Form ISR-4, the format of which is available on the website of the Company and on the website of the Company's Registrar and Share Transfer Agent (“RTA”), MUFG Intime India Private Limited. Members may note that any service request can be processed only after the folio is KYC compliant. Upon processing of the service request, a Letter of Confirmation will be issued to the shareholder(s), which shall be valid for a period of 120 days, within which the shareholder(s) shall make a request to the Depository



Participant for dematerialisation of such shares. In case the shareholder(s) fail to submit the dematerialisation request within the aforesaid period, the Company shall credit such shares to the Suspense Escrow Demat Account of the Company. Shareholder(s) may thereafter claim such shares from the Suspense Escrow Demat Account by submitting the prescribed 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 note that the Equity Shares of the Company were sub-divided from 1 (One) Equity Share of face value of ₹10/- each into 5 (Five) Equity Shares of face value of ₹2/- each, pursuant to the resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on February 1, 2006. Accordingly, Members who are still holding share certificates of face value of ₹10/- each are requested to surrender the same for exchange with new share certificates of face value of ₹2/- each by submitting the old share certificates to the Company's Registrar and Share Transfer Agent ("RTA"), MUFG Intime India Private Limited. Members may note that the old share certificates of face value of ₹10/- each are no longer valid for trading.
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.com>
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.

#### **a. SEBI Special Window for Transfer and Dematerialisation of Physical Securities**

Pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, SEBI has introduced a Special Window for Transfer and Dematerialisation of Physical Securities to facilitate investors who were unable to complete the transfer of physical securities purchased/sold prior to April 01, 2019, including certain cases where transfer requests were earlier rejected, returned or not attended to due to deficiencies in documents/process or otherwise.

The Special Window is available from February 05, 2026 to February 04, 2027, subject to the eligibility criteria and conditions prescribed under the said SEBI Circular.

The Company has made the relevant information regarding the said Special Window available to its shareholders through the Company's website and newspaper publications, with a view to facilitating eligible shareholders in taking appropriate action within the prescribed timeline. Shareholders are advised to refer to the detailed communication available on the Company's website at <https://vipclothing.in/sw.pdf>

17. A brief profile of the Director retiring by rotation and seeking re-appointment at this AGM, including the nature of his expertise in specific functional areas, names of companies in which he holds directorships, membership/chairmanship of Board Committees, shareholding, and relationship between Directors and Key





Managerial Personnel, as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the 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 at <https://www.vipclothing.in/investor.html#parentHorizontalTab6>. 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. Members may note that the Securities and Exchange Board of India ("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 the Master Circular for Online Resolution of Disputes in the Indian Securities Market bearing Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated December 28, 2023 (as amended from time to time), 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.zimlab.in/contact>.

## 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 36<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 (formerly Link 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 **M/s. KRS & 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. F13938 and COP No. 15386), 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 in the presence of at least two witnesses not in the employment of the Company and shall, not later than two working days from the conclusion of a AGM, submit a consolidated Scrutiniser's Report of the total votes cast in favour



of or against, if any, to the Chairman or to a person authorised by him in writing, who shall countersign the same and declare the results 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 a 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 [enotice@in.mpms.mufig.com](mailto:enotice@in.mpms.mufig.com). However, if he/she is already registered with MIIP- 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 **Friday, September 25, 2026 at 10:00 a.m.** and ends on **Sunday, September 27, 2026 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) **Monday, September 21, 2026** 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/0155 dated November 11, 2024, 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 remote e-Voting facility.

#### Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

#### METHOD 1 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- 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 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- Enter IDeAS User ID, Password, Verification code & click on "Log-in".
- Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- 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.

Shareholders not registered for IDeAS facility:

- 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>
- Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- Enter the last 4 digits of your bank account / generate 'OTP'
- Post successful registration, user will be provided with Login ID and password.
- Follow steps given above in points (a-d).

Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



## METHOD 3 - NSDL e-voting website

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen & click on "Login".
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- 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 - CDSL e-voting page

- Visit URL:
- Go to e-voting tab.
- Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- Post successful authentication, user will be able to see e-voting option. The evoting option will have links of evoting service providers i.e., MUFG InTime. 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 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or Visit URL: [www.cdslindia.com](http://www.cdslindia.com), click on "Login" and select "My Easi New (Token)".



- Enter existing username, Password & click on "Login".
- Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. 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.

Shareholders not registered for Easi/ Easiest facility:

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Home/EasiRegistration/>  
[https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration.](https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration/)
- Proceed with updating the required fields for registration.
- Post successful registration, user will be provided username and password on the registered email id. Follow steps given above in points (a-c).

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.

- Login to DP website
- After Successful login, user shall navigate through "e-voting" option.
- Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- Post 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 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 and vote on InstaVote as under:

#### STEP 1: LOGIN / SIGNUP on InstaVote

Shareholders registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.

- Enter details as under:

- User ID: Enter User ID
- Password: Enter existing Password
- Enter Image Verification (CAPTCHA) Code
- Click "Submit".

|                   |                              |                                                                                                                |
|-------------------|------------------------------|----------------------------------------------------------------------------------------------------------------|
| InstaVote USER ID | NSDL                         | User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678). |
|                   | CDSL                         | User ID is 16 Digit Beneficiary ID.                                                                            |
|                   | Shares held in physical form | User ID is <u>Event No + Folio No.</u> registered with the Company                                             |

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

Shareholders not registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

- User ID: Enter User ID

- 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.

- DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)

|                   |                              |                                                                                                                |
|-------------------|------------------------------|----------------------------------------------------------------------------------------------------------------|
| InstaVote USER ID | NSDL                         | User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678). |
|                   | CDSL                         | User ID is 16 Digit Beneficiary ID.                                                                            |
|                   | Shares held in physical form | User ID is <u>Event No + Folio No.</u> registered with the Company                                             |

- D.** Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- o Shareholders, holding shares in **NSDL form**, shall provide 'point 4' above.
  - o Shareholders, holding shares in **CDSL form**, shall provide 'point 3' or 'point 4' above.
  - o Shareholders, holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above
- E.** 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).
- F.** Enter Image Verification (CAPTCHA) Code.
- G.** Click "Submit" (You have now registered on InstaVote).  
Post successful registration, click on "**Login**" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

## STEP 2: Steps to cast vote for Resolutions through InstaVote

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- B. Select 'View' icon. E-voting page will appear.
- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- E. 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.

**NOTE:** Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

**Non-Individual Body corporate shareholders** shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) and the company at registered email address.

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

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

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- C. Fill up your entity details and submit the form.
- D. 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). 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).
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

### STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on "Investor Mapping" tab under the Menu section
- C. Map the Investor with the following details:
- 1) Investor ID – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e.,





IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

- 2) Investor's Name - Enter Investor's Name as updated with DP.
- 3) Investor PAN' - Enter your 10-digit PAN.
- 4) Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: 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.

D. 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 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

#### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) 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.".
- 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). After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- f) 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.  
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will see "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" tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file 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).

NOTE: **Non-Individual Body corporate shareholders** shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at [enotices@in.mpms.mufig.com](mailto:enotices@in.mpms.mufig.com) and the company at registered email address.

#### 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.mufig.com](mailto:enotices@in.mpms.mufig.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:

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

Individual 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>

|                   |                              |                                                                                                                  |
|-------------------|------------------------------|------------------------------------------------------------------------------------------------------------------|
| InstaVote USER ID | NSDL                         | User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (eg. 12345678). |
|                   | CDSL                         | User ID is 16 Digit Beneficiary ID.                                                                              |
|                   | Shares held in physical form | User ID is Event No + Folio No. registered with the Company                                                      |

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

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
- Further Click on "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. 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.



## General Instructions - Shareholders

- 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".

## Process and manner for attending the General Meeting through InstaMeet:

### INSTAMEET VC INSTRUCTIONS:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 03/2025 dated 22.09.2025, the companies can continue to conduct AGMs by VC or OAVM, as per the existing procedural requirements. Till further orders, the relaxations will remain in force.

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:

- Visit URL: <https://instameet.in.mpms.mufg.com> & click on "Login".
- Select the "Company Name" and register with your following details:
  - 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 Email Id with the DP shall enter the Email Id.
- 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:

- Shareholders who would like to speak during the meeting must register their request with the company at company's registered email address.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- 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.
- 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:

- On the Shareholders VC page, click on link "Cast your vote".
- 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.
- Click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- 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'.
- 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.mufig.com](mailto:instameet@in.mpms.mufig.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

### Registered Office:

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

**Place:** Mumbai

**Date:** August 13, 2026

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

SD/-

**Dr. Sunil J. Pathare  
DIN: 00192182**

**Chairman and Managing Director**

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

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

**VIP Clothing Limited**



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

### 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 Director</b>                                                  | Mr. Kapil Pathare                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Date of Birth/Age</b>                                                 | 05 <sup>th</sup> September, 1979, 47 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Qualification</b>                                                     | B.Com, MBA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Brief resume including nature of expertise</b>                        | Mr. Kapil Pathare is the Deputy Managing Director and a Founder-Family Promoter of VIP Clothing Limited. Over a distinguished career spanning more than 23 years with the organization, he has been central to transforming the company from a traditional manufacturer into a modern, quality-driven market leader. Backed by a B. Com from Mumbai University and an MBA from NMIMS, Mr. Pathare combines strategic vision with vast, specialized expertise in hosiery manufacturing, quality assurance, and production processes. A dynamic leader, mentor, and published author, he continues to drive operational excellence and customer-centric growth across all manufacturing divisions of the Company. |
| <b>Recognition or awards</b>                                             | <ul style="list-style-type: none"> <li>• Bharat Nirman Award for Young Entrepreneur, New Delhi.</li> <li>• Business Award Summit, JW Marriott, Baku, Azerbaijan.</li> <li>• Leaders Award – Brand of the year 2021.</li> <li>• National Business Excellence &amp; Achiever's Award 2021 awarded by Governor Shri Bhagat Singh Koshyari.</li> <li>• The Iconic India awards 2026.</li> <li>• Business Excellence awards 2026 by Thane Vaibhav.</li> </ul>                                                                                                                                                                                                                                                        |
| <b>Date of Appointment</b>                                               | 15-09-2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>List of the directorships held in other Listed Companies</b>          | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Relationship with other Directors</b>                                 | Younger brother of Dr. Sunil Pathare, Chairman and Managing Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Number of Board Meetings attended during the year.</b>                | 4 (Four)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Membership / Chairmanship of Committees of other listed companies</b> | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Terms and conditions of appointment or re-appointment</b>             | Re-Appointment as Executive Director, liable to retire by rotation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Remuneration</b>                                                      | Details are mentioned in Corporate Governance report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>No of shares held in the Company as on March 31, 2026</b>             | 1,50,65,548 Equity shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

\*Committees include 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 36<sup>th</sup> Board's Report on the business and operations of the Company, together with the audited financial statements for the financial year ended March 31, 2026 and the Auditors' Report thereon.

### 1. FINANCIAL RESULTS

| Particulars                                                                    | (₹ in Lakhs)                         |                                       |
|--------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|
|                                                                                | Current Year Ended<br>March 31, 2026 | Previous Year Ended<br>March 31, 2025 |
| Revenue from operations                                                        | 25,382.85                            | 23,688.69                             |
| Other income                                                                   | 103.87                               | 136.03                                |
| Total income                                                                   | 25,486.72                            | 23,824.72                             |
| Less: Total expenditure before finance cost, depreciation & income tax         | 23,093.98                            | 22,023.84                             |
| Profit / (loss) before finance cost, depreciation, exceptional items and taxes | 2,392.74                             | 1,800.88                              |
| Less: Finance costs                                                            | 879.10                               | 804.65                                |
| Profit / (loss) before depreciation, exceptional items and taxes               | 1,513.64                             | 996.23                                |
| Less: Depreciation                                                             | 263.03                               | 293.95                                |
| Profit / (loss) before exceptional items & tax                                 | 1,250.61                             | 702.28                                |
| Add / (less): Exceptional items                                                | --                                   | --                                    |
| Profit / (loss) before taxes                                                   | 1,250.61                             | 702.28                                |
| Less: Income tax expense:                                                      |                                      |                                       |
| Current tax                                                                    | (199.45)                             | --                                    |
| Deferred tax charge / (benefit)                                                | 469.10                               | 156.63                                |
| Profit / (loss) for the period before other comprehensive income               | 980.96                               | 545.65                                |
| Add/(less): Other comprehensive income                                         |                                      |                                       |
| Re-measurement gains / (losses) on defined benefit plans (net of tax)          | 0.16                                 | (5.50)                                |
| Fair value of cash flow hedges through other comprehensive income (net of tax) | --                                   | --                                    |
| Total other comprehensive income for the year                                  | 0.16                                 | (5.50)                                |
| Total comprehensive income for the year                                        | 981.12                               | 540.15                                |

### 2. OPERATIONS

Revenue from operations for the financial year 2025-26 stood at ₹253.83 crore, compared with ₹236.89 crore in the previous financial year, representing an increase of approximately 7%.

The earnings before interest, tax, depreciation and amortisation (EBITDA) margin for the current year stood at approximately 9%, compared with approximately 8% in the previous year.



The net profit for the financial year 2025-26 stood at ₹9.81 crore, compared with ₹5.46 crore in the previous financial year.

### 3. DIVIDEND

The Board has not recommended any dividend on Equity Share Capital for the financial year ended on March 31, 2026.

### 4. TRANSFER TO RESERVE

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

### 5. DISCLOSURES RELATED TO SHARE CAPITAL AND EMPLOYEE STOCK OPTIONS

#### **Share Capital & Warrants:**

During the year under review, the Company had allotted 1,14,05,000 Fully Convertible Warrants on October 03, 2024, on a preferential basis to the eligible allottees belonging to the Non-Promoter Category, entitling the warrant holders to apply for and be allotted an equivalent number of Equity Shares of the Company upon exercise of the conversion option, subject to the terms of issue and applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

In terms of the conditions of issue, 25% of the issue price was received upfront at the time of allotment, while the balance 75% consideration was payable upon exercise of the option to convert the Warrants into Equity Shares within a period of 18 months from the date of allotment.

Since the warrant holders did not exercise the option for conversion of the outstanding 1,14,05,000 Warrants into Equity Shares by remitting the balance consideration within the stipulated period, the said Warrants lapsed and stood cancelled upon expiry of the prescribed exercise period.

Accordingly, in terms of the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the terms of issue of the Warrants, the upfront subscription amount representing 25% of the issue price, amounting to ₹12,83,06,250/-, received at the time of allotment of the aforesaid Warrants, stood forfeited by the Company.

Consequent to the lapse of the aforesaid Warrants, the warrant holders ceased to have any right or entitlement to seek conversion of the said Warrants into Equity Shares of the Company. Further, there was no impact on the paid-up share capital of the Company pursuant to such lapse and forfeiture.

#### **Preferential Issue-Convertible warrants**

The Board of Directors, at its meeting held on May 18, 2026, approved the proposed preferential issue of up to 2,12,00,000 warrants, each convertible into or exchangeable for one equity share within 18 months from the date of allotment, at an issue price of ₹22.50 per warrant, aggregating up to ₹47,70,00,000, to specified persons belonging to the Promoter and Promoter Group and the Non-Promoter Category (Public). The proposed issue is subject to the provisions of Sections 42 and 62(1)(c) of the Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014, Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the SEBI LODR Regulations and other applicable laws, as well as the requisite approvals. The details are set out below:

|               |                                                                                                                                                                       |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue size    | Preferential Issue of upto 2,12,00,000 warrants at an Issue price of ₹ 22.50/- each aggregating to ₹ 47,70,00,000/-.                                                  |
| Conversion    | Each warrant convertible into one fully paid up equity share of ₹ 2/- each.                                                                                           |
| Payment terms | 25% (₹ 5.63 per warrant) to be called upfront; and balance 75% (₹ 16.87 per warrant) on exercising the conversion option within 18 months from the date of allotment. |

The members of the Company, at the Extra-Ordinary General Meeting held on June 11, 2026, approved the aforesaid preferential issue by way of a Special Resolution. The Company has applied to the Stock Exchanges for obtaining in-principle approval for the proposed issue, which is currently awaited.

Upon the proposed allotment of the Warrants and their subsequent conversion into equity shares, the classification of each allottee will remain unchanged. The allottees belonging to the Promoter and Promoter Group will continue to be classified as such, and the remaining allottees will continue to be classified as public shareholders. Accordingly, the proposed issue and conversion will not result in any change in control of the Company, as disclosed in the notice issued to the Members.

The Company did not issue any equity shares with differential voting rights, sweat equity shares or shares pursuant to an employee stock option scheme during the year under review.

## 6. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

As at March 31, 2026, the Company did not have any subsidiary, joint venture or associate company.

## 7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board of Directors:

As on March 31, 2026, the Board of Directors of the Company comprised 6 (Six) Directors, consisting of 2 (Two) Executive Directors and 4 (Four) Non-Executive Independent Directors, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as applicable to the top 2000 listed entities.

The composition of the Board is in conformity with the requirements relating to an optimum combination of Executive and Non-Executive Directors, including Independent Directors and a Woman Director, ensuring an appropriate balance of skills, experience, independence and diversity on the Board. The Board comprises the following Directors:

1. Dr. Sunil Pathare – Executive Chairman and Managing Director
2. Mr. Kapil Pathare – Deputy Managing Director
3. Dr. Kishor Navandar – Non-Executive Independent Director
4. Mr. Vilas Gupte – Non-Executive Independent Director
5. Mr. Uday Ajgaonkar – Non-Executive Independent Director
6. Ms. Vandana Bhardwaj – Non-Executive Independent Woman Director

All the Independent Directors have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations, as amended from time to time. The Board has taken on record the said declarations after undertaking due assessment of the veracity of the same and is of the opinion that the Independent Directors possess requisite integrity, expertise, experience and proficiency required to effectively discharge their duties and responsibilities.



In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act read with the Rules made thereunder and the SEBI LODR Regulations and are independent of the management. The Independent Directors have also complied with the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013.

Further, the Independent Directors have confirmed that they have registered themselves with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("IICA"), wherever applicable, and are exempt from or have complied with the requirement of passing the online proficiency self-assessment test in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board periodically evaluates the need for diversity, independence and specialized skills to ensure effective governance and oversight. The Company believes that the present composition of the Board reflects an appropriate mix of professional expertise, governance experience and independent judgement, thereby enabling the Board to effectively discharge its fiduciary responsibilities and safeguard the interests of all stakeholders, including shareholders, employees, customers, regulators and the community at large.

The Company remains committed to maintaining the highest standards of corporate governance, transparency, accountability and ethical business practices in compliance with applicable laws and regulatory requirements.

Upon completion of their respective terms on March 31, 2025, the Members, through Postal Ballot and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, approved the re-appointment of Dr. Sunil Pathare as Chairman and Managing Director and Mr. Kapil Pathare as Deputy Managing Director for a further period of three years with effect from April 1, 2025.

#### Retirement by rotation:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kapil J. Pathare (DIN: 01089517), Director of the Company, retires by rotation at the ensuing 36<sup>th</sup> Annual General Meeting ("AGM") of the Company and, being eligible, has offered himself for re-appointment.

The Board recommends his re-appointment for the approval of the Members.

Except as stated above, there were no changes in the composition of the Board of Directors of the Company during the financial year under review.

#### Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following persons were designated as the Key Managerial Personnel ("KMP") of the Company as on March 31, 2026:

During the financial year under review, there were no changes in the Key Managerial Personnel of the Company.

| Sr. No. | Name of KMP(s)    | Designation                            |
|---------|-------------------|----------------------------------------|
| 1.      | Dr. Sunil Pathare | Chairman & Managing Director           |
| 2.      | Mr. Kapil Pathare | Deputy Managing Director               |
| 3.      | Mr. Devendra Vyas | Chief Financial Officer                |
| 4.      | Mr. Rahul Soni    | Company Secretary & Compliance Officer |

## 8. COMMITTEES OF THE BOARD

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Board of Directors of the Company has constituted the following Committees to ensure effective governance, transparency and efficient oversight of various functions of the Company:

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

The terms of reference, composition, role and scope of functioning of the aforesaid Committees are in accordance with the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations.

Details relating to the composition of the Committees, meetings held during the financial year, attendance of the members at such meetings and other relevant particulars are provided in the Corporate Governance Report forming part of this Annual Report for the Financial Year 2025-26.

## 9. PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, Schedule IV to the Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Board of Directors has carried out an annual evaluation of its own performance, the performance of its Committees and individual Directors.

The performance evaluation was conducted in accordance with the criteria and framework adopted by the Board, based on the guidance note issued by SEBI vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 on Board Evaluation.

The evaluation process considered various aspects of the functioning of the Board and its Committees, including composition, experience, competencies, effectiveness of Board processes, quality of participation in deliberations, strategic guidance, governance standards, risk management, safeguarding the interests of stakeholders and fulfilment of fiduciary responsibilities.

The Independent Directors, at their separate meeting held on March 28, 2026, inter alia, reviewed the performance of the Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.

The Board expressed satisfaction with the evaluation process and noted that the Directors and Committees continue to operate effectively and demonstrate a high level of commitment towards good governance, transparency and enhancement of long-term stakeholder value.

## 10. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (Four) times during the Financial Year 2025-26. The details of the meetings of the Board, including the dates of the meetings and attendance of the Directors thereat, are provided in the Corporate Governance Report forming part of this Annual Report.



The gap between any two consecutive meetings did not exceed the period prescribed under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **11. RELATED PARTY TRANSACTIONS**

All Related Party Transactions entered into by the Company during the financial year under review were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

During the year under review, the Company did not enter into any material Related Party Transactions requiring approval of the shareholders under the Companies Act, 2013 or Regulation 23 of the SEBI LODR Regulations. Accordingly, the disclosure of Related Party Transactions in Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

All Related Party Transactions were placed before the Audit Committee for prior approval/review, as applicable, in accordance with the Company's Policy on Related Party Transactions and the applicable regulatory requirements.

The Policy on Related Party Transactions is available on the website of the Company and may be accessed by the stakeholders through the prescribed web-link provided in the Corporate Governance Report forming part of this Annual Report.

## **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year under review, the Company has not granted any loans, provided any guarantees or securities, or made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

## **13. PUBLIC DEPOSITS**

The Company neither invited nor accepted or renewed any deposits from the public within the meaning of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

## **14. UNSECURED BORROWING**

During the year under review, the Company received unsecured loans from its Directors. The relevant details are disclosed in the notes to the financial statements.

## **15. FIXED DEPOSIT**

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

## **16. ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 read with the applicable Rules, the annual return of the Company is available on its website at <https://www.vipclothing.in/investor.html#parentHorizontalTab2>

## 17. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the provisions relating to Corporate Social Responsibility ("CSR") are applicable to the Company during the Financial Year 2025-26.

However, in accordance with the provisions of Section 135 of the Act, the obligation to spend on CSR activities is determined based on 2% of the average net profits of the Company made during the three immediately preceding financial years, computed in the manner prescribed under the Act. Since the average net profits of the Company for the said period resulted in a negative figure, the Company was not required to incur any expenditure towards CSR activities during the Financial Year 2025-26.

Accordingly, no amount was required to be spent or transferred towards Corporate Social Responsibility for the Financial Year ended 31<sup>st</sup> March, 2026.

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

The Annual Report on the Corporate Social Responsibility ("CSR") for the Financial Year 2025-26 prepared in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this Report as **Annexure A**.

## 18. 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.

## 19. 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)

## 20. 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)



## **21. 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, 2026.

## **22. CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance, together with the certificate issued by the Practising Company Secretary confirming compliance with the conditions of Corporate Governance, forms an integral part of this Annual Report.

## **23. FAMILIARISATION PROGRAMMES FOR DIRECTORS**

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a structured Familiarisation Programme for its Independent Directors.

The Familiarisation Programme enables the Independent Directors to gain insights into the Company's business operations, industry dynamics, business model, products, regulatory environment, roles, rights and responsibilities, thereby enhancing their ability to effectively discharge their duties and responsibilities as Directors of the Company.

The details of the Familiarisation Programme imparted to the Independent Directors during the financial year under review are available on the website of the Company.

<https://www.vipclothing.in/investor.html#parentHorizontalTab23>

## **24. 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, 2026, 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, 2026 and of the profit of the Company for the year ended on March 31, 2026;
- (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.

## 25. STATUTORY AUDITORS:

M/s. DMKH & Co., Chartered Accountants (Firm Registration No. 116886W), were appointed as the Statutory Auditors of the Company at the 35<sup>th</sup> Annual General Meeting held on September 18, 2025, to hold office from the conclusion of the said meeting until the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in the financial year 2030-31.

## 26. COST RECORD AND COST AUDIT

The provisions relating to maintenance of cost records and conduct of cost audit as prescribed under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company for the Financial Year 2025-26.

## 27. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members, at their 35<sup>th</sup> Annual General Meeting held on 18<sup>th</sup> September 2025, appointed M/s. KRS & Co., Practising Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from the Financial Year 2025-26 and continuing up to the Financial Year 2029-30, to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2026 forms part of this Annual Report as **Annexure – B**.

The Secretarial Audit Report contains certain observations/qualifications. The explanations/comments of the Board of Directors in respect of the observations/qualifications made by the Secretarial Auditor are as under:

### Observation/Qualification:

It was observed that, pursuant to the requirements relating to freezing of PAN of designated persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the applicable SEBI circulars, the PAN of Mr. Uday Ajgaonkar (DIN: 02219286), Independent Director and Designated Person was not frozen on timely basis upon closure of trading window period which commenced on 1<sup>st</sup> April, 2025 and concluded on 25<sup>th</sup> May 2025. This Trading window closure was occasioned for the purpose of approving the Audited Financial Results of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March 2025.

Further, it was observed that Mr. Uday Ajgaonkar (DIN: 02219286), Independent Director and Designated Person traded in 3000 Equity Shares amounting to INR 1,19,745/- on 16.04.2025 i.e., during the above-mentioned window closure period thereby violating the provisions of Regulation 9(1) read with Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Board's Explanation:

During the trading window closure period for approval of audited financial results for Q4 and FY ended 31<sup>st</sup> March 2025, the PAN of Mr. Uday Ajgaonkar (DIN: 02219286), could not be frozen on time due to a technical issue on the CDSL system. Consequently, a trade was inadvertently executed.



The matter was promptly reported by the Compliance Officer, and corrective actions were taken in line with SEBI (PIT) Regulations, 2015 and required Compliance and reporting was done as required to both the exchanges. This was an inadvertent, technical lapse, and measures have been strengthened to prevent recurrence.

## 28. 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.

## 29. 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 (Accounts) 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, 2026 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.

## 30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, No significant or material orders were passed by any regulator, court or tribunal during the year that would impact the going-concern status of the Company or its future operations.

## 31. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this Report.

## 32. CREDIT RATING

The Credit Rating rationale as on December 29, 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 of Issue (million) | Rating Assigned along with Outlook/Watch |
|--------------------------------------------------------|-------------------------|------------------------------------------|
| Fund-based working capital limit working capital limit | INR 516.3               | IND BBB-/Stable / IND A3                 |
| Non-fund-based working capital Limit                   | INR 273.50              | IND A3                                   |
| Working capital term loan capital limit                | INR 118.00              | IND BBB-/Stable / IND A3                 |
| Proposed non-fund-based working capital limit          | INR 42.20               | IND A3                                   |

### 33. 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.

### 34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company is committed to providing and maintaining a safe, secure and conducive work environment for all employees, free from discrimination, harassment and intimidation, including sexual harassment. The Company firmly believes in fostering a culture of dignity, equality and mutual respect at the workplace.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") read with the Rules framed thereunder and pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, the Company has constituted an Internal Committee ("IC") for prevention, prohibition and redressal of complaints relating to sexual harassment at workplace.

The Company has in place a policy on prevention of sexual harassment at workplace and conducts periodic awareness programmes, sensitization sessions and employee communication initiatives to promote a respectful and inclusive work culture and to reinforce awareness regarding prevention of sexual harassment at workplace.

The details pertaining to complaints received and disposed of during the Financial Year 2025-26 are as under:

- 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

The Company has complied with the applicable provisions relating to the constitution of the Internal Committee under the POSH Act.

Further, the Company affirms that no case was filed or reported under the Sexual Harassment Electronic Box ("SHe-Box") mechanism during the financial year under review.

### 35. GENDER-WISE COMPOSITION OF EMPLOYEES

The Company is committed to fostering a diverse, equitable and inclusive workplace and believes that a diverse workforce enhances organizational effectiveness, innovation and sustainable growth.

In alignment with the principles of Diversity, Equity and Inclusion ("DEI"), the gender-wise composition of the Company's workforce as on March 31, 2026 is provided below:

|                       |   |     |
|-----------------------|---|-----|
| Male Employees        | : | 230 |
| Female Employees      | : | 33  |
| Transgender Employees | : | 0   |

The Company continues to undertake initiatives aimed at promoting equal opportunity, inclusivity and a respectful work environment for all employees.



### **36. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961.**

The Company is committed to ensuring the welfare, wellbeing and statutory rights of its employees and has complied with the applicable provisions of the Maternity Benefit Act, 1961 and the Rules framed thereunder.

### **37. SAFETY, HEALTH & ENVIRONMENT**

The Company remains committed to providing a safe and healthy working environment for its employees and workers. It continues to strengthen workplace-safety practices, employee awareness and preventive measures across its operations.

### **38. HUMAN RESOURCE**

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

The Company considers its employees to be among its most critical resources and recognises their contribution to organisational effectiveness.

The Company undertakes various human-resource initiatives to foster a sense of belonging, dedication and engagement and to align its people practices with evolving business requirements. It also regularly conducts technical and safety training programmes.

### **39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the operations and performance of the Company forms part of this Annual Report and is provided in a separate section.

### **40. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

### **41. DECLARATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

No application was made and no proceeding was pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

### **42. 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 was no instance of a one-time settlement with any bank or financial institution.

### **43. STATEMENT OF DEVIATION OR VARIATION IN UTILISATION OF FUNDS.**

Pursuant to Regulation 32(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company confirms that there was no deviation or variation in the utilisation of funds raised by the Company during the Financial Year 2025-26 from the objects stated in the respective offer documents.



The Company has utilised the funds for the purposes for which they were raised and, accordingly, there was no deviation or variation in the utilisation of such funds during the Financial Year 2025-26.

#### **44. ACKNOWLEDGEMENT**

The Board of Directors places on record its sincere appreciation for the continued support, co-operation and assistance extended to the Company by its bankers, namely, State Bank of India, IDBI Bank Limited and HDFC Bank Limited, the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited, as well as the Company's shareholders, customers, suppliers, business associates and other stakeholders.

The Directors also acknowledge with gratitude the dedication, commitment and valuable contribution made by the employees at all levels towards the sustained growth and performance of the Company.

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

SD/-

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

**Registered Office:**

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

**Place:** Mumbai

**Date:** August 13, 2026

**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                          | Two                                                   | Two                                                       |
| 2.      | Mr. Kishor Navandar  | Member                               | Two                                                   | Two                                                       |
| 3.      | Mr. Sunil Pathare    | Member                               | Two                                                   | Two                                                       |
| 4.      | Mr. Uday Ajgaonkar   | Member                               | Two                                                   | One                                                       |

#### 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>
- 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): (₹21,06,706/-)

- 2% of average net profit of the company as per section 135(5): (₹4,32,141.22/-)
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any: NIL
- 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 |
| N.A.                                          | 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) | Mode of Implementation - Through Implementing Agency |                         |
|                |                     |                                                             |                      | State                   | District |                  |                                         |                                                   |                                                                                        |                                           | Name                                                 | 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) | Mode of Implementation - Through Implementing Agency |                         |
|                |                     |                                                             |                      | State                   | District |                                         |                                           | Name                                                 | CSR registration number |
| Not Applicable |                     |                                                             |                      |                         |          |                                         |                                           |                                                      |                         |

**(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): N.A.**

**(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)                                               | (4,32,141.22)   |
| (ii)    | Total amount spent for the financial year                                                                   | 0               |
| (iii)   | Excess amount spent for the financial year [(ii)-(I)]                                                       | 0               |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0               |
| (v)     | Amount available for set off in succeeding financial years[(iii)-(iv)]                                      | 0               |



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

| 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:**

The provisions relating to Corporate Social Responsibility ("CSR") under Section 135 of the Companies Act, 2013 were applicable to the Company during the Financial Year 2025-26. However, based on the computation of average net profit in accordance with Section 198 of the Act, the average net profit was negative. Accordingly, no CSR expenditure was required to be incurred by the Company for the Financial Year 2025-26.

SD/-

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

SD/-

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

**Date:** August 13, 2026

**Place:** Mumbai



**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2026**

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

To,  
The Members,  
**VIP Clothing Limited**  
C-6 Road No 22 MIDC,  
Marol Andheri East,  
Mumbai, Maharashtra, India, 400093.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **VIP Clothing Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2026, 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:

I have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2026, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") the applicable and effective amendments and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- IV. The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **not applicable for the period under review.**



- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period);**
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**
  - h. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the listed entity during the Review Period)**
  - i. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.
- V. I 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:
- a. Textile Committee Act, 1963
  - b. Legal Metrology Act, 2009
  - c. The Environment (Protection) Act, 1986
  - d. Air (Prevention and Control of Pollution) Act, 1981
  - e. Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliances with the applicable provisions of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned subject to the following observation:

1. It was observed that, pursuant to the requirements relating to freezing of PAN of designated persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the applicable SEBI circulars, the PAN of Mr. Uday Ajgaonkar (DIN: 02219286), Independent Director and Designated Person was not frozen on timely basis upon closure of trading window period which commenced on 1<sup>st</sup> April, 2025 and concluded on 25th May 2025. This Trading window closure was occasioned for the purpose of approving the Audited Financial Results of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March 2025.

Further, it was observed that Mr. Uday Ajgaonkar (DIN: 02219286), Independent Director and Designated Person traded in 3000 Equity Shares amounting to INR 1,19,745/- on 16.04.2025 i.e., during the above-mentioned window closure period thereby violating the provisions of Regulation 9(1) read with Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### I further report that:

The Board of Directors of the Company is constituted with proper balance of Executive and Independent Directors. Further the changes that took place in the Board of Directors and Key Managerial Personnel during the year is as under:



1. Mr. Sunil Pathare (DIN: 00192182) is re-appointed as Chairman and Managing director for the period of three (3) years, commencing from April 1, 2025.
2. Mr. Kapil Pathare (DIN: 01089517) is appointed as a Deputy Managing Director for the period of three (3) years, commencing from April 1, 2025. However, in e-form DIR-12 the date of appointment is erroneously mentioned as 22nd March 2025.

I 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.

I further report that during the audit period:

1. At the 35<sup>th</sup> Annual General Meeting held on the Thursday, 18th September 2025, the Members of the Company approved the following.
  - a) Mr. Sunil Pathare (DIN: 00192182), who was liable to retire by rotation as Director in terms of Section 152(6) of the Companies Act 2013 and being eligible for re-appointment was re-appointed as Director of the Company.
  - b) Approved the appointment of the M/s. DMKH & Co, Chartered Accountants (Firm Registration No. 116886W) as the Statutory Auditors of the Company, for the first term of 5 (five) Consecutive years to hold office from the conclusion of 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.
  - c) Approved the 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) 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 (AGM) until the conclusion of the 40<sup>th</sup> AGM of the Company, and who shall conduct Secretarial Audit of the Company for the Financial Year 2025-26 to the Financial Year 2029-30.
2. As on date of signing this report, the Company on 3<sup>rd</sup> April 2026, forfeited upfront subscription amount of ₹12,83,06,250/- (being 25% of the issue price) received at the time of allotment of 1,14,05,000 Fully Convertible Warrants on preferential basis to Non-Promoter Public Category on October 03, 2024, since the warrant holders did not exercise the option to convert the said warrants into equity shares within a period of 18 (eighteen) months from the date of allotment, i.e., on or before April 2, 2026.

**Date: 13.08.2026**

**Place: Thane**

**UDIN: F013938H001106227**

**Peer Review: 3967/2023**

**FRN: S2017MH469000**

**For KRS AND CO.  
Practicing Company Secretaries**

SD/-

**Ketan Ravindra Shirwadkar  
Proprietor  
FCS No.: 13938  
COP No.: 15386**





This report is to be read with my letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

## ANNEXURE 1

To,  
The Members,  
**VIP Clothing Limited**  
C-6 Road No 22 MIDC,  
Marol Andheri East,  
Mumbai, Maharashtra, India, 400093.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as are 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the

**Date: 13.08.2026**

**Place: Thane**

**UDIN: F013938H001106227**

**Peer Review: 3967/2023**

**FRN: S2017MH469000**

**For KRS AND CO.**  
**Practicing Company Secretaries**

SD/-

**Ketan Ravindra Shirwadkar**  
**Proprietor**  
**FCS No.: 13938**  
**COP No.: 15386**

## 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<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------|------------------------------|------------------------------|
| Units Consumed (In Lakhs)            | 5.02                         | 6.11                         |
| Units Consumed per kg. of Production | 0.97                         | 0.85                         |

### 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.
- Improved 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 ₹ 509.10 lakhs (Previous year ₹ 818.40 lakhs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to ₹ 46.01 lakhs (Previous year ₹ 29.60 lakhs).

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

SD/-

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

**Place:** Mumbai

**Date:** August 13, 2026



## ANNEXURE – D

Disclosure pursuant to section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

**Q1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2025-2026:**

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

| Name of Director                                   | Ratio |
|----------------------------------------------------|-------|
| Dr. Sunil Pathare (Managing Director)              | 25.93 |
| Mr. Kapil Pathare (Deputy Managing Director)       | 20.84 |
| Mr. Kishore Navandar (Independent Director)        | 0.41  |
| Mr. Vilas Gupte (Independent Director)             | 0.41  |
| Ms. Vandana Bharadwaj (Woman Independent Director) | 0.41  |
| Mr. Uday Ajgaonkar (Independent Director)          | 0.30  |

**Notes:**

- The Company has paid sittings fees to only Independent Directors for attending Board meeting during the financial year 2025-26.
- Mr. Uday Ajgaonkar has not attended one meeting.

**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 |
|------------------------------------------------------------------|----------------------------|
| Dr. Sunil J. Pathare (Managing Director)                         | NIL                        |
| Mr. Kapil J. Pathare (Whole Time Director)                       | NIL                        |
| Mr. Devendra Vyas (Chief Financial Officer)                      | NIL                        |
| Mr. Rahul Soni (Company Secretary) revised w.e.f. February 2026. | 26%                        |

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

**A3: FY 2025-2026: Percentage increase in median remuneration: 2%**

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

**A4: 240 Employees + 315 Workers (they are covered under Payment of Wages Act) – As on March 31, 2026.**



**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: During FY 2025-26, the average percentile increase in the remuneration of employees other than managerial personnel was 1%, as compared with an average increase of 1% in the remuneration of managerial personnel. The remuneration revisions during the year based on factors such as performance, role/responsibility and other relevant considerations.

**Q6. Affirmation that the remuneration is as per the Remuneration Policy of the Company**

A6: 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**

SD/-  
**Dr. Sunil J. Pathare**  
**DIN: 00192182**  
**Chairman and Managing Director**

## CORPORATE GOVERNANCE REPORT

The Board of Directors presents the Company's Report on Corporate Governance pursuant to Part C of 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, 2026.

### 1. THE COMPANY'S PHILOSOPHY ON CORPORATE 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 fulfil this responsibility. These policies are available on the Company's website at [www.vipclothing.in](http://www.vipclothing.in)

### 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) Rules, 2014 and Regulation 17 of Listing Regulations. The Board is entrusted with the ultimate responsibility for overseeing the management, direction 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 Committees has been mandated to operate within a given framework.

#### b. Change in Board of Directors:

During the financial year under review, there was no change in the composition of the Board of Directors of the Company.

However, pursuant to the approval of the Members of the Company on March 22, 2025 by way of a Postal Ballot, Dr. Sunil Jaykumar Pathare (DIN: 00192182) was re-appointed as the Chairman and Managing Director of the Company and Mr. Kapil J. Pathare (DIN: 01089517) was re-appointed as the Deputy Managing Director of the Company, for a period commencing on April 1, 2025, for a term of three years, in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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 not less than two-thirds of the 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 at March 31, 2026, the Board comprised six Directors, consisting of two Promoter Executive Directors and four Non-Executive Independent Directors, including one 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. | Dr. Sunil Jaykumar Pathare  | Executive Chairman & Managing Director   | 00192182 |
| 2. | Mr. Kapil Jaykumar Pathare  | Executive Deputy Managing Director       | 01089517 |
| 3. | Dr. Kishor Somnath Navandar | Non-Executive Independent Director       | 00164401 |
| 4. | Ms. Vandana Kumari Bhardwaj | Non-Executive Woman Independent Director | 06839882 |
| 5. | Mr. Vilas Chandrakant Gupte | Non-Executive Independent Director       | 10509707 |
| 6. | Mr. Uday Laxman Ajgaonkar   | Non-Executive Independent Director       | 02219286 |

#### d. Board Meetings:

During the financial year 2025-26, the Board met four (4) 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 the Board of Directors were held on May 23, 2025, August 6, 2025, November 12, 2025 and February 12, 2026. Requisite quorum was present for all the meetings.

| Name of Directors    | Number of Meetings held during the year | Number of Meetings attended |
|----------------------|-----------------------------------------|-----------------------------|
| Dr. Sunil Pathare    | 4                                       | 4                           |
| Mr. Kapil Pathare    | 4                                       | 4                           |
| Dr. Kishor Navandar  | 4                                       | 4                           |
| Ms. Vandana Bhardwaj | 4                                       | 4                           |
| Mr. Vilas Gupte      | 4                                       | 4                           |
| Mr. Uday Ajgaonkar   | 4                                       | 3                           |

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 |                                                  |                                      |                                                                  |
| Dr. Sunil J. Pathare<br>DIN: 00192182        | Promoter/ Executive Chairman & Managing Director | -                                                             | -                                       | -           | 4                                                | Yes                                  | -                                                                |
| Mr. Kapil J. Pathare<br>DIN : 01089517       | Promoter/ Deputy Managing Director               | -                                                             | -                                       | -           | 4                                                | Yes                                  | -                                                                |
| Dr. Kishor Navandar<br>DIN: 00164401         | Independent Director                             | -                                                             | -                                       | -           | 4                                                | Yes                                  | -                                                                |
| Ms. Vandana Kumari Bhardwaj<br>DIN: 06839882 | Woman Independent Director                       | -                                                             | -                                       | -           | 4                                                | Yes                                  | -                                                                |
| Mr. Vilas Chandrakant Gupte<br>DIN: 10509707 | Independent Director                             | -                                                             | -                                       | -           | 4                                                | Yes                                  | -                                                                |
| Mr. Uday Laxman Ajgaonkar<br>DIN: 02219286   | Independent Director                             | -                                                             | -                                       | -           | 3                                                | Yes                                  | -                                                                |

The detailed profile of the Directors of the Company is available on the Company's website at <https://www.vipclothing.in/board-committees.html#parentHorizontalTab5>

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

Dr. 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:**

Except for Mr. Uday Ajgaonkar, who held 3,000 equity shares of the Company, none of the other Non-Executive Independent Directors held any shares in the Company as at March 31, 2026

**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 2025-26 are available on the website of the Company at

[https://www.vipclothing.in/investor\\_relation/2nd-Familiarisation%20Program%20for%20Independent%20Directors\\_25-26.pdf](https://www.vipclothing.in/investor_relation/2nd-Familiarisation%20Program%20for%20Independent%20Directors_25-26.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 |
|----------------------|-------------------------------------|--------------------|---------------------------------------------------------------------------------|------------|-------------------------------------------------|----------------------|
| Dr. Sunil Pathare    | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |
| Mr. Kapil Pathare    | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |
| Dr. Kishor Navandar  | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |
| Ms. Vandana Bhardwaj | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |
| Mr. Vilas Gupte      | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |
| Mr. Uday Ajgoankar   | ✓                                   | ✓                  | ✓                                                                               | ✓          | ✓                                               | ✓                    |

**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. Kapil. J. Pathare (DIN: 01089517), 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 <https://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 the Audit Committee and number of meetings 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 4 (Four) times on May 23, 2025, August 06, 2025, November 12, 2025 and February 12, 2026.

The Composition of Audit Committee and the number of meetings attended were as under:

| Name of Members     | Designation | Status               | No. of meetings |          |
|---------------------|-------------|----------------------|-----------------|----------|
|                     |             |                      | Held            | Attended |
| Dr. Kishor Navandar | Chairperson | Independent Director | 4               | 4        |
| Mr. Vilas Gupte     | Member      | Independent Director | 4               | 4        |
| Dr. Sunil Pathare   | Member      | Executive Director   | 4               | 4        |
| Mr. Uday Ajgaonkar  | Member      | Independent Director | 4               | 3        |

The Statutory Auditor and Internal Auditor are also invited to attend the meetings.

Mr. Rahul Soni, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Audit 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 the Nomination and 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 2 (two) times on August 06, 2025, and February 12, 2026.



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 |
| Dr. Kishor Navandar  | Chairperson | Independent Director | 2               | 2        |
| Mr. Vilas Gupte      | Member      | Independent Director | 2               | 2        |
| Ms. Vandana Bhardwaj | Member      | Independent Director | 2               | 2        |
| Mr. Uday Ajgaonkar   | Member      | Independent Director | 2               | 1        |

Mr. Rahul Soni, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Nomination and Remuneration 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 relationship 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 for making payments to Non-Executive Directors:

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 sitting fees of ₹40,000/- for attending each Board meeting of the Company.

**c) The details of Remuneration and Sitting Fees paid to Executive and Non-Executive Directors during the financial year 2025-26 are as follows:**

(Amount in ₹)

| Name of Director     | Relationship with other Director/s | Relationship with company | Sitting Fees | Remuneration (Excluding Perquisites) | Commission | Total            |
|----------------------|------------------------------------|---------------------------|--------------|--------------------------------------|------------|------------------|
| Dr. Sunil Pathare    | Elder brother of Pathare           | Promoter                  | -            | 98,92,848                            |            | <b>98,92,848</b> |
| Mr. Kapil Pathare    | Younger brother of Pathare         | Promoter                  | -            | 79,49,136                            |            | <b>79,49,136</b> |
| Dr. Kishor Navandar  | None                               | None                      | 1,60,000     | -                                    | -          | <b>1,60,000</b>  |
| Mr. Vilas Gupte      | None                               | None                      | 1,60,000     | -                                    | -          | <b>1,60,000</b>  |
| Mr. Vandana Bhardwaj | None                               | None                      | 1,60,000     | -                                    | -          | <b>1,60,000</b>  |
| Mr. Uday Ajgaonkar   | None                               | None                      | 1,20,000     | -                                    | -          | <b>1,20,000</b>  |

- The agreement with Managing Director and Deputy Managing Director is made for a period of three years.
- 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.

## 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:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

**b) Composition of the 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 23, 2025, August 06, 2025, November 12, 2025 and February 12, 2026.

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 Ajgaonkar   | Chairperson | Independent Director | 4               | 3        |
| Mr. Vilas Gupte      | 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 <https://www.vipclothing.in/investor.html#parentHorizontalTab13>

Mr. Rahul Soni, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Stakeholders Relationship Committee.

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

During the financial year ended on March 31, 2026, No complaints were received from shareholders. The statement is as follows:

| Particulars                                      | Complaints Received | Complaints Redressed | Pending  |
|--------------------------------------------------|---------------------|----------------------|----------|
| 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> |

**d) Name and designation of Compliance Officer**

Mr. Rahul Soni, Company Secretary and Compliance Officer, acts as the Compliance Officer of the Company.



## 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.
- Ensure that the funds disbursed for CSR activities are utilised for the purposes and in the manner approved by the Board, based on certification by the Chief Financial Officer or the person responsible for financial management.

### 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. Based on the applicable financial thresholds and the computation prescribed under Section 198 of the Act, in accordance with the provisions of Section 135 of the Act, the obligation to spend on CSR activities is determined based on 2% of the average net profits of the Company made during the three immediately preceding financial years, computed in the manner prescribed under the Act. Since the average net profits of the Company for the said period resulted in a negative figure, the Company was not required to incur any expenditure towards CSR activities during the Financial Year 2025-26.

Accordingly, no amount was required to be spent or transferred towards Corporate Social Responsibility for the Financial Year ended 31st March, 2026.

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 2 (Twice) during the last financial year on August 6, 2025 and November 12, 2025. The details are as follows:

| Name of Members      | Designation | Status               | No. of meetings |          |
|----------------------|-------------|----------------------|-----------------|----------|
|                      |             |                      | Held            | Attended |
| Ms. Vandana Bhardwaj | Chairperson | Independent Director | 2               | 2        |
| Dr. Kishor Navandar  | Member      | Independent Director | 2               | 2        |
| Dr. Sunil Pathare    | Member      | Executive Director   | 2               | 2        |
| Mr. Uday Ajgaonkar   | Member      | Independent Director | 2               | 1        |

Mr. Rahul Soni, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Corporate Social Responsibility 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 risks and recommending appropriate mitigation measures;
- 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, 2026. 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        |
| Dr. Sunil Pathare    | Member      | Executive Director   | 1               | 1        |
| Dr. Kishor Navandar  | Member      | Independent Director | 1               | 1        |
| Ms. Vandana Bhardwaj | Member      | Independent Director | 1               | 1        |
| Mr. Uday Ajgaonkar   | Member      | Independent Director | 1               | 1        |

Mr. Rahul Soni, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Risk Management Responsibility Committee.

## 9. SENIOR MANAGEMENT

The particulars of Senior Management Personnel of the Company as on March 31, 2026, are as follows:

1. Mr. Devendra Vyas- Chief Financial Officer
2. Mr. Rahul Soni- Company Secretary and Compliance Officer
3. Mr. Bhushan Patel- Vice President Sale.

## 10. 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, a separate meeting of the Independent Directors of the Company was held on March 28, 2026 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 are set out below:

| Name of Members      | Designation | Status               | No. of meetings |          |
|----------------------|-------------|----------------------|-----------------|----------|
|                      |             |                      | Held            | Attended |
| Dr. 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 | 1               | 1        |

## 11. INTERNAL 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.

## 12. 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 |
|----------------|----------------------|-------------------------------------------------------|--------------------|------------|------------------------------|
| 2024-25        | 35 <sup>th</sup> AGM | Through Video Conferencing / Other Audio Visual Means | September 18, 2025 | 11:30 a.m. | NIL                          |
| 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                          |

#### b) Extraordinary General Meeting:

During the financial year under review, no Extraordinary General Meeting ("EGM") of the Members of the Company was convened or held.

### ii) Postal Ballot:

During the financial year 2025-26, the Company did not seek any approval of the Members by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 read with the rules made thereunder.



### 13. 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 <https://www.vipclothing.in/investor.html>

- 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 and Free Press Journal for English 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:** No meeting with institutional investors or analysts was held during the financial year 2025–26. Accordingly, no presentation was made in this regard during the year under review.
- 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.

**Online Dispute Resolution Portal ('ODR Portal'):** A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

- 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 <https://www.vipclothing.in/investor.html#parentHorizontalTab3>.
  - 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 have been disclosed on the Company's website and <https://www.vipclothing.in/investor.html#parentHorizontalTab5> can be claimed by making an application to the IEPF Authority in Form No. IEPF - 5

#### 14. GENERAL SHAREHOLDERS INFORMATION

- a) **Annual General Meeting:** 36<sup>th</sup> Annual General meeting to be held on 28<sup>th</sup> September, 2026, 12:00 Noon, at Through Video Conferencing ("VC") / Other Audio Video Means ("OAVM") Deemed Venue - Registered Office: C-6, Road No. 22, MIDC, Marol, Andheri (East), Mumbai - 400 093, Maharashtra, India

|                                     |                                                                                           |
|-------------------------------------|-------------------------------------------------------------------------------------------|
| <b>Financial Calendar</b>           | April 1, 2025 to March 31, 2026                                                           |
| <b>Book Closure</b>                 | Tuesday, September 22, 2026 to Monday, September 28, 2026.                                |
| <b>Dividend Payment</b>             | The Board of Directors has not recommended any dividend for the financial year 2025-2026. |
| <b>Registered office of Company</b> | C-6, Road No. 22, MIDC, Andheri (East) Mumbai – 400093.                                   |

- 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:**

| Name of the Stock Exchange                   | Address                                                                           | Stock Code |
|----------------------------------------------|-----------------------------------------------------------------------------------|------------|
| 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) **Distribution of Shareholding by Size as on March 31, 2026:**

| Slab of no of Shareholding | No. of Share holders | % of Shareholders | No. of Shares held | % of Issued Capital |
|----------------------------|----------------------|-------------------|--------------------|---------------------|
| 1 – 500                    | 24793                | 75.8497           | 3136863            | 3.4804              |
| 501 – 1000                 | 3305                 | 10.1111           | 2739519            | 3.0395              |
| 1001 – 2000                | 1978                 | 6.0513            | 3087396            | 3.4255              |
| 2001 – 3000                | 759                  | 2.3220            | 1961381            | 2.1762              |
| 3001 – 4000                | 312                  | 0.9545            | 1129467            | 1.2532              |
| 4001 – 5000                | 384                  | 1.1748            | 1813030            | 2.0116              |
| 5001 – 10000               | 555                  | 1.6979            | 4214640            | 4.6762              |
| 10001 - *****              | 601                  | 1.8387            | 72047223           | 79.9374             |
| <b>Total</b>               | <b>32687</b>         | <b>100</b>        | <b>90129519</b>    | <b>100</b>          |

**f) Distribution of Shareholding by Size as on March 31, 2026**

| Category                                          | No. of Equity Shares | % of Shareholding |
|---------------------------------------------------|----------------------|-------------------|
| <b>Promoter and Promoter Group</b>                |                      |                   |
| 1. Indian Promoters & Person Acting in Concert    | 4,19,55,538          | 46.55027395       |
| <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                   | 138879               | 0.15              |
| <b>3. Central Government/ State Government(s)</b> |                      |                   |
| 3.1 Central Government / President of India       | 1000                 | 0.00              |
| <b>4. Non-Institutions</b>                        |                      |                   |
| 4.1 Key Managerial Personnel                      | 150000               | 0.17              |
| 4.2 Investor Education and Protection Fund (IEPF) | 905492               | 1.00              |
| 4.3 Indian Public                                 | 39522252             | 43.85             |
| 4.4 NRIs. / NRNs.                                 | 582551               | 0.65              |
| 4.5 Bodies Corporate                              | 3362570              | 3.73              |
| 4.6 Trust                                         | 500                  | 0.00              |
| 4.7 Body Corp-Ltd Liability Partnership           | 612813               | 0.68              |
| 4.8 Hindu Undivided Family                        | 2335069              | 2.59              |
| 4.9 Clearing Members                              | 561980               | 0.62              |
| <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>100.000</b>    |

**g) Dematerialization of Shares:**

About 99.19 % of the shares of the Company have been dematerialized as on March 31, 2026. 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 | 8,93,96,367        | 99.19         |
| Holding in physical form       | 7,33,152           | 0.81          |
| <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.                                |

## 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.

Further, Pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026, a special window is opened for transfer and dematerialisation ("demat") of physical securities which were sold/purchased prior to April 01, 2019.

This special window will remain open up to February 04, 2027. Further note that while lodging request under this special window for transfer of physical shares, one of the mandatory requirements is submission of original share certificate which is as follows:

| Execution Date of Transfer Deed | Lodged for transfer before April 1, 2019 | Original Security Certificate Available | Eligible to lodge in the current window |
|---------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------|
| Before April 1, 2019            | No (it is fresh lodgement)               | Yes                                     | ✓                                       |
|                                 | No (it was rejected/ returned earlier)   | Yes                                     | ✓                                       |
|                                 | Yes                                      | No                                      | X                                       |
|                                 | No                                       | No                                      | X                                       |

Further the following cases will not be considered under this window:

- Cases involving disputes between transferor and transferee.
- Securities which have been transferred to Investor Education and Protection Fund (IEPF).

All shares re-lodged during this period will be processed through the transfer-cum-demat route, i.e. they will only be issued in dematerialized (demat) form after transfer and the same will be subject to a lock in of one year. Investors may submit their request till February 04, 2027, with the Registrar & Share Transfer Agent (RTA) of the Company.

- j) Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible Instruments, conversion date and likely impact on Equity.

As at March 31, 2026, the Company did not have any outstanding Global Depository Receipts or American Depository Receipts. However, 1,14,05,000 fully convertible warrants allotted on October 3, 2024 remained outstanding as at that date and subsequently lapsed on April 2, 2026 in accordance with the terms of issue.

- k) The Company does not have any exposure to derivative or commodity instruments during the year. The risk arising from foreign currency exposure on import and export transactions is minimal and does not have a material impact on the Company's financial performance. Such limited exposures are effectively managed through the Company's Internal Financial Controls and routine operational practices. The details of foreign currency transactions are disclosed in Note No. 25 and 41A(ii) 50 in the Notes to the Financial Statements.

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

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

**m) 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 the Registrar and for shares held in dematerialised form please contact their respective 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)

## 15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## 16. 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.

## 17. 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 [https://www.vipclothing.in/investor\\_relation/Whistle%20Blower%20Policy\\_2025.pdf](https://www.vipclothing.in/investor_relation/Whistle%20Blower%20Policy_2025.pdf)

## 18. 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. Except for the matter disclosed in the Secretarial Audit Report concerning the trading-window closure and related trade, the Company complied with the said Code during the year under review

## 19. 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. The code of conduct is also available on the Company's website [https://www.vipclothing.in/investor\\_relation/policies/FY\\_22/Code%20of%20Conduct%20Policy.pdf](https://www.vipclothing.in/investor_relation/policies/FY_22/Code%20of%20Conduct%20Policy.pdf) All the Board members and senior management personnel have confirmed compliance with the code.

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.

## 20. SCORES:

There are no pending complaints under SCORES as on March 31, 2026.



## 21. 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, 2026.

The said certificate is annexed to this report.

## 22. CERTIFICATE ON CORPORATE GOVERNANCE.

The Company has received the Certificate from M/s. KRS & 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. F13938 and COP No. 15386), confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed to this report.

## 23. OTHER DISCLOSURE.

- a) The Company's transactions 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 2025-26 were undertaken in compliance with the aforesaid regulatory provisions. The Company's Policy on Related Party Transactions is available on the website of the Company at <https://www.vipclothing.in/investor.html#parentHorizontalTab11>

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

- b) 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)
- c) 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.
- d) 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 in agreement with the total number of dematerialized shares held with NSDL and CDSL.
- e) Weblink where policy for determining material subsidiaries is disclosed [https://www.vipclothing.in/investor\\_relation/policies/Policy%20for%20determination%20of%20Materiality.pdf](https://www.vipclothing.in/investor_relation/policies/Policy%20for%20determination%20of%20Materiality.pdf)
- f) Weblink where policy on dealing on related party transaction [https://www.vipclothing.in/investor\\_relation/new/policy-on-related-party-transactions-Final.pdf](https://www.vipclothing.in/investor_relation/new/policy-on-related-party-transactions-Final.pdf)
- g) Certificate issued by M/s.KRS & Co., Company Secretaries, who are also the 'Secretarial Auditors' of the Company, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and

Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such statutory authority is annexed to this Corporate Governance Report.

- h) During the Financial Year 2025-26, there were no instances required to be reported / recorded, where the Board of Directors of the Company did not accept recommendation(s) of any of its Committees.
- i) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: N.A.
- j) During the year under review, the Company undertook a preferential issue of warrants in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulatory requirements.

|               |                                                                                                                                                                        |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue size    | Preferential Issue of upto 2,12,00,000 warrants at an Issue price of ₹ 22.50/- each aggregating to ₹ 47,70,00,000/-.                                                   |
| Conversion    | Each warrant convertible into one fully paid up equity share of ₹ 2/- each.                                                                                            |
| Payment terms | 25% (Rs.5.63 per warrant) to be called upfront; and balance 75% (₹ 16.87 per warrant) on exercising the conversion option within 18 months from the date of allotment. |

The members of the Company have approved the proposed issue by passing a special resolution at the Extra-Ordinary General Meeting held on June 11, 2026 approving the aforesaid preferential issue. The allotment was under process as at the date of this Report.

However, the details of utilisation of funds raised through the preferential issue during the financial year 2024-25, as required under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are set out below:

|                                               |                                                                                         |
|-----------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Mode of Fund Raising</b>                   | Preferential Issue                                                                      |
| <b>Type of Securities</b>                     | Equity Shares                                                                           |
| <b>Date of Raising Funds</b>                  | October 03, 2024 (Date of Allotment)                                                    |
| <b>Amount Received during FY 2025-26</b>      | ₹ 17,92,35,000/-<br>(Allotment of 39,83,000 Equity Shares)                              |
| <b>Amount Utilised during FY 2025-26</b>      | ₹ 17,89,00,094/-                                                                        |
| <b>Amount Unutilised as at March 31, 2026</b> | ₹ Nil                                                                                   |
| <b>Objects of the Issue</b>                   | As specified in the relevant offer documents / Notice of Extra-ordinary General Meeting |
| <b>Deviation / Variation in Utilisation</b>   | Nil                                                                                     |

|                                               |                                                                                         |
|-----------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Mode of Fund Raising</b>                   | Preferential Issue                                                                      |
| <b>Type of Securities</b>                     | Warrants Convertible into Equity Shares                                                 |
| <b>Date of Raising Funds</b>                  | October 03, 2024 (Date of Allotment)                                                    |
| <b>Amount Received during FY 2025-26</b>      | ₹ 12,83,06,250/-<br>(25% of the Issue Price) for allotment of 1,14,05,000 )             |
| <b>Amount Utilised during FY 2025-26</b>      | ₹ 12,74,10,763/-                                                                        |
| <b>Amount Unutilised as at March 31, 2026</b> | ₹ Nil                                                                                   |
| <b>Objects of the Issue</b>                   | As specified in the relevant offer documents / Notice of Extra-ordinary General Meeting |
| <b>Deviation / Variation in Utilisation</b>   | Nil                                                                                     |

\*Other details related to above warrants please refer to paragraph 5 of the Board's Report.

The funds raised through the preferential issue have been utilised for the objects specified in the relevant offer documents. There was no deviation or variation in the utilisation of the proceeds from the objects for which the funds were raised.

During the financial year, the Company did not undertake any Qualified Institutions Placement.

- k) The Company has not accepted any public deposits and no amount on account of public deposit was outstanding as on March 31, 2026.
- l) Except for the matter disclosed in the Secretarial Audit Report concerning compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, no penalties or strictures were imposed on the Company by SEBI, the Stock Exchanges or any other statutory authority during the last three years.
- m) Listing fees for the financial year 2025-26 have been paid to the Stock Exchanges on which the shares of the Company are listed.
- n) 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.
- o) The Company has complied with all the applicable Indian Accounting Standards.
- p) The Internal Auditors directly report to the Audit Committee.
- q) The Audit Report contains unmodified audit opinion.
- r) 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.
- s) There were no shares lying in unclaimed suspense account under Regulation 39 and Schedule VI of Listing Regulations as on March 31, 2026.





- t) 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, 2026. 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.
- u) The Company has not issued equity shares with differential voting rights, sweat equity shares or shares pursuant to an employee stock option scheme.

#### 24. 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  
<https://www.vipclothing.in/investor.html#parentHorizontalTab12>

**Registered Office:**

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

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

SD/-

**Place:** Mumbai

**Date:** August 13, 2026

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

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

**Dr.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 2025-26. Requisite declaration signed by the Chairman & Managing Director to this effect is given below;

"I hereby confirm that the Company has obtained from all 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 2025-26."

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

SD/-

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

**Place:** Mumbai  
**Date:** August 13, 2026

**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, Dr. 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 Disclosure Requirements) Regulations, 2015:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2026 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 Company's 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 13, 2026

SD/-  
**Dr. Sunil Pathare**  
Chairman & Managing Director  
DIN: 00192182

SD/-  
**Mr. Devendra Vyas**  
Chief Financial Officer





## COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

To  
The Members,  
**VIP CLOTHING LIMITED**  
C-6 Road No 22 MIDC, Marol Andheri East,  
Mumbai, Maharashtra, India, 400093.

The Corporate Governance Report prepared by VIP CLOTHIN LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and Regulation 46 and para C D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2026 pursuant to the Listing Agreement of the Company with the BSE Limited and National Stock Exchange of India Limited (referred to as the "Stock Exchanges").

### Management's Responsibility

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. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

### Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether for the year ended March 31, 2026 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### Opinion

In my opinion, based on my examination of the relevant records and to the best of my information and according to explanations given to me, and representations provided by the management, I certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations during the year ended March 31, 2026.

### Other Matters and Restriction on use

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2026, and it should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

**Date:** 13.08.2026

**Place:** Thane

**ICSI UDIN:** F013938H001106251

**PEER REVIEW NO:** 3967/2023

**VIP Clothing Limited**

**For KRS AND CO.**  
**Practicing Company Secretaries**

SD/-  
**Ketan Ravindra Shirwadkar**  
**Proprietor**

**FCS No.: 13938**

**COP No.: 15386**

**FRN: S2017MH469000**

**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 of  
**VIP Clothing Limited**  
C-6 Road No 22 MIDC,  
Marol Andheri East,  
Mumbai, Maharashtra, India, 400093.

I 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, Maharashtra, India, 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (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 me by the Company & its officers I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2026** 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 DIRECTOR        | DIN      | INITIAL DATE OF APPOINTMENT |
|--------|-------------------------|----------|-----------------------------|
| 1.     | SUNIL JAYKUMAR PATHARE  | 00192182 | 29-09-1992                  |
| 2.     | KAPIL JAYKUMAR PATHARE  | 01089517 | 15-09-1992                  |
| 3.     | UDAY LAXMAN AJGAONKAR   | 02219286 | 22-03-2025                  |
| 4.     | KISHOR SOMNATH NAVANDAR | 00164401 | 13-02-2024                  |
| 5.     | VANDANA KUMARI BHARDWAJ | 06839882 | 14-02-2024                  |
| 6.     | VILAS CHANDRAKANT GUPTE | 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.

**For KRS AND CO.**  
**Practicing Company Secretaries**

SD/-

**Date:** 13.08.2026  
**Place:** Thane

**ICSI UDIN: F013938H001106251**  
**PEER REVIEW NO: 3967/2023**

**Ketan Ravindra Shirwadkar**  
**Proprietor**  
**FCS No.: 13938**  
**COP No.: 15386**  
**FRN: S2017MH469000**

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAUTIONARY STATEMENT

This Management Discussion and Analysis contains statements concerning the Company's objectives, strategies, expectations, estimates and outlook that may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied due to, among other factors, changes in economic conditions, consumer demand, raw-material and energy prices, competitive intensity, government policies, taxation, regulation, supply-chain conditions, technology and cybersecurity risks, and other factors beyond the Company's control. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update them except as required by law.

#### 1. Industry Structure and Developments

##### Global textile and apparel industry

The global textile and apparel industry remained exposed during FY 2025-26 to uneven consumer demand, geopolitical uncertainty, trade-policy changes, shipping disruptions and volatility in raw-material and energy costs. At the same time, brands and manufacturers continued to invest in supply-chain diversification, automation, data-led planning, digital commerce and more resource-efficient manufacturing. Demand trends increasingly favoured comfort, functionality, athleisure, intimate wear and products supported by credible sustainability attributes.

For manufacturers and branded apparel businesses, competitiveness increasingly depends on product innovation, speed to market, quality consistency, inventory discipline, omnichannel reach and responsible sourcing. These developments create opportunities for organised players, while also increasing compliance, technology and execution requirements.

##### Key factors influencing the global textile industry

**Global economic conditions:** Moderate economic growth and easing inflation in certain markets supported consumer spending, although demand remained cautious in several export markets.

**Raw-material and energy volatility:** Movements in cotton, synthetic fibre, crude-oil and energy prices continued to affect manufacturing costs and margins, increasing the importance of procurement and inventory discipline.

**Geopolitical developments and supply-chain diversification:** Conflicts, shipping disruption and evolving trade policies encouraged brands to diversify sourcing and reduce geographic concentration.

**Sustainability and responsible sourcing:** Regulatory and customer expectations continued to encourage resource-efficient manufacturing, traceability, recycled inputs and circular-economy practices.

**Digitalisation and technological innovation:** Automation, artificial intelligence, advanced analytics and smart manufacturing continued to improve quality, planning, productivity and customer responsiveness.

**Changing consumer preferences:** Demand increasingly favoured comfort, fit, functionality, premiumisation, personalisation and credible sustainability attributes.

**E-commerce and omnichannel retail:** Digital commerce broadened market access and enabled brands to integrate online and offline consumer journeys.

**Technical and functional textiles:** Applications across healthcare, mobility, infrastructure, defence, sports and industry continued to support investment and product innovation.



### GLOBAL TEXTILE INDUSTRY - KEY DRIVERS

|                                         |                                       |                                      |                                            |
|-----------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------------|
| 1<br>Economic conditions                | 2<br>Raw-material & energy volatility | 3<br>Supply-chain diversification    | 4<br>Sustainability & responsible sourcing |
| 5<br>Automation, AI & advance analytics | 6<br>Changing consumer preferences    | 7<br>E-commerce & omnichannel retail | 8<br>Technical & functional textiles       |

Sources: <https://texmin.nic.in/>; <https://www.fortunebusinessinsights.com/textile-market-102716>; <https://www.grandviewresearch.com/industry-analysis/underwear-market>.

### Indian textile, apparel and intimate-wear industry

India has an integrated textile value chain, a large domestic consumer market and a significant manufacturing and employment base. According to a Government of India release dated 1 April 2025, the textile and apparel industry contributes approximately 2.3% to India's GDP, 13% to industrial production and 12% to exports, and directly employs more than 45 million people. The sector continues to benefit from domestic consumption, organised retail, e-commerce and policy support, while facing pressure from input-cost volatility, international competition, logistics costs and changing trade conditions.

Sources: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470>; <https://texmin.nic.in>

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470>

### INDIAN TEXTILE & APPAREL SECTOR

|                            |                                |                  |                   |
|----------------------------|--------------------------------|------------------|-------------------|
| 2.3%                       | 13%                            | 12%              | 45+ million       |
| India's GDP Contributionto | Share of industrial production | Share of exports | Direct employment |

Within apparel, the intimate-wear market is progressively shifting from unorganised, function-led consumption towards branded offerings distinguished by fit, comfort, fabric quality, design and value addition. Organised retail, online marketplaces and direct-to-consumer channels have widened consumer access, including in Tier II and Tier III markets. Men's, women's and children's innerwear, athleisure and adjacent comfortwear categories offer growth potential; however, competition, discounting, product obsolescence and inventory complexity remain material industry considerations.

Sources: <https://www.ibef.org/industry/textiles>; <https://www.investindia.gov.in/sector/textiles-apparel>; <https://www.imarcgroup.com/india-innerwear-market>

### Indian economy and structural advantages of the textile sector

India's textile and apparel sector benefits from a large consumer base, capabilities across much of the textile value chain, availability of natural and man-made fibres, an established manufacturing ecosystem and a substantial skilled workforce. Rising incomes, urbanisation, organised retail and e-commerce continue to support domestic demand, while global sourcing diversification may create export opportunities for competitive Indian manufacturers.

The sector also faces structural challenges, including dependence on key raw materials, cost volatility, infrastructure and logistics constraints in certain clusters, fragmented production, evolving labour and environmental compliance requirements and strong competition from other textile-exporting countries. Investment in technology, design, skills, quality, scale and sustainable production will remain important to long-term competitiveness.

### INTIMATE WEAR INDUSTRY OVERVIEW (FY 2025–26)

#### KEY GROWTH DRIVERS

-  Rising disposable incomes and urbanisation
-  Increasing awareness of comfort, hygiene and quality
-  Rapid growth of e-commerce and D2C brands
-  Premiumisation and growing brand consciousness
-  Focus on sustainable and eco-friendly materials

#### SEGMENT-WISE MARKET SIZE COMPARISON

(USD BILLION)

| SEGMENT                                                                                                 | FY 2024–25 | FY 2032–33P | CAGR<br>(2025–26 TO<br>2032–33) |
|---------------------------------------------------------------------------------------------------------|------------|-------------|---------------------------------|
|  Women's Intimate Wear | 5.84       | 13.24       | 9.53%                           |
|  Men's Intimate Wear   | 5.29       | 8.22        | 6.51%                           |
| Total Intimate Wear Market                                                                              | 11.13      | 21.46       | 8.62%                           |

Sources: <https://texmin.nic.in>; <https://www.ibef.org/industry/textiles>; <https://www.investindia.gov.in/sector/textiles-apparel>

#### Domestic intimate-wear industry

The domestic intimate-wear market has evolved from a predominantly need-based category towards a branded, design- and innovation-led segment. Consumers increasingly evaluate products on comfort, fit, fabric quality, durability, hygiene, functionality, style and value. Premiumisation, formalisation of retail and increased digital discovery have broadened the addressable market for organised brands.

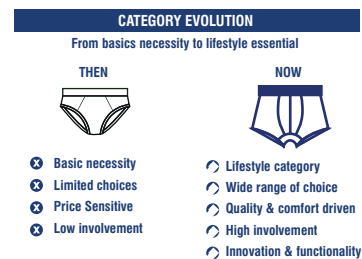
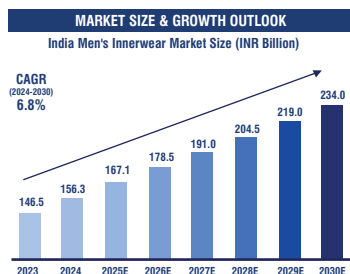
Product development is increasingly focused on breathable and stretchable fabrics, moisture management, improved construction, enhanced sizing and fit, and more responsible materials and packaging. These trends create opportunities, but new product claims and sustainability attributes should be supported by appropriate technical, quality and sourcing evidence.

Sources: <https://www.ibef.org/industry/textiles>; <https://www.imarcgroup.com/india-innerwear-market>; <https://www.grandviewresearch.com/industry-analysis/underwear-market>.

#### Category trends

**Men's innerwear:** The category continues to benefit from rising brand awareness and consumer emphasis on comfort, fit, quality and functionality. Organised retail and e-commerce have increased access to premium and differentiated offerings, including in emerging cities.

## MEN'S INNERWEAR INDUSTRY OVERVIEW



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

**Women's innerwear and comfortwear:** Growing awareness of fit, comfort and personal well-being, wider product choice, digital discovery and increasing participation in the workforce support the shift towards branded products. Demand spans innerwear as well as adjacent comfortwear categories, creating scope for better sizing, product education, innovation and omnichannel engagement.

## KEY GROWTH DRIVERS - WOMEN'S INNERWEAR INDUSTRY

| GROWTH DRIVERS |                         | IMPACT |                                   |
|----------------|-------------------------|--------|-----------------------------------|
|                | RISING FEMALE WORKFORCE |        | HIGHER SPENDING POWER             |
|                | PERMIUMSATION           |        | DEMAND FOR BRANDED PRODUCTS       |
|                | E-COMMERCE              |        | WIDER MARKET REACH                |
|                | SUSTAINABLE FABRICS     |        | ECO-CONSCIOUS CONSUMER PREFERENCE |
|                | PRODUCT INNOVATION      |        | BETTER COMFORT AND FUNCTIONALITY  |
|                | ORGANISED RETAIL        |        | IMPROVED ACCESSIBILITY            |

Sources: <https://www.imarcgroup.com/india-womens-innerwear-market>

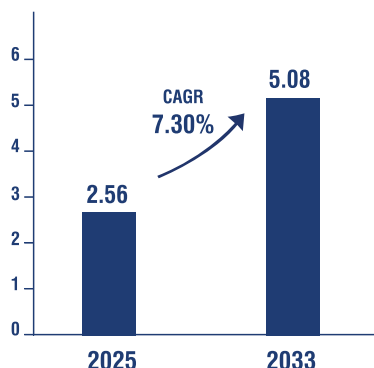
**Children's innerwear:** Parents increasingly prioritise skin-friendly fabrics, comfort, hygiene, quality, durability and product safety. Organised retail and online channels have improved access, while product design must remain sensitive to age-appropriate fit, quality and value.

Sources: <https://www.imarcgroup.com/india-kids-apparel-market>



## KID'S INNERWEAR INDUSTRY

### KIDS' INNERWEAR MARKET SIZE (USD BILLION)



### KEY GROWTH DRIVERS (FY 2025)



### KEY TRENDS SHAPING THE MARKET



**Athleisure and adjacent categories:** The convergence of comfort, casualisation, fitness and lifestyle apparel supports opportunities in athleisure, sleepwear, thermals, shapewear and other functional or comfort-led categories, subject to disciplined category selection and inventory management.

Sources: <https://www.ibef.org/industry/textiles> <https://www.grandviewresearch.com/industry-analysis/underwear-market>

### Manufacturing and retail perspective

From a manufacturing perspective, the industry is investing in automation, quality systems, product engineering, advanced fabrics, resource efficiency and supply-chain visibility. Capabilities in research and development, design, technical skills, vendor development and consistent quality are increasingly important as consumer expectations rise and product cycles shorten.

From a retail perspective, general trade, modern trade, exclusive outlets, multi-brand outlets, marketplaces and direct-to-consumer channels together form an increasingly interconnected ecosystem. E-commerce, smartphones, digital payments and improving logistics have expanded category access beyond metropolitan markets. Successful omnichannel execution requires consistent product information, pricing discipline, inventory visibility, reliable fulfilment and effective returns management.

### INTIMATE WEAR SCENARIO – MANUFACTURING & RETAIL PERSPECTIVE (FY 2025–26)

#### MANUFACTURING PERSPECTIVE



#### RETAIL PERSPECTIVE



#### VALUE CHAIN OVERVIEW



### Government measures supporting the textile industry

Government initiatives relevant to the textile and apparel ecosystem include the Production Linked Incentive Scheme for Textiles, PM Mega Integrated Textile Region and Apparel Parks, the National Technical Textiles Mission, the Samarth skill-development scheme, RoDTEP, RoSCTL and broader Make in India measures. These programmes seek to support manufacturing scale, infrastructure, skills, exports, value addition, investment and technology adoption. The availability and benefit of any scheme remain subject to its applicable eligibility conditions, approvals and operating guidelines.

Sources: <https://texmin.nic.in>; <https://pmmitra.texmin.gov.in>.

## 2. Opportunities and Threats

### Opportunities

- Premiumisation and increasing preference for branded, comfortable and functional innerwear.
- Expansion of e-commerce, direct-to-consumer and omnichannel distribution, including deeper reach in Tier II and Tier III markets.
- Growth opportunities in women's innerwear and comfortwear, children's innerwear, athleisure and other adjacent categories.
- Product innovation through improved fabrics, fit, performance characteristics, design and packaging.
- Government support for domestic manufacturing and textile infrastructure through initiatives such as PLI for Textiles, PM MITRA Parks and the National Technical Textiles Mission.
- Operational improvements through automation, enterprise systems, analytics and disciplined working-capital management.

### Threats

- Volatility in cotton, yarn, fabric, chemicals, packaging, energy and logistics costs.
- Intense competition from organised brands, regional players, unorganised manufacturers, private labels and digital-first entrants.
- Demand volatility, discount-led selling, fashion and product-cycle risk, and changes in consumer preferences.
- Supply-chain disruption, vendor concentration, quality failures and inventory ageing or obsolescence.
- Increasing regulatory, labour, environmental, product-quality and data-protection compliance requirements.
- Cybersecurity, system availability and data-integrity risks as operations become more digitally integrated.

## 3. Company Overview and Business Performance

VIP Clothing Limited is engaged in the innerwear and apparel business through a portfolio of brands that includes VIP, Frenchie, Frenchie X, Feelings, Leader, Rivolta and Yuwa Series. The portfolio serves men's, women's and children's innerwear and related apparel categories across general trade, modern trade and digital channels.

During FY 2025-26, the Company continued to focus on product and brand development, channel expansion, manufacturing and supply-chain efficiency, inventory discipline, digital enablement and cost management. Revenue from operations increased by 7% to ₹ 25,382.85 lakh from ₹ 23,688.69 lakh in FY 2024-25. Profit before tax increased by 78.08% to ₹ 1,250.61 lakh, while profit after tax increased by 79.77% to ₹ 980.96 lakh. Net cash generated from operating activities was ₹ 2,022.99 lakh, compared with net cash used in operating activities of ₹ 3,736.09 lakh in the previous year.

During the year, India Ratings and Research upgraded the Company's long-term bank-loan rating to IND BBB- with a Stable Outlook from IND BB+, and its short-term bank-loan rating to IND A3 from IND A4+. The rating action should be read together with the rating agency's detailed rationale and qualifications.

Sources: [https://www.vipclothing.in/investor\\_relation/OutcomeOfBmMay272026Signed.pdf](https://www.vipclothing.in/investor_relation/OutcomeOfBmMay272026Signed.pdf); [https://www.vipclothing.in/investor\\_relation/credit-rating/CoveringLetterCreditRatingDecember2025Revised.pdf](https://www.vipclothing.in/investor_relation/credit-rating/CoveringLetterCreditRatingDecember2025Revised.pdf)

Financial Year 2025-26 marked an important milestone in the Company's transformation journey, characterised by stronger operational execution, continued brand premiumisation, enhanced distribution capabilities, improved profitability and disciplined financial management. Despite a dynamic and competitive business environment, the Company remained focused on strengthening its core brands, improving operational efficiency and creating long-term value for stakeholders.

The Company continued to reinforce its position in the organised innerwear and apparel market through investments in product innovation, brand development, channel expansion and digital transformation. Its portfolio comprises VIP, Frenchie, Frenchie X, Feelings, Leader, Rivolta and Yuwa Series, serving men's, women's and children's innerwear and related apparel categories.

During the year, the Company expanded Frenchie X, its premium men's innerwear range, strengthening its presence in the premium segment. The launch and expansion of the Yuwa Series for children received encouraging customer response, particularly in key southern markets. These initiatives reflect the Company's focus on product quality, comfort, contemporary design and evolving consumer preferences.

The Company also strengthened its digital and omnichannel presence across e-commerce and quick-commerce platforms, including Blinkit, Swiggy Instamart and Zepto. This expanded product accessibility, supported last-mile fulfilment and complemented the Company's general trade, modern trade and organised retail network across metropolitan and emerging markets.

Operational priorities during the year included product premiumisation, improvement in product mix, supply-chain optimisation, inventory discipline and cost management. Revenue from operations increased by 7% to ₹ 25,382.85 lakh, profit before tax increased by 78.08% to ₹ 1,250.61 lakh and profit after tax increased by 79.77% to ₹ 980.96 lakh. Net cash generated from operating activities was ₹ 2,022.99 lakh, compared with net cash used in operating activities of ₹ 3,736.09 lakh in FY 2024-25.

The Company's credit profile also improved during the year. India Ratings and Research upgraded the long-term bank-loan rating to IND BBB- with a Stable Outlook from IND BB+, and the short-term bank-loan rating to IND A3 from IND A4+. The rating action reflected the rating agency's assessment and should be read together with its detailed rationale and qualifications.

The Company continued to participate in industry exhibitions, retailer and distributor engagement programmes and trade forums, providing opportunities to showcase its portfolio and strengthen relationships with channel partners. Brand building, product innovation, technology adoption, distribution expansion and customer-centric execution remain central to the Company's growth strategy.

#### 4. Segment-wise or Product-wise Performance

The Company is engaged in the business of 'Hosiery and Others' and has one reportable segment under Ind AS 108, Operating Segments. Accordingly, separate segment-wise financial information is not applicable. Product- and brand-level performance is monitored internally as part of the Company's operational review and resource-allocation processes.

#### 5. Outlook

The long-term outlook for organised innerwear and related apparel remains favourable, supported by India's demographics, rising brand consciousness, premiumisation, expanding organised retail and increasing digital adoption. The Company intends to pursue growth through brand investment, product innovation, expansion in men's, women's, children's and athleisure categories, wider omnichannel

distribution, manufacturing and supply-chain efficiency, and disciplined working-capital management.

The near-term environment may remain sensitive to consumer demand, competitive discounting, input-cost movements and supply-chain conditions. The Company's ability to convert industry opportunities into profitable growth will depend on execution, product acceptance, channel productivity, inventory control and cost discipline. Accordingly, the outlook should be read together with the risks and uncertainties described in this report.

## 6. Risks and Concerns

**Raw-material and cost risk:** Changes in prices and availability of yarn, fabric, chemicals, packaging, energy and freight may affect gross margins. The Company seeks to mitigate this through supplier diversification, procurement planning, product-mix management and cost controls.

**Market and competition risk:** The business operates in a competitive market with organised, unorganised and digital-first participants. Brand investment, product quality, innovation, distribution reach and consumer engagement remain central mitigants.

**Demand, product and inventory risk:** Changes in consumer preferences, seasonality, discounting and inaccurate demand forecasts may lead to lost sales or ageing inventory. The Company uses sales and inventory monitoring, portfolio reviews and channel planning to manage this exposure.

**Credit and channel risk:** The Company's distribution model may expose it to receivable delays, counterparty stress and channel inventory. Credit controls, ageing reviews, collection monitoring and distributor evaluation are used to manage the risk.

**Operational and supply-chain risk:** Manufacturing interruption, vendor failure, logistics disruption or quality issues may affect availability and customer service. Preventive maintenance, quality controls, alternate sourcing and business-continuity practices support mitigation.

**Technology and cybersecurity risk:** Greater reliance on enterprise and digital systems increases exposure to outages, cyber incidents and loss or misuse of data. Access controls, backups, monitoring, security practices and incident-response processes require continuous strengthening.

**Regulatory and compliance risk:** The Company is subject to corporate, securities, tax, labour, environmental, consumer, product and data-related requirements. Policies, reviews, training and oversight mechanisms are used to support compliance.

**People and execution risk:** Growth depends on attracting, developing and retaining skilled employees and executing strategic initiatives effectively. Performance management, capability development, succession planning and employee engagement are important mitigants.

## 7. Internal Control Systems and Their Adequacy

The Company has an internal-control framework commensurate with the size and nature of its operations. The framework is designed to safeguard assets, support reliable financial reporting, promote operational efficiency and facilitate compliance with applicable laws and policies. It includes documented processes, authorisation controls, segregation of duties, periodic reconciliations, management reviews and technology-enabled controls across key business processes.

Internal audits are carried out in accordance with an approved audit plan. Significant observations and the status of corrective actions are reviewed by management and the Audit Committee. The framework is reviewed periodically and strengthened in response to business changes, audit observations and evolving risks. Based on the reviews carried out during the year, the management considers the Company's internal-control systems to be adequate and operating effectively.



## 8. Financial Performance with Respect to Operational Performance

(₹ in lakhs)

| Particulars                                                        | 2025-26   | 2024-25   |
|--------------------------------------------------------------------|-----------|-----------|
| Revenue from operation                                             | 25,382.85 | 23,688.69 |
| Profit before Interest & finance charge, Depreciation & Income Tax | 2,392.74  | 1,800.88  |
| Less : Finance Cost                                                | 879.10    | 804.65    |
| Less : Depreciation                                                | 263.03    | 293.95    |
| Add : Other Income                                                 | 103.87    | 136.03    |
| Profit/(Loss) Before exceptional item and Tax                      | 1,250.61  | 702.28    |
| Profit /(Loss) for the year (excluding OCI)                        | 980.96    | 545.65    |
| Profit/(Loss) for the year (including OCI)                         | 981.12    | 540.15    |

Revenue growth, a favourable cost and product mix, lower employee-benefit expense and lower processing and other expenses contributed to the improvement in profitability, partly offset by higher finance costs. Profit after tax grew faster than revenue, resulting in an improvement in the net profit margin. The audited statement of cash flows also reflects a material improvement in cash generated from operations during the year.

## 9. Key Financial Ratios

| Ratio                                    | FY 2025-26 | FY 2024-25 | Change   |
|------------------------------------------|------------|------------|----------|
| Return on Net Worth (%)                  | 5.05%      | 2.93%      | 72.35%   |
| Return on Capital Employed (%)           | 10.15%     | 7.56%      | 34.26%   |
| Basic EPS (after exceptional items) in ₹ | 1.09       | 0.63       | 73.02%   |
| Debtors Turnover                         | 2.61       | 3.02       | (13.58%) |
| Inventory Turnover                       | 1.90       | 1.65       | 15.15%   |
| Interest Coverage Ratio                  | 2.42       | 1.87       | 29.41%   |
| Current Ratio                            | 1.83       | 1.66       | 10.24%   |
| Debt Equity Ratio                        | 0.34       | 0.42       | (19.05%) |
| Operating Profit Margin (%)              | 9.43%      | 7.60%      | 24.08%   |
| Net Profit Margin (%)                    | 3.86%      | 2.30%      | 67.83%   |

## 10. Change in Return on Net Worth

| Financial year          | 2025-26 | 2024-25 |
|-------------------------|---------|---------|
| Return on net worth (%) | 5.05%   | 2.93%   |

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



## 11. Human Resources and Industrial Relations

Human resources continue to be among the Company's most valuable assets and a key driver of sustainable business growth. The Company remains committed to providing a safe, inclusive, performance-oriented and engaging work environment that supports employee development, innovation and organisational excellence. As at 31<sup>st</sup> March 2026, the Company had 555 employees and workers across its manufacturing facilities, corporate office and sales operations.

The Company continued to invest in capability development through structured learning and development programmes, leadership initiatives, technical training, safety awareness and employee-wellness programmes. It also seeks to foster a culture of integrity, collaboration, diversity, equal opportunity and continuous improvement, while maintaining systems designed to support compliance with applicable labour and occupational health and safety requirements. Industrial relations at the manufacturing locations remained cordial throughout the year. The commitment and dedication of the workforce supported operational stability, productivity and execution of the Company's strategic priorities. The Company remains focused on strengthening employee engagement, enhancing organisational capabilities and building a high-performance culture that supports long-term sustainable growth.

**Registered Office:**

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

**Place:** Mumbai

**Date:** August 13, 2026

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

SD/-

**Dr. 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, 2026, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year ended, and notes to the Financial Statement, including 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, 2026, its profit and other comprehensive income, 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.

#### Emphasis of Matter

We draw attention to Note 47 to the accompanying financial statements regarding the lapse of 1,14,05,000 fully convertible warrants on April 2, 2026, subsequent to the year-end, due to the non-exercise of conversion rights by the warrant holders within the stipulated period prescribed under the terms of issue. Consequently, the upfront subscription amount aggregating to ₹12.83 crore received by the Company at the time of allotment of such warrants stands forfeited. Our opinion is not modified in respect of this matter.

#### 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.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Revenue from Operations</p> <ul style="list-style-type: none"> <li>Revenue from the sale of men's innerwear and apparel products is recognized at the point in time when control of the goods passes to the customer, in accordance with Ind AS 115 – Revenue from Contracts with Customers.</li> <li>The timing of such recognition is governed by the specific terms and conditions embedded in individual customer contracts, purchase orders, and channel-specific trade agreements.</li> <li>The Company distributes its products across a diversified customer base comprising large-format retail chains, multi-brand outlets, exclusive brand outlets, e-commerce marketplaces, and wholesale distributors, spanning multiple locations in domestic markets. The contractual arrangements with such customers involve varied terms relating to delivery conditions, return rights, pricing structures, and promotional schemes, thereby introducing significant complexity in revenue measurement.</li> </ul> | <p>Our procedures included, among others:</p> <p>Our audit procedures in respect of revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>Verifying the accounting policies adopted by the Company with respect to recognition of revenue by comparing with the applicable Indian accounting standards.</li> <li>Testing the design, implementation and operating effectiveness of the Company's manual and automated controls designed over recognition of revenue and accrual for variable consideration.</li> <li>Performing substantive testing of selected samples of revenue transactions recorded during the year as well as at year end. We used random sampling and verified contractual terms of sales invoices / contracts, shipping documents and acknowledged delivery receipts for those transactions.</li> </ul> |

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

The Company's Management and Board of Directors are 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 Board of Directors for the financial statements

The Company's Management and Board of Directors are 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 Indian 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 Management and Board of Directors are 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.
- Evaluate the appropriateness and reasonableness of disclosures made by the board of directors in terms of the requirements specified under regulation 33 of the LODR regulations.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company and for expressing an opinion thereon.

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, 2026, 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.
  - 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- h) There is not any 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 liability and commitments on its financial position in its financial statements. Refer Note No. 45 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 performed 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v) The Company has not declared or paid dividend during the year.
- vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year ended March 31, 2026 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

**Manish Kankani**  
**Partner**  
**Membership No.: 158020**  
**UDIN: 26158020VVDOKW3450**

**Place:** Mumbai  
**Date:** May 27, 2026



## 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 periodically verified by the management once in three year and 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 and according to the information and explanations given to us, the quarterly returns/statements filed by the Company with such banks are generally in agreement with the books of account of the Company, subject to certain

reconciliation differences primarily on account of inventory valuation adjustments, work-in-progress considered for books but excluded for bank reporting purposes and manual adjustments. Such differences have been appropriately reconciled by the management and are not material.

(₹ in lakhs)

| Period | As per Books | Submitted to Banks | Differences | Reason for Difference                                                   |
|--------|--------------|--------------------|-------------|-------------------------------------------------------------------------|
| Q1     | 7921.33      | 7282.35            | 638.98      | Not considered for Bank: Overheads Inventorised ₹ 437.03, WIP ₹199.72   |
| Q2     | 8224.87      | 7612.49            | 612.38      | Not considered for Bank: Overheads Inventorised ₹ 409.19, WIP ₹ 199.72  |
| Q3     | 9963.82      | 9423.84            | 539.98      | Not considered for Bank: Overheads Inventorised ₹ 336.27, WIP ₹ 199.72. |
| Q4     | 9549.01      | 9071.71            | 477.3       | Not considered for Bank: Overheads Inventorised ₹ 268.31, WIP ₹ 199.72  |

- 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.
  - a. The provisions of paragraph 3(iii)(a) of the Order are not applicable since no loans and advances had been given.
  - b. As per explanation given by management and examination of records, the Company has not made any investments neither provided guarantees, security.
  - c. 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.
  - d. The provisions of paragraph 3(iii)(d) of the Order are not applicable since no loans and advances had been given.
  - e. The provisions of paragraph 3(iii)(e) of the Order are not applicable since no loans and advances had been given.
  - f. 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 disputed 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, 2026 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, 2026 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       | 5.43                | Nil  | 2001-02                            | Deputy Commercial Tax Office - Tamil Nadu               |
| 2       | Central Sales Tax Act, 1956          | Central Sales Tax     | 7.28                | Nil  | 2005-06                            | Deputy Commercial Tax Office - Delhi                    |
| 3       | Goods and Service Tax Act, 2017      | Goods and Service Tax | 76.86               | 3.48 | 2017-18                            | Joint Commissioner of Sales Tax (Appeals) - Maharashtra |
| 4       | Goods and Service Tax Act, 2017      | Goods and Service Tax | 19.2                | 1.75 | 2017-18                            | Deputy Commissioner (GST Appeals) - Tamil Nadu          |

| 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 | 20.54               | 1.87 | 2018-19                            | Deputy Commissioner (GST Appeals) - Tamil Nadu |
| 6       | Goods and Service Tax Act, 2017 | Goods and Service Tax | 22.92               | 2.08 | 2019-20                            | Deputy Commissioner (GST Appeals) - Tamil Nadu |
| 7       | Goods and Service Tax Act, 2017 | Goods and Service Tax | 30.26               | 8.84 | 2020-21                            | Deputy Commissioner (GST Appeals) - Tamil Nadu |
| 8       | Goods and Service Tax Act, 2017 | Goods and Service Tax | 12.04               | 0.68 | 2020-21                            | Deputy Commissioner (GST Appeals) - Tamil Nadu |

- 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. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, thus reporting requirements of Section 42 and Section 62 of the Companies Act, 2013 are not applicable to the Company.
- 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, the Company has not incurred any cash losses in the current financial year as well as in the immediately preceding financial year respectively.
- xviii. There was no resignation of auditor during the financial year, Therefore, this clause is not applicable.
- 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. In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility ("CSR") are applicable to the Company. However, the amount required to be spent towards CSR activities for the year, being 2% of the average net profits of the three immediately preceding financial years computed in accordance with Section 198 of the Act, is NIL, as the average net profits so computed are negative. Accordingly, reporting under clauses 3(xx)(a) and 3(xx)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company for the year.

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

**Manish Kankani**  
**Partner**  
**Membership No.: 158020**  
**UDIN: 26158020VVDOKW3450**

**Place:** Mumbai  
**Date:** May 27, 2026

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

**(Referred to in paragraph 2 (i) 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 with reference to financial statement of VIP Clothing Limited (the "Company") as of March 31, 2026 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 according to the explanations given to us, the Company has maintained in all material respects, adequate internal financial control with reference to financial statement were operating effectively as at March 31, 2026, based on the internal financial control with reference to financial statement 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 Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement 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: 26158020VVDOKW3450**

Place: Mumbai  
Date: May 27, 2026



**BALANCE SHEET AS AT MARCH 31, 2026****(Amount in INR lakhs, unless otherwise stated)**

|                                      | Notes | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |       |                         |                         |
| <b>Non-current assets</b>            |       |                         |                         |
| Property, plant and equipment        | 3     | 2,231.68                | 2,348.45                |
| Right of use assets                  | 3     | 345.32                  | 424.56                  |
| Intangible assets                    | 4     | 6,937.26                | 6,937.26                |
| Financial assets                     |       |                         |                         |
| Loans                                | 5     | 13.73                   | 10.98                   |
| Other financial assets               | 6     | 67.09                   | 278.85                  |
| Non current tax assets (net)         | 7     | 74.71                   | 67.98                   |
| Other non-current assets             | 8     | 1,451.40                | 1,297.33                |
| <b>Total non-current assets</b>      |       | <b>11,121.19</b>        | <b>11,365.41</b>        |
| <b>Current assets</b>                |       |                         |                         |
| Inventories                          | 9     | 9,549.01                | 9,243.99                |
| Financial assets                     |       |                         |                         |
| Trade receivables                    | 10    | 9,575.43                | 9,861.13                |
| Cash and cash equivalents            | 11    | 74.52                   | 70.72                   |
| Bank balances other than above       | 12    | 0.61                    | 0.58                    |
| Loans                                | 13    | 18.31                   | 22.50                   |
| Other financial assets               | 14    | 961.40                  | 883.06                  |
| Other current assets                 | 15    | 1,524.86                | 1,490.81                |
| <b>Total current assets</b>          |       | <b>21,704.14</b>        | <b>21,572.79</b>        |
| <b>Total assets</b>                  |       | <b>32,825.33</b>        | <b>32,938.20</b>        |
| <b>EQUITY AND LIABILITIES</b>        |       |                         |                         |
| <b>Equity</b>                        |       |                         |                         |
| Equity share capital                 | 16    | 1,802.59                | 1,802.59                |
| Other equity                         | 17    | 17,634.44               | 16,653.31               |
| <b>Total equity</b>                  |       | <b>19,437.03</b>        | <b>18,455.90</b>        |
| <b>Liabilities</b>                   |       |                         |                         |
| <b>Non-current liabilities</b>       |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 18    | 24.65                   | 93.62                   |
| Lease liabilities                    | 36    | 265.11                  | 327.28                  |
| Other financial liabilities          | 19    | 443.13                  | 469.20                  |
| Provisions                           | 20    | 82.35                   | 120.93                  |
| Deferred tax liabilities (net)       | 33    | 733.36                  | 463.65                  |
| <b>Total non-current liabilities</b> |       | <b>1,548.60</b>         | <b>1,474.68</b>         |

**CONTD...BALANCE SHEET AS AT MARCH 31, 2026****(Amount in INR lakhs, unless otherwise stated)**

|                                                                                            | Notes | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Current liabilities</b>                                                                 |       |                         |                         |
| Financial liabilities                                                                      |       |                         |                         |
| Borrowings                                                                                 | 21    | 6,555.58                | 7,676.52                |
| Lease liabilities                                                                          | 36    | 123.22                  | 133.24                  |
| Trade payables                                                                             | 22    |                         |                         |
| i) total outstanding dues of micro enterprises and small enterprises                       |       | 878.79                  | 1,469.08                |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 3,408.07                | 3,235.05                |
| Other financial liabilities                                                                | 23    | 401.08                  | 325.10                  |
| Other current liabilities                                                                  | 24    | 417.79                  | 137.67                  |
| Provisions                                                                                 | 20    | 55.17                   | 30.96                   |
| <b>Total current liabilities</b>                                                           |       | <b>11,839.70</b>        | <b>13,007.62</b>        |
| <b>Total liabilities</b>                                                                   |       | <b>13,388.30</b>        | <b>14,482.30</b>        |
| <b>Total equity and liabilities</b>                                                        |       | <b>32,825.33</b>        | <b>32,938.20</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 27, 2026

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

Place: Mumbai  
Date: May 27, 2026

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in INR lakhs, unless otherwise stated)

|                                                                                   | Notes | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Income</b>                                                                     |       |                              |                              |
| Revenue from operations                                                           | 25    | 25,382.85                    | 23,688.69                    |
| Other income                                                                      | 26    | 103.87                       | 136.03                       |
| <b>Total income</b>                                                               |       | <b>25,486.72</b>             | <b>23,824.72</b>             |
| <b>Expenses</b>                                                                   |       |                              |                              |
| Cost of materials consumed                                                        | 27    | 3,766.05                     | 8,382.86                     |
| Purchases of stock-in-trade                                                       |       | 13,654.87                    | 6,276.57                     |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress     | 28    | 408.31                       | (198.90)                     |
| Employee benefits expense                                                         | 29    | 2,012.15                     | 2,341.55                     |
| Finance costs                                                                     | 30    | 879.10                       | 804.65                       |
| Depreciation and amortization expense                                             | 31    | 263.03                       | 293.95                       |
| Knitting and processing charges                                                   |       | 1,264.08                     | 2,519.21                     |
| Other expenses                                                                    | 32    | 1,988.52                     | 2,702.55                     |
| <b>Total expenses</b>                                                             |       | <b>24,236.11</b>             | <b>23,122.44</b>             |
| <b>Profit before exceptional items and tax</b>                                    |       | <b>1,250.61</b>              | <b>702.28</b>                |
| Exceptional items                                                                 | 49    | -                            | -                            |
| <b>Profit before tax</b>                                                          |       | <b>1,250.61</b>              | <b>702.28</b>                |
| <b>Income tax expense</b>                                                         | 33    |                              |                              |
| Current tax                                                                       |       | -                            | -                            |
| Adjustment of tax expense relating to earlier period / years                      |       | (199.45)                     | -                            |
| Deferred tax charge                                                               |       | 469.10                       | 156.63                       |
| <b>Total income tax expense</b>                                                   |       | <b>269.65</b>                | <b>156.63</b>                |
| <b>Profit for the year after tax</b>                                              |       | <b>980.96</b>                | <b>545.65</b>                |
| <b>Other comprehensive income</b>                                                 |       |                              |                              |
| <b>Items that will not be reclassified subsequently to profit or loss</b>         |       |                              |                              |
| Re-measurement gains / (losses) on defined benefit plans                          |       | 0.22                         | (7.35)                       |
| Tax credit / (charge) on re-measurement gains / (losses) on defined benefit plans |       | (0.06)                       | 1.85                         |
| <b>Items that will be reclassified subsequently to profit or loss</b>             |       |                              |                              |
| Fair value of cash flow hedges through other comprehensive income (net of tax)    |       | -                            | -                            |
| <b>Total other comprehensive income for the year</b>                              |       | <b>0.16</b>                  | <b>(5.50)</b>                |
| <b>Total comprehensive income for the year</b>                                    |       | <b>981.12</b>                | <b>540.15</b>                |

**CONTD...STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026****(Amount in INR lakhs, unless otherwise stated)**

|                                           | Notes     | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------|-----------|------------------------------|------------------------------|
| <b>Earnings / (loss) per equity share</b> | <b>34</b> |                              |                              |
| Basic (in INR)                            |           | 1.09                         | 0.63                         |
| Diluted (in INR)                          |           | 1.07                         | 0.62                         |

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 &amp;

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 27, 2026

**Rahul Soni**

Company Secretary

(M. No: ACS-61305)

Place: Mumbai

Date: May 27, 2026





## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in INR lakhs, unless otherwise stated)

|                                                                     | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                              |                              |
| Profit before tax                                                   | 1,250.61                     | 702.28                       |
| Adjustments for:                                                    |                              |                              |
| Depreciation and amortization expenses                              | 263.03                       | 293.95                       |
| Unrealised foreign exchange gain (net)                              | (8.85)                       | 1.79                         |
| Provision for bad and doubtful debts                                | 90.00                        | 50.00                        |
| Bad debts                                                           | 1.65                         | 1.20                         |
| Loss on disposal of property, plant and equipment (net)             | 1.57                         | -                            |
| Re-measurement gains / (loss) on defined benefit plans              | -                            | (7.35)                       |
| Interest income                                                     | (46.40)                      | (60.47)                      |
| Interest on unwinding of security deposits                          | (3.63)                       | (3.44)                       |
| Interest on unwinding of employee loans                             | (2.19)                       | (3.76)                       |
| Finance cost                                                        | 879.10                       | 804.65                       |
| Liabilities no longer required written back and reversal            | (29.92)                      | (57.89)                      |
| Gain on cancellation of lease (net)                                 | (2.06)                       | (4.00)                       |
|                                                                     | <b>1,142.30</b>              | <b>1,014.68</b>              |
| <b>Operating profit / (loss) before working capital changes</b>     | <b>2,392.91</b>              | <b>1,716.96</b>              |
| <b>Changes in working capital</b>                                   |                              |                              |
| (Increase) in inventories                                           | (305.02)                     | (964.64)                     |
| Decrease / (increase) in trade receivables                          | 202.89                       | (4,084.18)                   |
| Decrease in loans                                                   | 3.63                         | 4.73                         |
| Decrease / (increase) in other financial assets                     | 7.55                         | (1,007.46)                   |
| (Increase) in other current assets                                  | (188.12)                     | (417.98)                     |
| (Decrease) / increase in trade payables                             | (387.35)                     | 1,078.13                     |
| (Decrease) in provisions                                            | (14.36)                      | (37.40)                      |
| Increase / (decrease) in other financial liabilities                | 37.40                        | (4.78)                       |
| Increase / (decrease) in other current liabilities                  | 280.13                       | (0.64)                       |
| <b>Total changes in working capital</b>                             | <b>(363.25)</b>              | <b>(5,434.22)</b>            |
| <b>Cash generated / (used in) from operations</b>                   | <b>2,029.66</b>              | <b>(3,717.26)</b>            |
| Income tax paid (net)                                               | (6.67)                       | (18.83)                      |
| <b>Net cash generated / (used in) from operating activities (A)</b> | <b>2,022.99</b>              | <b>(3,736.09)</b>            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                              |                              |
| Payment for purchase of property, plant and equipment               | (1.05)                       | (62.16)                      |
| Proceeds from sale of property, plant and equipment                 | 0.28                         | -                            |
| Proceeds / (investment) in fixed deposits                           | 116.93                       | 405.75                       |
| Interest received                                                   | 58.93                        | 51.17                        |
| <b>Net cash generated from investing activities (B)</b>             | <b>175.09</b>                | <b>394.76</b>                |

**CONTD...STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026****(Amount in INR lakhs, unless otherwise stated)**

|                                                                       | <b>Year ended<br/>March 31, 2026</b> | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------|--------------------------------------|------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                      |                              |
| Repayment of borrowings                                               | (1,183.19)                           | 336.40                       |
| Principal paid on lease liabilities                                   | (137.95)                             | (144.69)                     |
| Interest paid on lease liabilities                                    | (39.66)                              | (47.43)                      |
| Proceeds from issue of equity shares                                  | -                                    | 150.66                       |
| Proceeds from issue of warrants convertible into equity shares        | 0.17                                 | 3,932.55                     |
| Finance cost paid                                                     | (833.65)                             | (845.45)                     |
| <b>Net cash (used in) /generated from financing activities (C)</b>    | <b>(2,194.28)</b>                    | <b>3,382.04</b>              |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>3.80</b>                          | <b>40.71</b>                 |
| Cash and cash equivalents at the beginning of the year                | 70.72                                | 30.01                        |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>74.52</b>                         | <b>70.72</b>                 |
| <b>Cash and cash equivalents comprise (refer note 11)</b>             |                                      |                              |
| (a) Cash on hand                                                      | 0.01                                 | 0.04                         |
| (b) Balances with banks                                               |                                      |                              |
| (i) In current accounts                                               | 74.51                                | 70.68                        |
| <b>Total cash and cash equivalents at end of the year</b>             | <b>74.52</b>                         | <b>70.72</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 27, 2026

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 27, 2026

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(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, 2026 |                 | As at March 31, 2025 |                 |
|-------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                                 | No. of shares        | Amount          | No. of shares        | Amount          |
| Balance as at April 1                           | 90,129,519           | 1,802.59        | 82,596,519           | 1,651.93        |
| Changes in equity share capital during the year | -                    | -               | 7,533,000            | 150.66          |
| <b>Balance as at March 31</b>                   | <b>90,129,519</b>    | <b>1,802.59</b> | <b>90,129,519</b>    | <b>1,802.59</b> |

### B. OTHER EQUITY:

For the year ended March 31, 2026

| Particulars                  | Other equity                          |                            |                    |                 |                   | Total     |
|------------------------------|---------------------------------------|----------------------------|--------------------|-----------------|-------------------|-----------|
|                              | Money received against share warrants | Reserves and Surplus       |                    |                 |                   |           |
|                              |                                       | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earnings |           |
| Balance as at April 1, 2025  | 1,283.09                              | 4,769.58                   | 10,516.98          | 817.30          | (733.64)          | 16,653.31 |
| Profit for the year          | -                                     | -                          | -                  | -               | 980.96            | 980.96    |
| Additions for the year       | -                                     | -                          | -                  | -               | -                 | -         |
| Deletions for the year       | -                                     | -                          | -                  | -               | -                 | -         |
| Other comprehensive income   | -                                     | -                          | -                  | -               | 0.17              | 0.17      |
| Total comprehensive income   | -                                     | -                          | -                  | -               | 981.13            | 981.13    |
| Balance as at March 31, 2026 | 1,283.09                              | 4,769.58                   | 10,516.98          | 817.30          | 247.49            | 17,634.44 |

## CONTD...STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(Amount in INR lakhs, unless otherwise stated)

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 |           |
| Balance as at April 1, 2024  | 1,129.69                              | 4,035.00                   | 7,472.40           | 817.30          | (1,273.79)        | 12,180.60 |
| Loss 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)    |
| Total comprehensive income   | 153.40                                | 734.58                     | 3,044.58           | -               | 540.15            | 4,472.71  |
| Balance as at March 31, 2025 | 1,283.09                              | 4,769.58                   | 10,516.98          | 817.30          | (733.64)          | 16,653.31 |

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 27, 2026

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

Place: Mumbai  
Date: May 27, 2026



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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, Trader and 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 Indian 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
- 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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.

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

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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:

### 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.

| 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.

## 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".

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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.

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.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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:

- ▶ 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:

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

- ▶ 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 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 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.

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:

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

- (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.

### 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.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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.

### 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.

### 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 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.

**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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

**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 AS103 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)

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

historical experience and informed credit assessment and including subsequent information.

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.

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



## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

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.

#### 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 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.

#### 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 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.

### 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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 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.

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.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 3 Property, plant and equipment

| Particulars                | Gross block         |                        |                         |                      | Depreciation        |               |                         |                      | Net block            |
|----------------------------|---------------------|------------------------|-------------------------|----------------------|---------------------|---------------|-------------------------|----------------------|----------------------|
|                            | As at April 1, 2025 | Additions/ Adjustments | Deductions/ Adjustments | As at March 31, 2026 | As at April 1, 2025 | For the year  | Deductions/ Adjustments | As at March 31, 2026 | As at March 31, 2026 |
| <b>Owned assets</b>        |                     |                        |                         |                      |                     |               |                         |                      |                      |
| 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             | 738.52              | 44.50         | -                       | 783.02               | 623.24               |
| Plant and machinery        | 1,448.70            | -                      | -                       | 1,448.70             | 1,195.51            | 42.53         | -                       | 1,238.04             | 210.66               |
| Furniture and fixtures     | 16.04               | -                      | -                       | 16.04                | 5.83                | 1.71          | -                       | 7.54                 | 8.50                 |
| Office equipment           | 99.12               | -                      | 1.76                    | 97.36                | 79.86               | 5.65          | 1.67                    | 83.84                | 13.52                |
| Vehicles                   | 200.31              | -                      | -                       | 200.31               | 114.16              | 17.42         | -                       | 131.58               | 68.73                |
| Electrical installation    | 1.16                | -                      | -                       | 1.16                 | 0.72                | 0.11          | -                       | 0.83                 | 0.33                 |
| Computers                  | 215.21              | 1.05                   | 35.35                   | 180.91               | 194.88              | 4.05          | 33.59                   | 165.34               | 15.57                |
| <b>Total</b>               | <b>4,683.51</b>     | <b>1.05</b>            | <b>37.11</b>            | <b>4,647.45</b>      | <b>2,335.06</b>     | <b>115.97</b> | <b>35.26</b>            | <b>2,415.77</b>      | <b>2,231.68</b>      |
| <b>Right of use assets</b> |                     |                        |                         |                      |                     |               |                         |                      |                      |
| Buildings                  | 668.58              | 101.77                 | 218.32                  | 552.03               | 244.02              | 147.06        | 184.37                  | 206.71               | 345.32               |
| <b>Total</b>               | <b>668.58</b>       | <b>101.77</b>          | <b>218.32</b>           | <b>552.03</b>        | <b>244.02</b>       | <b>147.06</b> | <b>184.37</b>           | <b>206.71</b>        | <b>345.32</b>        |
| <b>Grand total</b>         | <b>5,352.09</b>     | <b>102.82</b>          | <b>255.43</b>           | <b>5,199.48</b>      | <b>2,579.08</b>     | <b>263.03</b> | <b>219.63</b>           | <b>2,622.48</b>      | <b>2,577.00</b>      |

| 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>        |                     |                        |                         |                      |                     |               |                         |                      |                      |
| 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>      |
| <b>Right of use assets</b> |                     |                        |                         |                      |                     |               |                         |                      |                      |
| 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>      |

#### 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, 2026

(Amount in INR lakhs, unless otherwise stated)

### 4 Intangible assets

| Particulars       | Gross block         |                        |                         |                      | Amortisation        |              |                         |                      | Net block       |
|-------------------|---------------------|------------------------|-------------------------|----------------------|---------------------|--------------|-------------------------|----------------------|-----------------|
|                   | As at April 1, 2025 | Additions/ Adjustments | Deductions/ Adjustments | As at March 31, 2026 | As at April 1, 2025 | For the year | Deductions/ Adjustments | As at March 31, 2026 |                 |
| 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, 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 |                 |
| 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> |

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, 2025 and March 31, 2026.

### 5 Loans

| Particulars                     | As at March 31, 2026 | As at March 31, 2025 |
|---------------------------------|----------------------|----------------------|
| Unsecured considered good       |                      |                      |
| Loans and advances to employees | 13.73                | 10.98                |
| <b>Total</b>                    | <b>13.73</b>         | <b>10.98</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, 2026 | As at March 31, 2025 |
|--------------------------------------------------------------|----------------------|----------------------|
| Security deposits                                            | 66.67                | 67.13                |
| In Fixed deposit accounts with more than 12 month maturity ^ | 0.42                 | 211.72               |
| <b>Total</b>                                                 | <b>67.09</b>         | <b>278.85</b>        |

^ The Company has kept as a margin of fixed deposits to the extent of INR 0.27 lakhs (March 31, 2025 of INR 11.27 lakhs) with banks for bank guarantees as lien.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 7 Non current tax assets

| Particulars                                                                                                      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Advance income tax and tax deducted at source<br>[net of provisions amounting INR Nil (March 31, 2025: INR Nil)] | 74.71                   | 67.98                   |
| <b>Total</b>                                                                                                     | <b>74.71</b>            | <b>67.98</b>            |

### 8 Other non-current assets

| Particulars                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------|-------------------------|-------------------------|
| Balance with Government authorities |                         |                         |
| Sales tax refund receivable         | 414.65                  | 414.65                  |
| Goods and service tax input balance | 1,029.27                | 872.13                  |
| Prepaid rent                        | 7.48                    | 10.55                   |
| <b>Total</b>                        | <b>1,451.40</b>         | <b>1,297.33</b>         |

### 9 Inventories (at lower of cost and net realisable value) \*

| Particulars      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------|-------------------------|-------------------------|
| Raw material     | 3,358.11                | 2,604.07                |
| Packing material | 459.75                  | 500.46                  |
| Work in progress | 2,508.14                | 1,905.87                |
| Finished goods   | 1,672.87                | 3,180.53                |
| Stock in trade   | 1,550.14                | 1,053.06                |
| <b>Total</b>     | <b>9,549.01</b>         | <b>9,243.99</b>         |

\*Hypothecated as charge against borrowings refer note 21B.

The cost of inventories recognised as an expenses include INR 2.64 lacs (March 31, 2025 - INR 8.64 lacs) in respect of write-down of inventory on account of obsolescence / adjustments and provision for slow moving / non moving inventory.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 10 Trade receivables

| Particulars                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| Secured, considered good                        | 443.13                  | 469.20                  |
| Unsecured, considered good                      | 9,132.30                | 9,391.93                |
| Unsecured, considered doubtful                  | 899.80                  | 809.80                  |
|                                                 | 10,475.23               | 10,670.93               |
| Less: Allowance for bad and doubtful debts      | (899.80)                | (809.80)                |
| <b>Total</b>                                    | <b>9,575.43</b>         | <b>9,861.13</b>         |
| Further classified as:                          |                         |                         |
| Receivable from related parties (refer note 37) | -                       | -                       |
| Receivable from others                          | 9,575.43                | 9,861.13                |
| <b>Total</b>                                    | <b>9,575.43</b>         | <b>9,861.13</b>         |

### Ageing of trade receivables As on March 31, 2026

| 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      | 4,742.12        | 2,765.15                                                    | 983.93            | 214.33        | 182.49        | 626.82            | 9,514.84         |
| (ii) Undisputed – considered doubtful | -               | -                                                           | -                 | -             | -             | 591.78            | 591.78           |
| (iii) Disputed – considered good      | -               | -                                                           | 10.15             | 34.25         | 16.19         | -                 | 60.59            |
| (iv) Disputed – considered doubtful   | -               | -                                                           | -                 | -             | -             | 308.02            | 308.02           |
| <b>Total</b>                          | <b>4,742.12</b> | <b>2,765.15</b>                                             | <b>994.08</b>     | <b>248.58</b> | <b>198.68</b> | <b>1,526.62</b>   | <b>10,475.23</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>   |          |

Note: Secured trade receivables are secured against security deposits from customers.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 11 Cash and cash equivalents

| Particulars                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------|-------------------------|-------------------------|
| <b><u>Balances with banks:</u></b> |                         |                         |
| in current accounts                | 74.51                   | 70.68                   |
| Cash on hand                       | 0.01                    | 0.04                    |
| <b>Total</b>                       | <b>74.52</b>            | <b>70.72</b>            |

### 12 Bank balances other than cash and cash equivalents

| Particulars                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| In Fixed deposit accounts with less than 3 month maturity ^ | 0.61                    | 0.58                    |
| <b>Total</b>                                                | <b>0.61</b>             | <b>0.58</b>             |

^ The Company has kept as a margin of fixed deposits to the extent of INR 0.61 lakhs (March 31, 2025 of INR 0.58 lakhs) with banks for bank guarantees as lien.

### 13 Loans

| Particulars                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------|-------------------------|-------------------------|
| <b><u>Unsecured considered good</u></b> |                         |                         |
| Loans and advances to employee          | 18.31                   | 22.50                   |
| <b>Total</b>                            | <b>18.31</b>            | <b>22.50</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, 2026

(Amount in INR lakhs, unless otherwise stated)

### 14 Other financial assets

| Particulars                                                                              | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Security deposits                                                                        | -                       | 14.29                   |
| In Fixed deposit with original maturity for more than 3 months but less than 12 months ^ | 837.21                  | 755.41                  |
| Interest accrued on fixed deposits                                                       | 10.27                   | 22.80                   |
| Receivable from skill project                                                            | 113.92                  | 90.56                   |
| <b>Total</b>                                                                             | <b>961.40</b>           | <b>883.06</b>           |

^ The Company has kept as a margin of fixed deposits to the extent of INR 18.82 lakhs (March 31, 2025 of INR 9.32 lakhs) with banks for bank guarantees as lien.

### 15 Other current assets

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| Advance to suppliers                       | 1,158.46                | 729.81                  |
| <b>Balance with Government authorities</b> |                         |                         |
| Goods and service tax input balance        | 272.60                  | 633.85                  |
| Prepaid expenses                           | 66.57                   | 93.83                   |
| Export incentive receivables               | 27.23                   | 33.32                   |
| <b>Total</b>                               | <b>1,524.86</b>         | <b>1,490.81</b>         |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 16 Share capital

#### (A) Equity shares

| Particulars                                                                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorized</b>                                                                  |                         |                         |
| 15,00,00,000 (March 31, 2025: 15,00,00,000) equity shares of INR 2/- each          | 3,000.00                | 3,000.00                |
| <b>Total</b>                                                                       | <b>3,000.00</b>         | <b>3,000.00</b>         |
| <b>Issued, subscribed and paid up</b>                                              |                         |                         |
| 9,01,29,519 (March 31, 2025: 9,01,29,519) equity shares of INR 2/- each fully paid | 1,802.59                | 1,802.59                |
| <b>Total</b>                                                                       | <b>1,802.59</b>         | <b>1,802.59</b>         |

#### (I) Reconciliation of equity shares outstanding at the beginning and at the end of the year

| Particulars                               | As at March 31, 2026 |                 | As at March 31, 2025 |                 |
|-------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                           | No. of shares        | Amount          | No. of shares        | Amount          |
| Outstanding at the beginning of the year  | 90,129,519           | 1,802.59        | 82,596,519           | 1,651.93        |
| Add: Issued during the year               | -                    | -               | 7,533,000            | 150.66          |
| <b>Outstanding at the end of the year</b> | <b>90,129,519</b>    | <b>1,802.59</b> | <b>90,129,519</b>    | <b>1,802.59</b> |

#### (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.

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.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### (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, 2026 |                           | As at March 31, 2025 |                           |
|-----------------------------------------------|----------------------|---------------------------|----------------------|---------------------------|
|                                               | 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                              | 16,992,008           | 18.85%                    | 16,992,008           | 18.85%                    |
| Kapil J. Pathare                              | 15,065,548           | 16.72%                    | 15,065,548           | 16.72%                    |
| Lalita J. Pathare                             | 7,338,652            | 8.14%                     | 7,338,652            | 8.14%                     |

### (iv) Details of Shares held by promoters at the end of the year

| Promoter name          | As at March 31, 2026 |                   |                          | As at March 31, 2025 |                   |                          |
|------------------------|----------------------|-------------------|--------------------------|----------------------|-------------------|--------------------------|
|                        | No. of shares        | % of total shares | % Change during the year | No. of shares        | % of total shares | % Change during the year |
| Sunil Jaykumar Pathare | 16,992,008           | 18.85%            | 0%                       | 16,992,008           | 18.85%            | 1%                       |
| Kapil Jaykumar Pathare | 15,065,548           | 16.72%            | 0%                       | 15,065,548           | 16.72%            | 2%                       |
| <b>Total</b>           | <b>32,057,556</b>    | <b>35.57%</b>     | <b>0%</b>                | <b>32,057,556</b>    | <b>35.57%</b>     | <b>3%</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, 2026 | As at March 31, 2025 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| <u>Authorized</u>                                                         |                      |                      |
| 45,00,000 (March 31, 2025: 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, 2026

(Amount in INR lakhs, unless otherwise stated)

### 17 Other equity

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| Securities premium                    | 10,516.98               | 10,516.98               |
| General reserve                       | 817.30                  | 817.30                  |
| Retained earnings                     | 247.49                  | (733.64)                |
| Capital redemption reserve            | 4,769.58                | 4,769.58                |
| Money received against share warrants | 1,283.09                | 1,283.09                |
| <b>Total</b>                          | <b>17,634.44</b>        | <b>16,653.31</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<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------|-------------------------|-------------------------|
| Opening balance                                  | 10,516.98               | 7,472.40                |
| Add : Securities premium credited on share issue | -                       | 3,044.58                |
| <b>Closing balance</b>                           | <b>10,516.98</b>        | <b>10,516.98</b>        |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### (B) General reserve

| Particulars                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------|-------------------------|-------------------------|
| 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Opening balance                                                                       | (733.64)                | (1,273.79)              |
| Add: Net profit / (loss) for the current year                                         | 980.96                  | 545.65                  |
| Add: Addition during the year                                                         | -                       | -                       |
| Less: Re-measurement (gain) / loss on post employment benefit obligation (net of tax) | 0.17                    | (5.50)                  |
| <b>Closing balance</b>                                                                | <b>247.49</b>           | <b>(733.64)</b>         |

### (D) Capital redemption reserve

| Particulars                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------|-------------------------|-------------------------|
| Opening balance             | 4,769.58                | 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>4,769.58</b>         |

### (E) Money received against share warrants

| Particulars                                                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Amount received on issue of warrants convertible into equity shares ^ | 1,283.09                | 1,283.09                |
| <b>Closing balance</b>                                                | <b>1,283.09</b>         | <b>1,283.09</b>         |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

^ 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 October 3, 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                                              |                         |                         |
| <b>(a) Term loan - from Banks</b>                           |                         |                         |
| Term loan from SBI GECL                                     | -                       | 60.00                   |
| (b) Vehicle loan                                            | 24.65                   | 33.62                   |
| <b>Total non current maturities of long term borrowings</b> | <b>24.65</b>            | <b>93.62</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 7.90%         | Repayable in monthly installments |
| Vehicle loan                           | ROI 9.20% & 9.40% | Repayable in monthly installments |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### B. Nature of security :

- 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), Edyarpalayam (Tamil Nadu), Kon village-Kalyan (Maharashtra).
- 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, 2026.

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, 2026 | As at March 31, 2025 |
|----------------------------------|----------------------|----------------------|
| Security deposits from customers | 443.13               | 469.20               |
| <b>Total</b>                     | <b>443.13</b>        | <b>469.20</b>        |

## 20 Provisions

| Name of the shareholder                         | Long term            |                      | Short term           |                      |
|-------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                 | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2026 | As at March 31, 2025 |
| Provisions for compensation ^                   | -                    | 33.83                | -                    | -                    |
| Provision for employee benefits (refer note 35) |                      |                      |                      |                      |
| Provision for gratuity (funded)                 | -                    | -                    | 48.31                | 20.30                |
| Provision for leave encashment (unfunded)       | 82.35                | 87.10                | 6.86                 | 10.66                |
| <b>Total</b>                                    | <b>82.35</b>         | <b>120.93</b>        | <b>55.17</b>         | <b>30.96</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. The Company has requested to Cotton Corporation of India Ltd. on September 26, 2025 for one time full and final settlement of claims arising from Arbitration award. The Company has been settled full and final claim with interest of INR 74.48 lakhs on November 24, 2025.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 21 Borrowings

| Particulars                           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Secured, from banks -</b>          |                         |                         |
| Cash credit                           | 5,449.50                | 5,781.82                |
| Letter of credit                      | 618.56                  | 1,567.53                |
| Unsecured from related parties ^      | 415.00                  | -                       |
| Current maturity of long term debts * | 72.52                   | 327.17                  |
| <b>Total short-term borrowings</b>    | <b>6,555.58</b>         | <b>7,676.52</b>         |

^ During the year, the Company received unsecured loans from the Directors in the ordinary course of business to support its working capital and operational requirements. Since no fixed repayment terms have been stipulated and the repayment of such loans is at the discretion of the Company based on the availability of funds, the said loans have been classified as current liabilities in the financial statements.

\* Includes interest accrued on borrowings.

#### A. Terms of current borrowing are as under

| Particulars               | Rate of interest              | Repayment terms                |
|---------------------------|-------------------------------|--------------------------------|
| <b>Secured, from bank</b> |                               |                                |
| Cash credit               | Ranging from 10.10% to 13.50% | Repayable on demand            |
| Letter of credit          | Ranging from 1.40% 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, 2026

(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, 2025 | Cash flows | Non-cash changes |                  |                            |                      | As at March 31, 2026 |
|------------------------------------------|---------------------|------------|------------------|------------------|----------------------------|----------------------|----------------------|
|                                          |                     |            | Net Additions    | Accrued interest | Foreign exchange loss/gain | Current/ Non-current |                      |
| Borrowings - Non-current (refer note 18) | 93.62               | -          | -                | -                | -                          | (68.97)              | 24.65                |
| Borrowings - Current (refer note 21)     | 7,676.52            | (1,183.19) | -                | (6.72)           | -                          | 68.97                | 6,555.58             |
| Lease liabilities (refer note 36)        | 460.51              | (138.01)   | 65.83            | -                | -                          | -                    | 388.33               |

| 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               |

## 22 Trade payables

| Particulars                                                                            | As at March 31, 2026 | As at March 31, 2025 |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 878.79               | 1,469.08             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,408.07             | 3,235.05             |
| <b>Total</b>                                                                           | <b>4,286.86</b>      | <b>4,704.13</b>      |
| Further classified as:                                                                 |                      |                      |
| Payable to related parties (refer note 37)                                             | 56.19                | 20.98                |
| Payable to others                                                                      | 4,230.67             | 4,683.15             |
| <b>Total</b>                                                                           | <b>4,286.86</b>      | <b>4,704.13</b>      |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year:                                                                                                                                                                                                   |                         |                         |
| Principal                                                                                                                                                                                                                                                                         | 878.79                  | 1,469.08                |
| Interest                                                                                                                                                                                                                                                                          | 30.52                   | 18.01                   |
| <b>Total</b>                                                                                                                                                                                                                                                                      | <b>909.31</b>           | <b>1,487.09</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.                                                                                                                                                                                       | 30.52                   | 18.01                   |
| (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, 2026

| Particulars                 | Unbilled dues | Payables not due | Outstanding for following periods from due date of aymnt |               |              |                   | Total           |
|-----------------------------|---------------|------------------|----------------------------------------------------------|---------------|--------------|-------------------|-----------------|
|                             |               |                  | Less than 1 year                                         | 1-2 years     | 2-3 years    | More than 3 years |                 |
| (i) MSME                    | -             | 219.07           | 403.40                                                   | 246.93        | 8.93         | 0.46              | 878.79          |
| (ii) Disputed dues – MSME   | -             | -                | -                                                        | -             | -            | -                 | -               |
| (iii) Others                | 877.54        | 1,000.59         | 1,390.01                                                 | 102.20        | 4.28         | 33.45             | 3,408.07        |
| (iv) Disputed dues - others | -             | -                | -                                                        | -             | -            | -                 | -               |
| <b>Total</b>                | <b>877.54</b> | <b>1,219.66</b>  | <b>1,793.41</b>                                          | <b>349.13</b> | <b>13.21</b> | <b>33.91</b>      | <b>4,286.86</b> |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

As at March 31, 2025

| 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                    | -             | 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> |

Note: The credit period for trade payables generally range from fifteen to ninety days.

### 23 Other financial liabilities

| Particulars                | As at March 31, 2026 | As at March 31, 2025 |
|----------------------------|----------------------|----------------------|
| Interest on MSME payable   | 30.52                | 18.01                |
| <b>Others-</b>             |                      |                      |
| Advance from skill project | 26.63                | 33.54                |
| Employee benefits payable  | 343.93               | 273.55               |
| <b>Total</b>               | <b>401.08</b>        | <b>325.10</b>        |

### 24 Other current liabilities

| Particulars            | As at March 31, 2026 | As at March 31, 2025 |
|------------------------|----------------------|----------------------|
| Advance from customer  | 380.25               | 85.68                |
| Statutory dues payable | 37.54                | 51.99                |
| <b>Total</b>           | <b>417.79</b>        | <b>137.67</b>        |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 25 Revenue from operations

| Particulars                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------|------------------------------|------------------------------|
| <b>Revenue from contracts with customers</b> |                              |                              |
| Sale of products                             | 25,207.16                    | 23,528.05                    |
|                                              | <b>25,207.16</b>             | <b>23,528.05</b>             |
| <b>Other operating revenue</b>               |                              |                              |
| - Sale of scrap                              | 63.25                        | 71.81                        |
| - Job work                                   | 86.02                        | 35.78                        |
| - Export incentives                          | 26.42                        | 53.05                        |
|                                              | <b>175.69</b>                | <b>160.64</b>                |
| <b>Total</b>                                 | <b>25,382.85</b>             | <b>23,688.69</b>             |

#### A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

| Particulars      | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------|------------------------------|------------------------------|
| Sale of products | 25,207.16                    | 23,528.05                    |
| <b>Total</b>     | <b>25,207.16</b>             | <b>23,528.05</b>             |

#### Geographic revenue

| Particulars         | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------|------------------------------|------------------------------|
| - India             | 24,688.17                    | 22,688.42                    |
| - Rest of the world | 518.99                       | 839.63                       |
| <b>Total</b>        | <b>25,207.16</b>             | <b>23,528.05</b>             |

#### B. Reconciliation of revenue recognised:

| Particulars                 | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------|------------------------------|------------------------------|
| Gross revenue               | 30,485.94                    | 29,280.80                    |
| Rebates, discounts          | (3,572.09)                   | (4,765.90)                   |
| Adjustment for credit notes | (1,706.69)                   | (986.84)                     |
| <b>Total</b>                | <b>25,207.16</b>             | <b>23,528.06</b>             |



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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.

### C. The changes in Contract Liabilities are as follows:

| Particulars                                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| Receivables, which are included in "Trade Receivables" (refer note 10) | 9,575.43                     | 9,861.13                     |
| Contract assets                                                        | -                            | -                            |
| Contract liabilities (refer note 24)                                   | 380.25                       | 85.68                        |
| <b>Total</b>                                                           | <b>9,955.68</b>              | <b>9,946.81</b>              |

### 26 Other income

| Particulars                                      | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------|------------------------------|------------------------------|
| Rental income                                    | 0.04                         | 2.61                         |
| Interest income                                  |                              |                              |
| - on fixed deposits designated as amortized cost | 46.40                        | 60.47                        |
| - on interest on unwinding of security deposit   | 3.63                         | 3.44                         |
| - on others                                      | 6.33                         | 3.76                         |
| Foreign exchange fluctuation (net)               | 15.48                        | -                            |
| Liabilities no longer required written back      | 29.92                        | 57.89                        |
| Gain on cancellation of lease (net)              | 2.06                         | 4.00                         |
| Miscellaneous income                             | 0.01                         | 3.86                         |
| <b>Total</b>                                     | <b>103.87</b>                | <b>136.03</b>                |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 27 Cost of materials consumed

| Particulars                               | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------|------------------------------|------------------------------|
| Raw material at the beginning of the year | 3,104.53                     | 2,338.79                     |
| Add: Purchases                            | 4,479.38                     | 9,148.60                     |
| Less: Raw material at the end of the year | 3,817.86                     | 3,104.53                     |
| <b>Cost of raw materials consumed</b>     | <b>3,766.05</b>              | <b>8,382.86</b>              |

### 28 Changes in inventories of finished goods, work-in-progress and stock in trade

| Particulars                              | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------|------------------------------|------------------------------|
| Inventories at the beginning 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>              |
| Less: Inventories at the end of the year |                              |                              |
| -Finished goods                          | 1,672.87                     | 3,180.53                     |
| -Work-in-progress                        | 2,508.14                     | 1,905.87                     |
| -Stock in trade                          | 1,550.14                     | 1,053.06                     |
|                                          | <b>5,731.15</b>              | <b>6,139.46</b>              |
| <b>Net decrease / (increase)</b>         | <b>408.31</b>                | <b>(198.90)</b>              |

### 29 Employee benefits expense

| Particulars                                                    | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------------------------|------------------------------|------------------------------|
| Salaries, wages, bonus and other allowances                    | 1,830.18                     | 2,039.30                     |
| Contribution to provident fund and other funds (refer note 35) | 101.09                       | 111.69                       |
| Gratuity expenses (refer note 35)                              | 38.28                        | 34.84                        |
| Leave compensation expenses                                    | 10.36                        | 21.54                        |
| Staff welfare expenses                                         | 32.24                        | 134.18                       |
| <b>Total</b>                                                   | <b>2,012.15</b>              | <b>2,341.55</b>              |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 30 Finance costs

| Particulars                           | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|---------------------------------------|------------------------------|------------------------------|
| Interest on borrowing                 | 693.51                       | 625.63                       |
| Interest on term loan                 | 22.88                        | 53.68                        |
| Interest expense on security deposits | 28.20                        | 5.25                         |
| Interest expense on lease liability   | 39.66                        | 47.43                        |
| Interest on MSME dues                 | 12.51                        | (50.80)                      |
| Other borrowing cost                  | 82.34                        | 123.46                       |
| <b>Total</b>                          | <b>879.10</b>                | <b>804.65</b>                |

### 31 Depreciation and amortization expense

| Particulars                                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Depreciation on property, plant and equipment (refer note 3) | 115.97                       | 135.85                       |
| Depreciation on right of use (refer note 3)                  | 147.06                       | 158.10                       |
| Amortization of intangible assets (refer note 4)             | -                            | -                            |
| <b>Total</b>                                                 | <b>263.03</b>                | <b>293.95</b>                |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 32 Other expenses

| Particulars                                                       | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| Electricity and water charges                                     | 61.86                        | 74.90                        |
| Repairs and maintenance - building                                | 2.01                         | 1.28                         |
| Repairs and maintenance - machinery                               | 8.53                         | 25.29                        |
| Repairs and maintenance - others                                  | 132.09                       | 143.28                       |
| Rates and taxes                                                   | 67.18                        | 30.86                        |
| Legal and professional charges                                    | 161.29                       | 105.59                       |
| Loss on disposal of property, plant and equipments                | 1.57                         | -                            |
| Insurance                                                         | 61.64                        | 54.99                        |
| Interest others                                                   | 72.53                        | -                            |
| Travel and conveyance                                             | 311.54                       | 436.60                       |
| Auditor's remunerations [refer note (i) below]                    | 17.31                        | 21.66                        |
| Rent                                                              | 9.65                         | 6.37                         |
| Advertisement expenses                                            | 176.47                       | 290.50                       |
| Bad debts                                                         | 1.65                         | 1.20                         |
| Provision for bad and doubtful debts                              | 90.00                        | 50.00                        |
| Business promotion expenses                                       | 43.02                        | 227.62                       |
| Freight expenses                                                  | 394.63                       | 516.96                       |
| Garmenting charges                                                | 106.31                       | 277.72                       |
| Postage and courier                                               | 11.39                        | 26.93                        |
| Printing and stationery                                           | 13.09                        | 17.24                        |
| Communication expenses                                            | 27.62                        | 19.04                        |
| Commission                                                        | 145.03                       | 253.78                       |
| Corporate Social Responsibility (CSR) Activities (refer note 42)  | -                            | 6.00                         |
| Foreign exchange fluctuation (net)                                | -                            | 45.49                        |
| Security charges                                                  | 50.69                        | 47.83                        |
| Miscellaneous expenses                                            | 21.42                        | 21.42                        |
| <b>Total</b>                                                      | <b>1,988.52</b>              | <b>2,702.55</b>              |
| Note (i) : The following is the break-up of Auditors remuneration |                              |                              |
| <b>As auditor:</b>                                                |                              |                              |
| Statutory audit                                                   | 13.90                        | 16.50                        |
| <b>In other capacity:</b>                                         |                              |                              |
| Tax audit                                                         | 2.20                         | 2.00                         |
| Reimbursement of expenses                                         | 1.21                         | 3.16                         |
| <b>Total</b>                                                      | <b>17.31</b>                 | <b>21.66</b>                 |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 33 Deferred tax and Income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which such deductible temporary differences and unused tax losses can be utilized.

#### A The components of deferred tax (assets)/liabilities are as follows:

| Particulars                                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <b>Deferred tax assets</b>                                   |                         |                         |
| On provision for employee benefits                           | (22.45)                 | (24.60)                 |
| On provision for doubtful debts                              | (226.46)                | (211.36)                |
| On provision for bonus payable                               | (8.93)                  | (6.09)                  |
| On provision for gratuity                                    | (12.16)                 | (6.43)                  |
| On unabsorbed depreciation and carry forward business losses | (723.98)                | (1,158.46)              |
| On carry forward capital losses                              | (3.60)                  | (29.44)                 |
| On lease liabilities                                         | (97.73)                 | (118.17)                |
| On MSME vendor delayed payment                               | (84.23)                 | -                       |
|                                                              | <b>(1,179.54)</b>       | <b>(1,554.55)</b>       |
| <b>Deferred tax liabilities</b>                              |                         |                         |
| On valuation of brand and license                            | 1,742.59                | 1,742.59                |
| On property, plant and equipment                             | 153.56                  | 275.61                  |
| On prepaid expenses                                          | 16.75                   | -                       |
|                                                              | <b>1,912.90</b>         | <b>2,018.20</b>         |
| <b>Deferred tax liabilities (net)</b>                        | <b>733.36</b>           | <b>463.65</b>           |

#### B Recognition of deferred tax asset to the extent of deferred tax liability

| Particulars                                      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Balance sheet</b>                             |                         |                         |
| Deferred tax asset                               | 1,179.54                | 1,554.55                |
| Deferred tax liabilities                         | (1,912.90)              | (2,018.20)              |
| <b>Deferred tax assets / (liabilities) (net)</b> | <b>(733.36)</b>         | <b>(463.65)</b>         |

The Company has recognized deferred tax assets on carried forward business losses and unabsorbed depreciation based on management's assessment that sufficient future taxable profits will be available against which such losses can be set off within the period prescribed under the Income-tax Act, 1961.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### C Income tax expense

| Particulars                                                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------|-------------------------|-------------------------|
| - Current tax taxes                                            | -                       | -                       |
| - Adjustment of tax expense relating to earlier period / years | (199.45)                | -                       |
| - Deferred tax (credit) / charge                               | 469.10                  | 156.63                  |
| - Deferred tax (credit) / charge on OCI items                  | 0.06                    | (1.85)                  |
| <b>Income tax expense</b>                                      | <b>269.71</b>           | <b>154.78</b>           |

### D Reconciliation of tax expense and profit before tax

| Particulars                                                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Profit / (loss) before income taxes                                  | 1,250.61                | 702.28                  |
| Corporate tax rate as per Income Tax Act, 1961                       | 25.168%                 | 25.168%                 |
| Computed expected tax expense                                        | 314.75                  | 176.75                  |
| Effect of expenses that are not deductible                           | 0.61                    | 0.48                    |
| Adjustments for tax related to earlier years                         | 153.91                  | (20.60)                 |
| Effect of capital gain tax computed as per Income Tax Act, 1961      | -                       | -                       |
| Others                                                               | (0.17)                  | -                       |
| <b>Income tax expense recognised in statement of profit and loss</b> | <b>469.10</b>           | <b>156.63</b>           |

### 34 Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars                                              | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|----------------------------------------------------------|------------------------------|------------------------------|
| Profit / (loss) attributable to equity share holders     | 980.96                       | 545.65                       |
| Weighted average number of equity shares for basic EPS   | 90,129,519                   | 87,215,403                   |
| Weighted average number of equity shares for diluted EPS | 91,335,294                   | 88,421,178                   |
| Basic profit / (loss) per share (INR) *                  | 1.09                         | 0.63                         |
| Diluted profit / (loss) per share (INR) **               | 1.07                         | 0.62                         |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

### (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<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|------------------------------------------------------|------------------------------|------------------------------|
| Employers' contribution to Provident Fund            | 96.89                        | 106.45                       |
| Employers' contribution to Employees State Insurance | 4.20                         | 5.24                         |

#### (B) Defined benefit plans

- Gratuity payable to employees (funded)
- Compensated absences for employees

#### i) Actuarial assumptions

| Particulars                                                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Discount rate (per annum)                                     | 7.06%                   | 6.78%                   |
| Rate of increase in salary                                    | 4.50%                   | 4.50%                   |
| Expected average remaining working lives of employees (years) | 12                      | 12                      |
| Attrition rate                                                | 6.00%                   | 4.00%                   |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### ii) Changes in the present value of defined benefit obligation

| Particulars                                                                       | Employee's gratuity fund |                         |
|-----------------------------------------------------------------------------------|--------------------------|-------------------------|
|                                                                                   | As at<br>March 31, 2026  | As at<br>March 31, 2025 |
| <b>Present value of obligation at the beginning of the year</b>                   | <b>417.84</b>            | <b>395.56</b>           |
| Interest cost                                                                     | 27.61                    | 28.60                   |
| Current service cost                                                              | 34.15                    | 33.80                   |
| Past service cost                                                                 | 1.97                     | -                       |
| Benefits paid                                                                     | (92.31)                  | (48.32)                 |
| Actuarial (gain) / loss on obligations - due to change in demographic assumptions | 5.63                     | -                       |
| Actuarial (gain) / loss on obligations - due to change in financial assumptions   | (5.01)                   | 9.91                    |
| Actuarial (gain) / loss on obligations - due to experience                        | (0.51)                   | (1.71)                  |
| <b>Present value of obligation at the end of the year</b>                         | <b>389.37</b>            | <b>417.84</b>           |

### iii) Changes in the fair value of plan assets

| Particulars                                             | Employee's gratuity fund |                         |
|---------------------------------------------------------|--------------------------|-------------------------|
|                                                         | As at<br>March 31, 2026  | As at<br>March 31, 2025 |
| Fair value of plan assets at the beginning of the year  | 397.54                   | 335.82                  |
| Interest income                                         | 25.49                    | 24.28                   |
| Contributions by the employer                           | 10.00                    | 84.91                   |
| (Benefits paid from the fund)                           | (92.31)                  | (48.32)                 |
| Return on plan assets, excluding interest income        | 0.34                     | 0.85                    |
| <b>Fair value of plan assets at the end of the year</b> | <b>341.06</b>            | <b>397.54</b>           |

### iv) Expense recognized in the statement of profit and loss

| Particulars                                                       | Employee's gratuity fund     |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
| Current service cost                                              | 34.15                        | 33.80                        |
| Interest cost                                                     | 27.61                        | 28.60                        |
| Interest income                                                   | (25.49)                      | (24.28)                      |
| Past service cost                                                 | 1.97                         | -                            |
| <b>Total expenses recognized in the statement profit and loss</b> | <b>38.24</b>                 | <b>38.12</b>                 |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### v) Expense recognized in the statement of other comprehensive income

| Particulars                                                    | Employee's gratuity fund     |                              |
|----------------------------------------------------------------|------------------------------|------------------------------|
|                                                                | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
| Actuarial (gains) / losses on obligation for the period        | 0.11                         | 8.20                         |
| Return on plan assets, excluding interest income               | (0.34)                       | (0.85)                       |
| <b>Net (income) / expense for the period recognized in OCI</b> | <b>(0.23)</b>                | <b>7.35</b>                  |

### vi) Assets and liabilities recognized in the Balance Sheet:

| Particulars                                                    | Employee's gratuity fund     |                              |
|----------------------------------------------------------------|------------------------------|------------------------------|
|                                                                | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
| Present value of unfunded obligation as at the end of the year | (389.37)                     | (417.84)                     |
| Fair value of plan assets at the end of the year               | 341.06                       | 397.54                       |
| Funded status [surplus / (deficit)]                            | (48.31)                      | (20.30)                      |
| <b>Net asset / (liability) recognized in Balance Sheet</b>     | <b>(48.31)</b>               | <b>(20.30)</b>               |

### vii) Expected contribution to the fund in the next year

| Particulars | Employee's gratuity fund |                         |
|-------------|--------------------------|-------------------------|
|             | As at<br>March 31, 2026  | As at<br>March 31, 2025 |
| Gratuity    | 76.03                    | 55.77                   |

### viii) Net interest cost for the next year

| Particulars                                                    | Employee's gratuity fund     |                              |
|----------------------------------------------------------------|------------------------------|------------------------------|
|                                                                | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
| Present value of unfunded obligation as at the end of the year | 389.37                       | 417.84                       |
| (Fair value of plan assets at the end of the year)             | (341.06)                     | (397.54)                     |
| <b>Net liability / (asset) at the end of the year</b>          | <b>48.31</b>                 | <b>20.30</b>                 |
| Interest cost                                                  | 27.49                        | 28.33                        |
| (Interest income)                                              | (24.08)                      | (26.95)                      |
| <b>Net interest cost for the next year</b>                     | <b>3.41</b>                  | <b>1.38</b>                  |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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<br>March 31, 2026 | Year ended<br>March 31, 2025 |
| Current service cost                                      | 27.72                        | 35.47                        |
| Net interest cost<br>(Expected contribution by employees) | 3.41<br>-                    | 1.38<br>-                    |
| <b>Expenses recognized for next year</b>                  | <b>31.13</b>                 | <b>36.85</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<br>March 31, 2026  | As at<br>March 31, 2025 |
| <b>Impact on defined benefit obligation</b>              |                          |                         |
| <b>Discount rate</b>                                     |                          |                         |
| Delta Effect of 1% increase in rate of discounting       | (16.99)                  | (21.37)                 |
| Delta Effect of 1% decrease in rate of discounting       | 18.81                    | 23.95                   |
| <b>Rate of salary increase</b>                           |                          |                         |
| Delta Effect of 1% increase in rate of salary increase   | 17.31                    | 22.24                   |
| Delta Effect of 1% decrease in rate of salary increase   | (16.22)                  | (20.67)                 |
| <b>Rate of employee turnover</b>                         |                          |                         |
| Delta Effect of 1% increase in rate of employee turnover | 2.48                     | 3.14                    |
| Delta Effect of 1% decrease in rate of employee turnover | (2.75)                   | (3.50)                  |

### xi) Maturity profile of defined benefit obligation

| Particulars               | Employee's gratuity fund |                         |
|---------------------------|--------------------------|-------------------------|
|                           | As at<br>March 31, 2026  | As at<br>March 31, 2025 |
| 1st Following year        | 80.54                    | 69.63                   |
| 2nd Following year        | 24.51                    | 44.28                   |
| 3rd Following year        | 32.03                    | 33.18                   |
| 4th Following year        | 91.01                    | 26.74                   |
| 5th Following year        | 28.06                    | 84.55                   |
| Sum of years 6 to 10      | 154.35                   | 165.01                  |
| Sum of years 11 and above | 171.96                   | 237.59                  |



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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 76.22 lakhs as at March 31, 2026 (March 31, 2025: INR 97.76 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, 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> |
| Additions                           | 101.77                | 101.77        |
| Interest on lease liability         | 39.66                 | 39.66         |
| Lease payments                      | (177.67)              | (177.67)      |
| Deletions                           | (35.95)               | (35.95)       |
| <b>Balance as at March 31, 2026</b> | <b>388.33</b>         | <b>388.33</b> |

#### (ii) Break-up of current and non-current lease liabilities

| Particulars                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------|-------------------------|-------------------------|
| Current lease liabilities     | 123.22                  | 133.24                  |
| Non-current lease liabilities | 265.11                  | 327.28                  |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### (iii) Maturity analysis of lease liabilities on undiscounted basis

| Particulars          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------|-------------------------|-------------------------|
| Less than one year   | 153.38                  | 176.72                  |
| One to five years    | 288.24                  | 383.30                  |
| More than five years | -                       | -                       |
| <b>Total</b>         | <b>441.62</b>           | <b>560.02</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

| Particulars                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------|-------------------------|-------------------------|
| Interest on lease liabilities | 39.66                   | 47.43                   |
| Short-term leases expensed    | 9.65                    | 6.37                    |
| <b>Total</b>                  | <b>49.31</b>            | <b>53.80</b>            |

### (v) Amounts recognised in statement of cash flows

| Particulars                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------|-------------------------|-------------------------|
| Total cash outflow for leases | (177.61)                | (192.12)                |

(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 9.65 lakhs.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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. Mr. Sunil J. Pathare (Chairman and Managing Director)

Mr. Kapil J. Pathare (Whole Time Director)

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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Transactions - rent, electricity, water charges etc.</b> |                         |                         |
| Hybo Hindustan                                              | 148.16                  | 139.95                  |
| Kapil J. Pathare                                            | 9.87                    | 9.33                    |
| <b>Director sitting fees</b>                                |                         |                         |
| Mehre Castelino                                             | -                       | 2.40                    |
| Vandana Bhardwaj                                            | 1.60                    | 2.40                    |
| Kishor Navandar                                             | 1.60                    | 2.40                    |
| Vilas Chandrakant Gupte                                     | 1.60                    | 2.40                    |
| Uday Laxman Ajgaonkar                                       | 1.20                    | -                       |
| <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                   |
| <b>Loan received from</b>                                   |                         |                         |
| Sunil J. Pathare                                            | 26.00                   | -                       |
| Kapil J. Pathare                                            | 389.00                  | -                       |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### (ii) Key Management Personnel (KMP)

| Particulars                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| <b>Compensation of key management personnel</b> |                         |                         |
| <b>Salaries including bonuses</b>               |                         |                         |
| Sunil J. Pathare                                | 99.32                   | 98.02                   |
| Kapil J. Pathare                                | 86.39                   | 86.04                   |
| Kanishk S. Pathare                              | 16.13                   | 16.07                   |
| Devendra Vyas                                   | 53.52                   | 76.00                   |
| Rahul Soni with effect from 14/08/2024          | 12.20                   | 7.64                    |
| Archana Mungunti upto 21/06/2024                | -                       | 2.73                    |

### (C) Amount due to/from related party as on:

| Particulars                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>(i) Related parties payables</b>        |                         |                         |
| Hybo Hindustan                             | 21.89                   | (2.40)                  |
| <b>(ii) Key Management Personnel (KMP)</b> |                         |                         |
| Employee related payables                  |                         |                         |
| Devendra Vyas                              | 12.46                   | 1.04                    |
| Rahul Soni                                 | (0.89)                  | (0.49)                  |
| Kanishk S. Pathare                         | 0.43                    | 0.38                    |
| Other payables / (receivables)             |                         |                         |
| Sunil J. Pathare                           | 12.80                   | 13.87                   |
| Kapil J. Pathare                           | 21.07                   | 9.13                    |

### (D) Terms and conditions of transactions with related parties

Outstanding balances and loan 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, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: 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, 2026

(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, 2026 |                | As at March 31, 2025 |                |
|-------------------------|----------------------|----------------|----------------------|----------------|
|                         | Amount (INR)         | %              | Amount (INR)         | %              |
| Sale of products        | 25,207.16            | 99.31%         | 23,528.05            | 99.32%         |
| Other operating revenue | 175.69               | 0.69%          | 160.64               | 0.68%          |
|                         | <b>25,382.85</b>     | <b>100.00%</b> | <b>23,688.69</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, 2026 |                | As at March 31, 2025 |                |
|---------------|----------------------|----------------|----------------------|----------------|
|               | Amount (INR)         | %              | Amount (INR)         | %              |
| India         | 24,688.17            | 97.94%         | 22,688.42            | 96.43%         |
| Outside India | 518.99               | 2.06%          | 839.63               | 3.57%          |
|               | <b>25,207.16</b>     | <b>100.00%</b> | <b>23,528.05</b>     | <b>100.00%</b> |

#### (B) Non-current assets

| Particulars   | As at March 31, 2026 |                | As at March 31, 2025 |                |
|---------------|----------------------|----------------|----------------------|----------------|
|               | Amount (INR)         | %              | Amount (INR)         | %              |
| India         | 11,121.19            | 100.00%        | 11,365.41            | 100.00%        |
| Outside India | -                    | 0.00%          | -                    | 0.00%          |
|               | <b>11,121.19</b>     | <b>100.00%</b> | <b>11,365.41</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, 2026

(Amount in INR lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2026 were as follows

| Particulars                                        | Note | Amortised cost   | Fair value through profit or loss | Fair value through OCI | Total fair value | Total carrying value |
|----------------------------------------------------|------|------------------|-----------------------------------|------------------------|------------------|----------------------|
| Financial assets                                   |      |                  |                                   |                        |                  |                      |
| Non current loans                                  | 5    | 13.73            | -                                 | -                      | -                | 13.73                |
| Other non current financial assets                 | 6    | 67.09            | -                                 | -                      | -                | 67.09                |
| Other current financial assets                     | 14   | 961.40           | -                                 | -                      | -                | 961.40               |
| Trade receivable                                   | 10   | 9,575.43         | -                                 | -                      | -                | 9,575.43             |
| Cash and cash equivalents                          | 11   | 74.52            | -                                 | -                      | -                | 74.52                |
| Bank balances other than cash and cash equivalents | 12   | 0.61             | -                                 | -                      | -                | 0.61                 |
| Current loans                                      | 13   | 18.31            | -                                 | -                      | -                | 18.31                |
|                                                    |      | <b>10,711.09</b> | -                                 | -                      | -                | <b>10,711.09</b>     |
| Financial liabilities                              |      |                  |                                   |                        |                  |                      |
| Non current borrowings                             | 18   | 24.65            | -                                 | -                      | -                | 24.65                |
| Non current lease liability                        | 36   | 265.11           | -                                 | -                      | -                | 265.11               |
| Current borrowings                                 | 21   | 6,555.58         | -                                 | -                      | -                | 6,555.58             |
| Other non current financial liabilities            | 19   | 443.13           | -                                 | -                      | -                | 443.13               |
| Current lease liabilities                          | 36   | 123.22           | -                                 | -                      | -                | 123.22               |
| Other current financial liabilities                | 23   | 401.08           | -                                 | -                      | -                | 401.08               |
| Trade payables                                     | 22   | 4,286.86         | -                                 | -                      | -                | 4,286.86             |
|                                                    |      | <b>12,099.63</b> | -                                 | -                      | -                | <b>12,099.63</b>     |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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 |
|----------------------------------------------------|------|------------------|-----------------------------------|------------------------|------------------|----------------------|
| Financial assets                                   |      |                  |                                   |                        |                  |                      |
| 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>11,127.82</b>     |
| Financial liabilities                              |      |                  |                                   |                        |                  |                      |
| 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, 2026

(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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------------|-------------------------|-------------------------|
| <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                                                   | -                       | -                       |
|                                                                         | -                       | -                       |

| Particulars                                                                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <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, 2026

(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 |
|-------------|-------------------------------------|-----------------------------|
| 2026        |                                     |                             |
| INR         | +45                                 | 27.72                       |
| INR         | -45                                 | (27.72)                     |
| 2025        |                                     |                             |
| INR         | +45                                 | 33.49                       |
| INR         | -45                                 | (33.49)                     |

#### (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, 2026

(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, 2026 |
| Hedges of recognised liabilities (FCNRB loan) | Forward Contract | USD      | INR            | Nil                       | Buy      | As at March 31, 2025 |

| Particulars       | Foreign currency | March 31, 2026            |              | March 31, 2025            |              |
|-------------------|------------------|---------------------------|--------------|---------------------------|--------------|
|                   |                  | Foreign currency in lakhs | INR in lakhs | Foreign currency in lakhs | INR in lakhs |
| Trade receivables | USD              | 1.79                      | 168.97       | 2.60                      | 223.80       |

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 |
|-------------|---------------------|--------------------------------------|
| 2026        | +5%                 | (8.45)                               |
|             | -5%                 | 8.45                                 |
| 2025        | +5%                 | (11.19)                              |
|             | -5%                 | 11.19                                |



## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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:

| Particulars                          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------|-------------------------|-------------------------|
| Balance as at 1st April              | 809.80                  | 759.80                  |
| Provision for bad and doubtful debts | 90.00                   | 50.00                   |
| <b>Balance as at 31st March</b>      | <b>899.80</b>           | <b>809.80</b>           |

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

| Particulars           | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------|-------------------------|-------------------------|
| Not due               | 4,742.12                | 5,688.44                |
| Less than 6 months    | 2,765.15                | 2,724.99                |
| 6 months to 12 months | 994.08                  | 290.90                  |
| beyond 12 months      | 1,973.88                | 1,966.60                |
| <b>Total</b>          | <b>10,475.23</b>        | <b>10,670.93</b>        |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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<br>1 year | 1 to 5<br>years | More than<br>5 years | Total            |
|-----------------------------------------|---------------------|-----------------|----------------------|------------------|
| <b>As at March 31, 2026</b>             |                     |                 |                      |                  |
| Long-term borrowings                    | -                   | 24.65           | -                    | 24.65            |
| Lease liabilities                       | 153.38              | 288.24          | -                    | 441.62           |
| Other non current financial liabilities | -                   | 443.13          | -                    | 443.13           |
| Short term borrowings                   | 6,555.58            | -               | -                    | 6,555.58         |
| Trade payables                          | 4,286.86            | -               | -                    | 4,286.86         |
| Other current financial liabilities     | 401.08              | -               | -                    | 401.08           |
|                                         | <b>11,396.90</b>    | <b>756.02</b>   | <b>-</b>             | <b>12,152.92</b> |
| <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> |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 42 Corporate social responsibility

According to the provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility ("CSR"),

CSR applies to the Company. However, the amount required to be spent towards CSR activities for the year, being 2% of the average net profits of the three immediately preceding financial years computed in accordance with Section 198 of the Act, is ₹Nil, as the average net profits so computed are negative.

However, during the year, the Company has voluntarily incurred an amount of ₹Nil lakhs (Previous Year: ₹ 6.00 lakhs) 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------|-------------------------|-------------------------|
| Debt (i)                        | 6,580.23                | 7,770.14                |
| Less: Cash and cash equivalents | 74.52                   | 70.72                   |
| <b>Net debt</b>                 | <b>6,505.71</b>         | <b>7,699.42</b>         |
| Total capital (ii)              | 19,437.03               | 18,455.90               |
| <b>Capital and net debt</b>     | <b>25,942.74</b>        | <b>26,155.32</b>        |
| <b>Gearing ratio</b>            | <b>0.25</b>             | <b>0.29</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, 2026 and March 31, 2025.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

### 44 Additional regulatory information - ratios

#### (A) Accounting ratios

| S No. | Ratio                            | Formula                                                           | Particulars                                                                                                                                                                 |                                                                                                                                                                           | March 31, 2026 |             | March 31, 2025 |             | Ratio as on    |                | Variation | Reason (If variation is more than 25%)                                      |
|-------|----------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|----------------|-------------|----------------|----------------|-----------|-----------------------------------------------------------------------------|
|       |                                  |                                                                   | Numerator                                                                                                                                                                   | Denominator                                                                                                                                                               | Numerator      | Denominator | Numerator      | Denominator | March 31, 2026 | March 31, 2025 |           |                                                                             |
| (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 | Current Liability = Short term borrowings + Lease liability + Trade payables + Other financial liability + Other current liability + Provisions + Current tax liabilities | 21,704.14      | 11,839.70   | 21,572.79      | 13,007.62   | 1.83           | 1.66           | 10.24%    | 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                                   | Equity = Equity + Other equity                                                                                                                                            | 6,580.23       | 19,437.03   | 7,770.14       | 18,455.90   | 0.34           | 0.42           | (19.05%)  | 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                                                                                                           | 2,093.17       | 2,194.45    | 1,631.85       | 701.17      | 0.95           | 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                                                                                                                                              | 980.96         | 18,946.47   | 545.65         | 16,144.22   | 5.00%          | 3.00%          | (66.67%)  | 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                                                                                                                                 | 17,829.23      | 9,396.50    | 14,460.53      | 8,761.67    | 1.90           | 1.65           | 15.15%    | N.A.                                                                        |
| (f)   | Trade Receivables Turnover Ratio | Net credit sales / Average trade receivables                      | Net Credit Sales                                                                                                                                                            | (Opening Trade Receivables + Closing Trade Receivable)/2                                                                                                                  | 25,382.85      | 9,718.28    | 23,688.69      | 7,845.54    | 2.61           | 3.02           | (13.58%)  | N.A.                                                                        |
| (g)   | Trade Payables Turnover Ratio    | Net credit purchases / Average trade payables                     | Net Credit Purchases                                                                                                                                                        | (Opening Trade Payables + Closing Trade Payables)/2                                                                                                                       | 18,134.25      | 4,495.50    | 15,425.17      | 4,194.01    | 4.03           | 3.68           | 9.51%     | N.A.                                                                        |
| (h)   | Net Capital Turnover Ratio       | Revenue / Working capital                                         | Revenue                                                                                                                                                                     | Working Capital = Current assets - Current liabilities                                                                                                                    | 25,382.85      | 9,864.44    | 23,688.69      | 8,565.17    | 2.57           | 2.77           | (7.22%)   | N.A.                                                                        |
| (i)   | Net Profit Ratio                 | Net profit / Net sales                                            | Net Profit                                                                                                                                                                  | Net Sales                                                                                                                                                                 | 980.96         | 25,382.85   | 545.65         | 23,688.69   | 0.04           | 0.02           | (100.00%) | 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)                                                                                       | 2,129.71       | 19,813.36   | 1,506.93       | 19,752.43   | 11.00%         | 8.00%          | (37.50%)  | Increase in EBIT during the year                                            |
| (k)   | Return on Investment             | Net profit / Net investment                                       | Net Profit                                                                                                                                                                  | Net Investment = Net Equity                                                                                                                                               | 980.96         | 19,437.03   | 545.65         | 18,455.90   | 5.00%          | 3.00%          | (66.67%)  | Increase in net profit during the year                                      |

## Notes forming part of the Financial Statements for the year ended March 31, 2026

(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, 2026.

(C) The Company has not revalued its property, plant and equipment and intangibles during the year ended March 31, 2026 and March 31, 2025.

#### (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:

| Name of struck off Company | Nature of transaction with struck off Company | Balance outstanding as at March 31, 2026 | Balance outstanding as at March 31, 2025 | Relationship with the struck off Company, if any |
|----------------------------|-----------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------------|
| KKS Distribution Pvt Ltd   | Trade receivables                             | 7.25                                     | 7.25                                     | NA                                               |
| Devram Valji & Co Pvt Ltd  | Trade receivables                             | 3.92                                     | 3.92                                     | 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, 2026

(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 Contingencies and commitments

| Particulars                                                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| Guarantees given by bank                                                        | 86.48                   | 97.41                   |
| Letter of credits                                                               | 68.43                   | 201.74                  |
| Claims against the Company not acknowledged as debts -<br>Indirect tax related: |                         |                         |
| Tamil Nadu Value Added Tax Act, 2006, Tamil Nadu (FY 2001-02)*                  | -                       | 195.46                  |
| Tamil Nadu Value Added Tax Act, 2006, Tamil Nadu (FY 2001-02)                   | 5.43                    | 5.43                    |
| 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                   | 18.67                   |
| Goods and Service Tax Act, 2017, Tamil Nadu (FY 2019-20)                        | 20.84                   | 20.84                   |
| Goods and Service Tax Act, 2017, Tamil Nadu (FY 2020-21)                        | 21.42                   | 30.26                   |
| Goods and Service Tax Act, 2017, Tamil Nadu (FY 2021-22)                        | 11.36                   | -                       |

\* Pursuant to a judgment passed by the Hon'ble Madras High Court on June 25, 2025, in favor of the Company, the contingent liability has been reduced by INR 195.46 lakhs. During the year the contingent liability has been increased by INR 12.04 lakhs.

## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

- 46** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post employment, 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.

### **47 Subsequent event**

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 October 3, 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 warrant holders did not contribute/pay the remaining seventy-five percent of the warrant subscription amount within the stipulated timeline and terms of issue. Consequently, the proposed convertible warrants were not allotted / stood cancelled in accordance with the applicable provisions and terms approved by the Company.

Accordingly, no funds were received by the Company against the proposed convertible warrants during the relevant period.

### **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.

#### **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.



## Notes forming part of the Financial Statements for the year ended March 31, 2026

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

- 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 27, 2026.

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 27, 2026

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

Place: Mumbai  
Date: May 27, 2026

# FINANCIAL HIGHLIGHTS

(Amount in INR lakhs, unless otherwise stated)

| Particulars                      | Financial Year |                     |         |         |         |         |         |         |                     |                     |
|----------------------------------|----------------|---------------------|---------|---------|---------|---------|---------|---------|---------------------|---------------------|
|                                  | 2025-26        | 2024-25             | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18             | 2016-17             |
| Equity Share capital             | 1,803          | 1,803 <sup>4</sup>  | 1,652   | 1,652   | 1,652   | 1,652   | 1,652   | 1,652   | 1,652 <sup>1</sup>  | 1,322               |
| Redeemable Pref. Shares Capital  | -              | -                   | -       | -       | -       | -       | -       | -       | -                   | -                   |
| Convertible Pref. Shares Capital | -              | -                   | -       | -       | -       | -       | -       | -       | -                   | -                   |
| Reserves & Surplus               | 17,634         | 16,653 <sup>5</sup> | 12,181  | 13,465  | 11,687  | 11,853  | 12,007  | 13,527  | 14,199 <sup>2</sup> | 14,301              |
| Misc exp. not written off        | -              | -                   | -       | -       | -       | -       | -       | -       | -                   | -                   |
| Net Worth                        | 19,437         | 18,456              | 13,833  | 15,117  | 13,339  | 13,505  | 13,659  | 15,179  | 15,851              | 15,623              |
| Long term Debts                  | 25             | 94                  | 368     | 686     | 1,003   | 313     | 15      | 22      | 31                  | 42                  |
| Net Asset Block                  | 9,514          | 9,710 <sup>6</sup>  | 9,914   | 9,736   | 10,380  | 10,653  | 10,923  | 10,852  | 11,130 <sup>3</sup> | 17,110 <sup>3</sup> |
| Total Income                     | 25,487         | 23,825              | 18,371  | 20,238  | 18,550  | 14,512  | 17,554  | 20,943  | 22,366              | 23,270              |
| Profit before tax                | 1,251          | 702                 | (1,613) | 831     | (412)   | (979)   | (2,758) | (651)   | (252)               | (610)               |
| Taxation                         | (270)          | (156)               | 348     | (167)   | 191     | 875     | 1,263   | 32      | (55)                | 35                  |
| Profit after tax                 | 981            | 546                 | (1,265) | 664     | (221)   | (104)   | (1,495) | (619)   | (307)               | (574)               |
| Dividend Rate on Equity share    | -              | -                   | -       | -       | -       | -       | -       | -       | -                   | -                   |
| Redeemable Pref. Shares          | -              | -                   | -       | -       | -       | -       | -       | -       | -                   | -                   |
| No of Equity Shares (in Lakhs)   | 901.30         | 901.30              | 825.96  | 825.96  | 825.96  | 825.96  | 825.96  | 825.96  | 825.96              | 660.77              |
| Face value of Share-Equity       | 2              | 2                   | 2       | 2       | 2       | 2       | 2       | 2       | 2                   | 2                   |
| Preference                       | 100            | 100                 | 100     | 100     | 100     | 100     | 100     | 100     | 100                 | 100                 |
| Earning per share                | 1.09           | 0.63                | (1.53)  | 0.80    | (0.27)  | (0.13)  | (1.81)  | (0.75)  | (0.39)              | (0.97)              |
| Book value per share             | 21.57          | 20.48               | 16.75   | 18.30   | 16.15   | 16.35   | 16.54   | 18.38   | 23.57               | 23.64               |
| Current Ratio                    | 1.83           | 1.66                | 1.36    | 1.58    | 1.41    | 1.44    | 1.50    | 1.78    | 1.81                | 1.35                |

1. ₹ 330 Lakhs increased on account of issue of 1,65,19,304 Equity shares at right issue @ ₹ 26/- (face value of shares is ₹ 2/-)
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.
3. Effect has been give for the first time adoption of IND AS and correction of brand valuation.
4. ₹ 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).
5. 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).
6. 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.:*<br>(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)