22nd July, 2021

BSE Limited	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	Exchange Plaza, 5th Floor,
Dalal St, Kala Ghoda, Fort,	Plot No. C/1, G Block,
Mumbai – 400001	Bandra Kurla Complex,
	Bandra (East), Mumbai – 400 051.
BSE Code No. 507880, 959848 and 959982	**NSE Code – VIPIND**

Subject: Submission of Annual Report of V.I.P. Industries Limited for the Financial Year 2020-21

Dear Sir,

The fifty-fourth Annual General Meeting ("AGM") of the Members of V.I.P. Industries Limited ("the Company") is scheduled to be held on Friday, 13th August, 2021, at 3:30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34 and Regulation 36 of SEBI (LODR) Regulations, 2015, please find enclosed herewith electronic copy of the Notice of the 54th Annual General Meeting (AGM) and the Annual Report for the financial year 2020-21 ("Annual Report"), being sent today i.e. 22nd July, 2021 by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 54th AGM and the Annual Report are also being uploaded on the website of the Company at www.vipindustries.co.in.

Please take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

For V.I.P. Industries Limited

Anand Daga
Company Secretary & Head – Legal

Encl.: As above

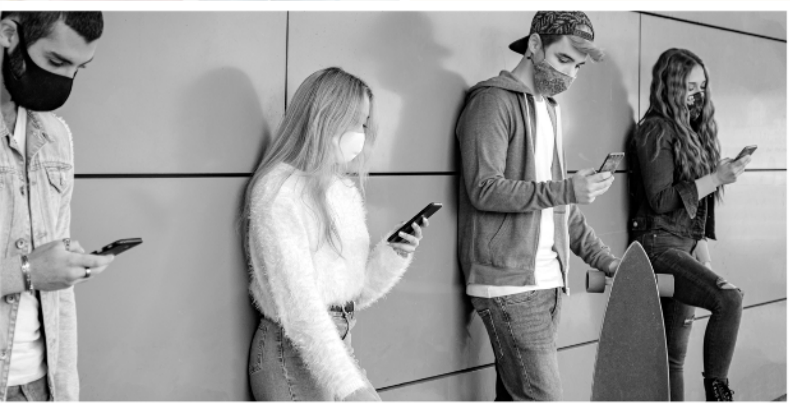
VIP

Skybags

MOVE IN STYLE

CARLTON

THE NEW FACE OF BUSINESS



ARISTOCRAT

UNPACK YOUR DREAMS

54th ANNUAL REPORT

2020-2021

ALFA

CAPRESE

CONTENTS

BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman)

Ms. Radhika Piramal (Executive Vice Chairperson)

Mr. Anindya Dutta (Managing Director)

Mr. D. K. Poddar

Mr. Amit Jatia

Ms. Nisaba Godrej

Mr. Tushar Jani

Mr. Ramesh Damani

CHIEF FINANCIAL OFFICER

Ms. Neetu Kashiramka

COMPANY SECRETARY

Mr. Anand Daga

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP

BANKERS

Axis Bank Limited
Kotak Mahindra Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd
YES Bank Limited
Federal Bank

REGISTERED OFFICE

DGP House, 5th Floor, 88-C,
Old Prabhadevi Road, Mumbai - 400 025 Tel: +91 (22) 66539000
Fax: +91 (22) 66539089
CIN: L25200MH1968PLC013914
Websit : www.vipindustries.co.in

FACTORIES

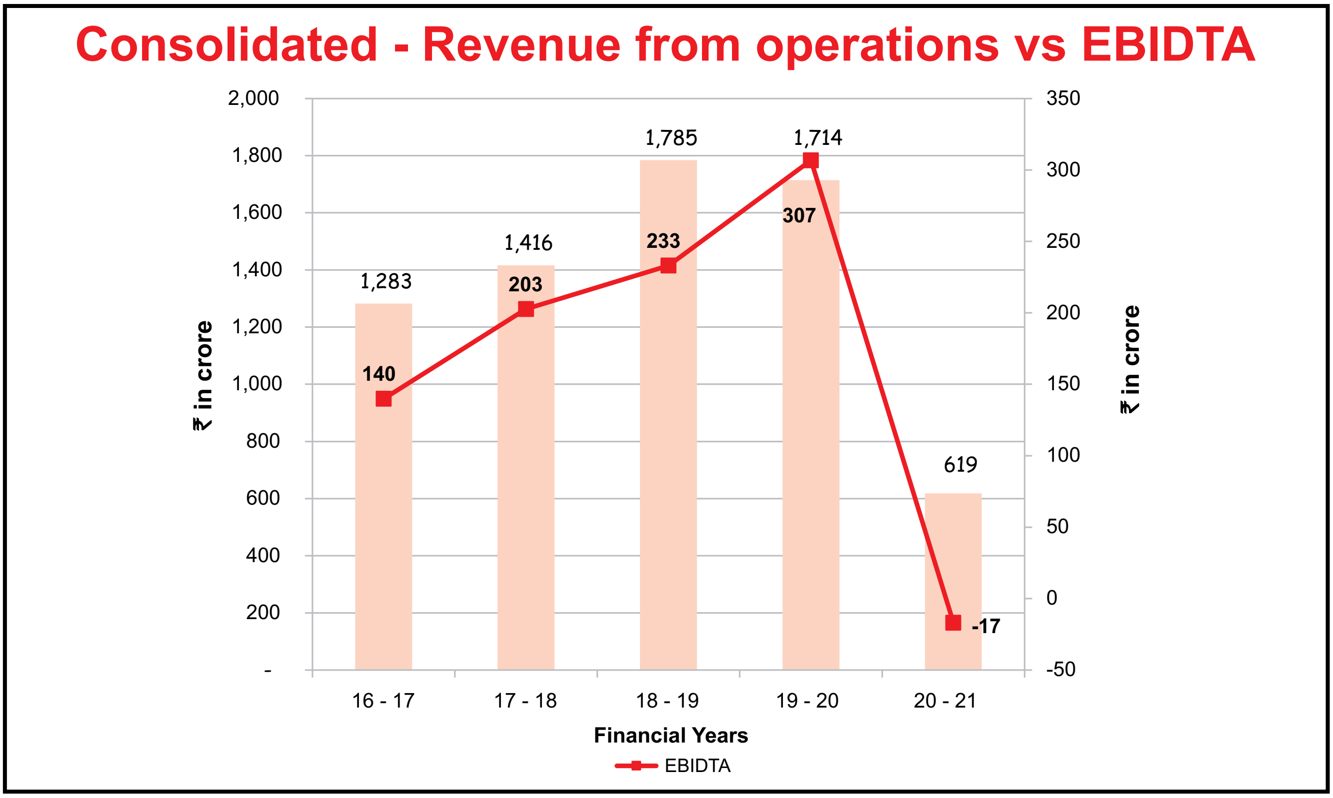
78 - A, MIDC Estate, Satpur, Nashik - 422 007, Maharashtra
Plot No. A/7, MIDC Malegaon, Taluka Sinnar, Nashik - 422 103, Maharashtra.
Plot No. L-4/ L-5, Nagpur Industrial Estate, Nagpur - 440 036, Maharashtra

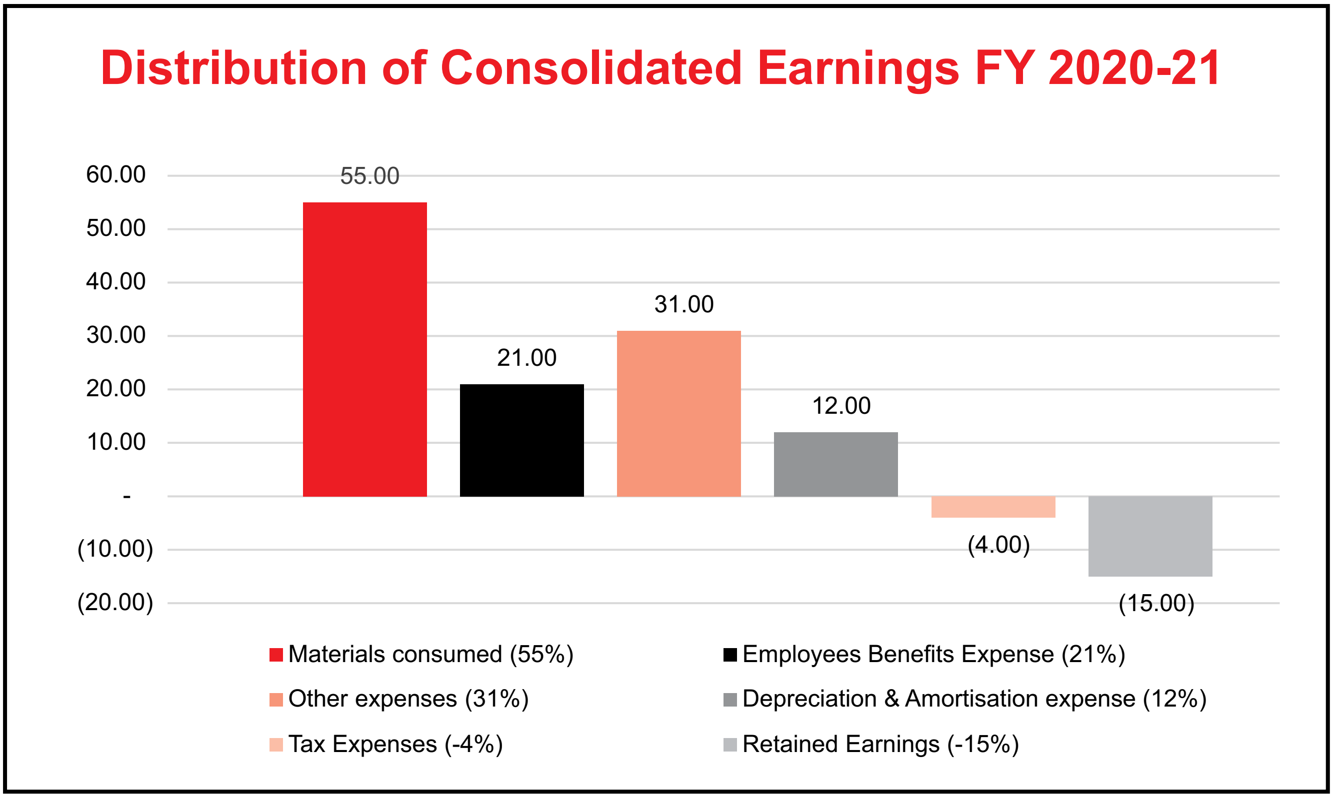
INVESTORS' SERVICES DEPARTMENT

DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025, Maharashtra
Tel : +91-22-6653 9000, Fax : +91-22-6653 9089 Email: investor-help@vipbags.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai - 400 083
Tel. No.: +91 22-49186270, Fax No.: +91 22-49186060
Email: rnt.helpdesk@linkintime.co.in


Consolidated - Revenue from operations vs EBIDTA
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
₹ in crore
350
300
250
200
150
100
50
0
-50
₹ in crore
1,283
1,416
1,785
1,714
619
140
203
233
307
-17
16 - 17
17 - 18
18 - 19
19 - 20
20 - 21
Financial Years
EBIDTA


Distribution of Consolidated Earnings FY 2020-21
60.00
50.00
40.00
30.00
20.00
10.00
-
(10.00)
(20.00)
55.00
21.00
31.00
12.00
(4.00)
(15.00)
Materials consumed (55%)
Employees Benefits Expense (21%)
Other expenses (31%)
Depreciation & Amortisation expense (12%)
Tax Expenses (-4%)
Retained Earnings (-15%)

NOTICE is hereby given that the Fifty Fourth Annual General Meeting (AGM) of the Members of **V.I.P. INDUSTRIES LIMITED** will be held on 13th August, 2021, at 3:30 p.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Report of Auditors thereon.

2. To appoint a Director in place of Ms. Radhika Piramal (DIN-02105221), who retires by rotation and being eligible, seeks re-appointment.

3. To consider appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as statutory auditors of the Company pursuant to completion of their current tenure and to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, the Company hereby appoints M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants having Registration No. 12754N/N500016, as the Statutory Auditors of the Company for a second term of 5 (Five) years from the conclusion of the 54th Annual General Meeting till the conclusion of 59th Annual General Meeting to be held in the year 2026, at such remuneration, excluding applicable taxes and reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. **Re-appointment of Ms. Nisaba Godrej (DIN: 00591503) as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2021 up to 31st March, 2026**

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Ms. Nisaba Godrej (DIN 00591503), as Non-Executive, Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years w.e.f 1st April, 2021 to 31st March, 2026.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Appointment of Mr. Anindya Dutta (DIN: 08256456) as Director of the Company**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications(s) or enactment thereof for the time being in force) and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Mr. Anindya Dutta (DIN: 08256456) who was appointed as an Additional Director of the Company w.e.f. 1st February, 2021 and who holds office until passing of this resolution, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. **Appointment of Mr. Anindya Dutta (DIN: 08256456) as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st February, 2021 to 31st January, 2024.**

   To consider and if thought fit, to pass the following resolution as a Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of Sections 196 and 197 of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and subject to other sanctions/approvals as may be necessary, consent of the Members of the Company be and is hereby accorded for appointment of Mr. Anindya Dutta (DIN: 08256456), as Managing Director of the Company for a period of 3 (Three) years w.e.f. 1st February, 2021 to 31st January, 2024 (both days inclusive), liable to retire by rotation, on the following terms and conditions including remuneration.

(a) Salary ₹ 300 Lakhs/- (Rupees Three Hundred Lakhs only) per annum, with such increments/increase as may be decided by the Nomination and Remuneration Committee or Board of Directors from time to time.

(b) Performance linked bonus: The Managing Director shall be paid Performance Linked Bonus as may be decided by the Board of Directors or a Committee thereof from year to year, based on achievement of such performance parameters as may be determined by the Nomination & Remuneration Committee or the Board of Directors from time to time provided that the total remuneration including salary and perquisites paid to the Managing Director shall not exceed the limits laid down under Section 197 read with Schedule V of the Companies Act, 2013.

(c) Perquisites / Benefits: The Managing Director shall be entitled to perquisites like Company Car, statutory contribution to retirement funds, medical coverage, leave encashment, education allowance, leave travel allowance and long service award and other benefits / allowances in accordance with the scheme(s) and rule(s) of the Company from time to time, for the aforesaid benefits.

(d) Employee Stock Appreciation Rights (ESAR): The Nomination and Remuneration Committee at its meeting held on 5th January, 2021 had in accordance with the VIP Employees Stock Appreciation Rights Plan, 2018 (“ESARP Plan, 2018”) granted 2,40,000 ESARs to Mr. Dutta. Mr. Dutta will be entitled to receive equity shares at the time of exercising rights under ESARP, 2018.

(e) Sitting Fees: The Managing Director shall not be paid any sitting fees for attending any meetings of the Board/ Committee(s)/General Meeting(s), etc.

(f) Minimum Remuneration: In the absence or inadequacy of the profits in any financial year, the remuneration including the perquisites will be paid to the managerial personnel including Managing / Whole-time Director(s) in accordance with the applicable provisions of Schedule V of the Act.

RESOLVED FURTHER THAT Board of Directors of Company be and is hereby authorised to alter and vary the terms and conditions of appointment and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

7. Approval of waiver of recovery of excess managerial remuneration paid to Ms. Radhika Piramal, Executive Vice Chairperson for the Financial Year 2020-21

To consider and if thought fit, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197(10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, including any statutory modification thereof and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to ratify and confirm waiver of the recovery of excess remuneration paid as managerial remuneration amounting to ₹ 55 Lacs (Rupees Fifty Five Lacs only) to Ms. Radhika Piramal (DIN: 02105221), Executive Vice Chairperson during the Financial Year 2020-21, which is in excess of the limits prescribed under Section 197(1) of the Companies Act, 2013 read with Section II (A) of Part II of Schedule V to the Companies Act, 2013, due to loss incurred by the Company during financial year 2020-21.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution in this regard.”

8. Approval of waiver of recovery of excess managerial remuneration paid to Mr. Anindya Dutta, Managing Director for the period 1st February, 2021 to 31st March, 2021

To consider and if thought fit, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197(10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, including any statutory modification thereof and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to ratify and confirm waiver of the recovery of excess remuneration paid as managerial remuneration amounting to ₹ 19 Lacs (Rupees Nineteen Lacs only) to Mr. Anindya Dutta (DIN: 08256456), Managing Director for the period 1st February, 2021 to 31st March, 2021, which is in excess of the limits prescribed under Section 197(1) of the Companies

Act, 2013 read with Section II (A) of Part II of Schedule V to the Companies Act, 2013, due to loss incurred by the Company during financial year 2020-21.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution in this regard."

9. **Approval of waiver of recovery of excess managerial remuneration paid to Mr. Sudip Ghose, Managing Director for the period 1st April, 2020 to 31st January, 2021**

To consider and if thought fit, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197(10) of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder, including any statutory modification thereof and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of excess remuneration paid as managerial remuneration amounting to ₹ 1.56 Crores (Rupees One Crore Fifty Six Lacs only) to Mr. Sudip Ghose (DIN: 08351249), Managing Director for the period 1st April, 2020 to 31st January, 2021, which is in excess of the limits prescribed under Section 197(1) of the Companies Act, 2013 read with Section II (A) of Part II of Schedule V to the Companies Act, 2013, due to loss incurred by the Company during financial year 2020-21.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution in this regard."

By Order of the Board of Directors

Place: Mumbai
Dated: 25th May, 2021

Anand Daga
Company Secretary& Head-Legal

Registered Office:
5th Floor, DGP House, 88 C, Old
Prabhadevi Road, Mumbai–400025
CIN: L25200MH1968PLC013914

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 13th January, 2021 read with circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 (collectively referred to as "MCA Circulars") permitted conveying Annual General Meeting ("AGM") through Video Conferencing or other Audio Visual Means (VC / OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC /OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto.

3. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is annexed.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.

   Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited (Link Intime) for assistance in this regard.

6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.

7. 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., to their DPs in case the shares are held by them in electronic form and to Link Intime in case the shares are held by them in physical form.

8. 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. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

10. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 10th August, 2021 through email on investor-help@vipbags.com. The same will be replied by the Company suitably.

12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No.IEPF-5 available on www.iepf.gov.in.

    During the financial year 2020-21, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend	No. of shares
Final Dividend for the Financial Year 2012-13	₹ 28,08,418/-	70,698
Interim Dividend for the Financial Year 2013-14	₹ 15,00,215/-	86,737

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 15th January, 2021 read with Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.vipindustries.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act..

15. At the 49th AGM held on 28th July, 2016 the Members approved appointment of Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 54thAGM. In view of the same it is proposed to re-appoint PWC as the Statutory Auditors of the Company for a second term of 5 years i.e. from the conclusion of the ensuing 54thAGM to be held for the financial year 2020-21 till the conclusion of 59th AGM to be held for the financial year 2025-26 required under the provisions of Section 139 and Section 141 of the Companies Act, 2013. The Company has received a written certificate from the Statutory Auditors proposed to be appointed, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Section.

16. Since the AGM will be held through VC / OAVM, the Route Map of the venue of the meeting is not annexed hereto.

17. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on Tuesday, 10th August, 2021 at 9:00 a.m. and ends on Thursday, 12th August, 2021 at 5:00 p.m.

During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 6th August, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 system during the AGM..

iii. The Board of Directors has appointed Ms. Ragini Chokshi (Membership No. 2390) of M/s. Ragini Chokshi & Co., Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner..

iv. 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.

v. 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.

vi. 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 evoting@nsdl.co.in.However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

vii. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, 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 in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices. nsdl. com / either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https:// eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia. com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider (ESP) i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at https:// web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:

   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

   (i). If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

   (ii). If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a. Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select ''EVEN 116448'' of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution or Authority letter etc., of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to ragini.c@rediffmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

   In case of any grievances connected with facility for e-voting, please contact

   Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91222499 4545/ 1800-222-990

   Process for registration of email id for obtaining Annual Report and user id/password for e-voting:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, Link Intime at rnt.helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details:
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/022-24994360.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at legal-sec@vipbags.com from Friday, 6th August, 2021 (9:00 a.m. IST) to Sunday, 8th

August, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 (two) working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vipindustries.co.in and on the website of NSDL https://www.evoting.nsdl. com immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors

Place: Mumbai
Date: 25th May, 2021

Anand Daga
Company Secretary & Head - Legal

Registered Office:
5th Floor, DGP House, 88-C, Old Prabhadevi Road,
Mumbai- 400025
CIN: L25200MH1968PLC013914

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 4 to 9 in the accompanying Notice:

ITEM NO. 4

The Board of Directors of the Company at its meeting held on 3rd February, 2021 had approved and recommended to the members, the appointment of Ms. Nisaba Godrej as Non-Executive Independent Director for a second term of 5 (Five) years on the Board of the Company w.e.f 1st April, 2021 to 31st March, 2026.

Ms. Nisaba Godrej has completed B.Sc. from The Wharton School, University of Pennsylvania and MBA from Harvard Business School. Ms. Nisaba is Executive Chairperson of Godrej Consumer Products Limited. She is on the Board of Directors of Godrej Agrovet Ltd. and Mahindra & Mahindra Ltd, Godrej Seeds & Genetics Ltd. and Innovia Multiventure Pvt. Ltd.. She is involved in the corporate strategy, human capital functions including successful turnaround of Godrej Agrovet Ltd. She is passionate about girls' education, the human mind, design, trekking and equestrian sports.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Nisaba Godrej for the office of Director of the Company. The Company has also received a declaration from Ms. Nisaba Godrej that she meets the criteria for Independent Director as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

In the opinion of the Board, Ms. Nisaba Godrej fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations, as amended from time to time. Details of Ms. Nisaba Godrej are is provided in the "Annexure 1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Nisaba Godrej is appointed as Non-Executive Independent Director. Copy of the draft letter for appointment of Ms. Nisaba Godrej as Non-Executive Independent Director setting out the terms and conditions is available for inspection by the members. The resolution seeks the approval of members for the appointment of Ms. Nisaba Godrej as an Independent Director of the Company and she shall not be liable to retire by rotation.

Save and except, Ms. Nisaba Godrej and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends passing of Special Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5 and 6

The Board of Directors of the Company ("Board"), on recommendation of the Nomination and Remuneration Committee, had appointed Mr. Anindya Dutta (DIN: 08256456) as an Additional Director with effect from 1st February, 2021 and Managing Director and Key Managerial Personnel for a term of 3 (three) years with effect from 1st February, 2021 to 31st January, 2024 on such terms & conditions and remuneration, subject to requisite approval of the Members.

Mr. Dutta, is a Master's in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies. Mr. Dutta brings more than 20 years of leadership experience in the FMCG industry across all business verticals and categories. Prior to joining VIP Industries, Mr. Dutta was Managing Director of Havmor Ice Creams Pvt Ltd (a Lotte Group company). Being the first MD after its acquisition by the Korean conglomerate, Mr. Anindya Dutta was not only instrumental in scaling up the business to a national brand but also brought about an organizational transformation towards a professional and streamlined business operations poised for fast paced profitable growth.

Prior to Havmor, Mr. Anindya Dutta was with Britannia Industries for almost 18 years, in roles of increasing impact in Sales & Distribution, Category & Brand lifecycle management, Channel development, Supply chain operations and leading P&Ls like Dairy and Bread SBUs. In his last assignment with Britannia, Mr. Anindya Dutta was the Vice President International Business and was pursuing Britannia's vision of establishing International presence.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Dutta for the office of Director of the Company. In accordance with Section 161 of the Companies Act, 2013 ("Act"), Mr. Dutta holds office up to the date of passing of this resolution. Mr. Dutta fulfills the conditions specified in the Act and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time.

Details of Mr. Dutta are provided in the "Annexure 1" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India. The agreement dated 1st February, 2021 entered into between the Company and Mr. Dutta as the Managing Director of the Company is open for inspection by the members up to the date of passing of this resolution at the registered office of the Company.

Mr. Dutta was granted 2,40,000 ESARs on 5th January, 2021 under the VIP Employees Stock Appreciation Rights Plan, 2018 ("ESARP 2018"/"Plan") of the Company.

Exercise of such ESARs, however is likely to create a perquisite in the hands of Mr. Dutta to the extent of difference between the Market Price on the date of exercise and Exercise Price of the ESARs so vested / to be vested. The Company as per Income Tax law is required to deduct tax on such perquisite value, treating it as a part of salary. Same rate of taxation shall apply as is applicable to salary.

The appointment of Mr. Dutta as Director and Managing Director of the Company requires approval of the members by way of passing of Ordinary Resolution(s) pursuant to the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013. Save and except, Mr. Dutta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 & 6 of the Notice.

The Board recommends passing of Ordinary Resolutions set out at Item No. 5 & 6 of the Notice for approval by the members.

ITEM NO. 7, 8 and 9

During the year 2020-21, luggage Industry has witnessed negative growth across all price points and all product categories, due to overall slowdown in the Indian and global economy and continuing onset of Covid-19 pandemic which has significantly impacted sales. All these developments have adversely impacted the revenue and profitability of the Company during the year 2020-21. This has given rise to a situation of loss during the year 2020-21, thus, the remuneration paid to Managing Director(s)/Executive Vice Chairperson during the year 2020-21 exceeds the limits specified u/s 197 of the Act read with Schedule V thereto.

Since, the Company has incurred losses during the year 2020-21, and the remuneration paid to the Managing Director(s)/ Executive Vice Chairperson Director during the year 2020-21 shall be in accordance with the limits prescribed under Section II (A) of Part II of Schedule V of the Companies Act, 2013. As the Company has paid remuneration in excess of the limits specified under Section II(A)of Part II of Schedule V of the Companies Act, 2013, therefore, it is proposed to seek the approval from the Members of the Company by way of special resolution for waiver of recovery of remuneration paid to

(i) Ms. Radhhika Piramal during the period 1st April, 2020 to 31st March, 2021,

(ii) Mr. Anindya Dutta for the period 1st February, 2021 to 31st March, 2021 and

(iii) Mr. Sudip Ghose for the period 1st April, 2020 to 31st January, 2021

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolution/s. The Nomination and Remuneration Committee and the Board of Directors of the Company via respective resolutions passed on 25th May, 2021, have considered this proposal and recommended/ approved the waiver of excess remuneration paid during the year 2020-21 to the above mentioned Managing Director(s)/Executive Vice Chairperson, subject to the approval of the Members by way of Special Resolution.

In terms of Section 197(10) of the Act, the Members of the Company can waive the recovery of excess remuneration paid to managerial personnel by way of passing a special resolution.

The disclosure required under Schedule V of the Act are mentioned in Annexure 2 to this Notice.

Ms. Radhika Piramal, Mr. Anindya Dutta and Mr. Sudip Ghose are interested in the resolution/s set out at Item Nos. 7, 8 and 9 of this Notice respectively. Their relatives may also be deemed to be interested in the respective resolutions, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions except Mr. Dilip G. Piramal (Chairman of the Company) in resolution no. 6 being father of Ms. Radhika Piramal.

The Board of Directors commends the Special Resolution(s) set out at Item nos. 7, 8 and 9 of the Notice for approval of the Members.

Annexure 1

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Name of the Director	**Ms. Nisaba Godrej**	**Ms. Radhika Piramal**	**Mr. Anindya Dutta**
Age	12/02/1978	27/05/1978	14/05/1974
Date of First Appointment	01/04/2019	30/06/2009	01/02/2021
Experience (including expertise in specific functional area) / Brief Resume	Vast experience in the area of corporate strategy and human capital functions. Please refer to the explanatory statement no. 4 annexed to the Notice of the Annual General Meeting for more details.	Vast experience in the luggage Industry, business advisory, strategy, and corporate management.	Vast experience of more than 20 years in the FMCG Industry across all business verticals and categories. Please refer to the explanatory statement no. 5 & 6 annexed to the Notice of the Annual General Meeting for more details
Qualifications	B.Sc. from The Wharton School, University of Pennsylvania and MBA from the Harvard Business School	Graduate from Oxford University with an MBA from the Harvard Business School	Master's in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies.
Terms andconditions of appointment / reappointment	As per the draft letter of appointment	As per Agreement	As per Agreement
The number of Meetings of the Board attended during the FY 2020-21	7 out of 7	7 out of 7	1 out of 1
Number of Equity Shares held in the Company	Nil	2,22,487 Equity Shares	295 Equity Shares
Directorship held in other companies	• Godrej Consumer Products Ltd. • Godrej Agrovet Ltd. • Mahindra & Mahindra Ltd • Godrej Seeds & Genetics Ltd. • Innovia Multiventure Pvt. Ltd	• Chalet Hotels Ltd • DGP Securities Ltd • Kiddy Plast Ltd • Blow Plast Retail Ltd	None
Remuneration sought to be paid	Sitting Fees and Commission, if any.	As per existing approved terms and conditions	As per Agreement

Name of the Director	Ms. Nisaba Godrej	Ms. Radhika Piramal	Mr. Anindya Dutta
Remuneration last Drawn (FY 20-21)	NIL (Ms. Nisaba Godrej has voluntarily waived-off receipt of sitting fees for any meetings attended by her)	₹ 1.76 Crore	₹ 39 Lacs*
Membership / Chairmanship of Committees of other public companies	Godrej Consumer Products Ltd – • Chairperson of Management Committee and Sustainability Committee • Member of Corporate Social Responsibility Committee and Risk Management Committee Godrej Agrovet Limited – • Member of Nomination & Remuneration Committee and Management Committee Godrej Seeds & Genetics Ltd - • Member of Corporate Social Responsibility Committee	None	None
Relationships with other Directors / Managers / KMP's	None	Daughter of Mr. Dilip G. Piramal (Chairman of the Company)	None

* For the period beginning from 1st February, 2021 to 31st March, 2021.

Annexure 2

<table>
<tr><th colspan="5">General Information</th></tr>
<tr><td>1</td><td>Nature of Industry</td><td colspan="3">The Company is engaged in the business of manufacturing and sell of luggage.</td></tr>
<tr><td>2</td><td>Date or expected date of commencement of commercial production</td><td colspan="3">The Company is already in production for more than 50 years.</td></tr>
<tr><td>3</td><td>In case of new companies, expected date of commencement of activitiesas per project approved by financial institutions appearing in the prospectus</td><td colspan="3">Not applicable</td></tr>
<tr><td>4</td><td>Financial performance based on given indicators (Standalone)</td><td colspan="3">(₹ in Crore)
<table>
<tr><th></th><th>FY 2020-21</th><th>FY 2019-20</th><th>FY 2018-19</th></tr>
<tr><td>Revenue from Operations</td><td>613.22</td><td>1,709.99</td><td>1,784.44</td></tr>
<tr><td>Profit before Tax</td><td>(112.89)</td><td>121.12</td><td>196.60</td></tr>
<tr><td>Profit after Tax / Loss</td><td>(84.53)</td><td>88.73</td><td>128.81</td></tr>
</table></td></tr>
<tr><td>5</td><td>Foreign investments orcollaborators, if any</td><td colspan="3">The Company has not entered into any foreign collaboration.</td></tr>
<tr><td>II.</td><td colspan="4">Information about the Managing Director’s / Whole-time Director</td></tr>
<tr><td>S. No.</td><td>Particulars</td><td colspan="3">Information</td></tr>
<tr><td>1</td><td>Background details</td><td>Ms. Radhika Piramal</td><td>Mr. Anindya Dutta</td><td>Mr. Sudip Ghose</td></tr>
<tr><td></td><td></td><td>She is an Executive Vice Chairperson of the Company and has vast experience in Luggage Industry. She holds a Bachelor’s degree in Arts from Brasenose College, University of Oxford and a Masters in Business Administration from Harvard Business School. She was associated with the Company from last 11 years in various roles including Corporate Management.</td><td>Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021. He holds a Master’s in Business Administration in Marketing and International Business from Narsee Monjee Institute of Management Studies. He brings more than 20 years of leadership experience in the FMCG industry across business verticals and categories. Mr. Anindya will be responsible for managing all the business verticals and its operations. He will work alongside Chairman Mr. Dilip G. Piramal and Executive Vice-Chairperson - Ms. Radhika Piramal to drive strategic business growth and efficiencies.</td><td>Mr. Sudip Ghose was appointed as Managing Director of the Company w.e.f. 1st April, 2019.

Mr. Sudip Ghose has resigned from the Directorship of the Company w.e.f. 31st January, 2021 Mr. Ghose, is an Executive Management Graduate from Narsee Monjee Institute of Management Studies in Mumbai and has attended Clarion College of Communications for his Post Graduate Diploma studies. Mr. Ghose has over two decades of experience in sales and marketing.</td></tr>
</table>

2	Past Remuneration (Last 3 Years)	FY- 2018-19 - ₹ 7.59 Crore FY- 2019-20 - ₹ 2.56 Crore FY- 2020-21 – ₹ 1.76 Crore	FY- 2018-19 - N.A. FY- 2019-20 - N.A. FY- 2019-20 - ₹ 39 Lacs Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021.	FY- 2018-19 - ₹ 2.57 Crore FY- 2019-20 - ₹ 2.95 Crore FY- 2020-21 – ₹ 2.57 Crore *(Appointed as Managing Director w.e.f. April 1, 2019 and resigned from the Directorship w.e.f. January 31, 2021)*
3	Recognition or award	She was recognized in Economic Times India's 40 under 40 Business Leaders in 2015. She won the 'ET Panache Trendsetter Award, 2016' and also received CNBC-TV18's Award for Young Business Woman in the same year. She received the coveted Business Today's India's Most Powerful Women award for three consecutive years in 2015, 2016 and 2017. She featured on the Forbes India's list of 'W-Power Trailblazers in 2017 and also in Verve's (EM)Power List 2018.	N.A.	N.A.
4	Job profile and his suitability	Ms. Radhika Piramal is the Executive Vice Chairperson of the Company. She has been Executive Vice Chairperson since April 2017. Prior to this role, Ms. Piramal was the Managing Director of VIP Industries from 2010 – 2017, before which she worked in various sales and marketing roles in VIP from 2000 – 2004. Outside of VIP, she worked as a management consultant with Bain & Company in New York from 2006 - 2008. Ms. Piramal's leadership has been integral to revitalising VIP Industries' profitable growth.	Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1st February, 2021. Prior to joining VIP Industries, he was the Managing Director of Havmor Ice Creams Pvt Ltd (a Lotte Group company). Being the first MD after its acquisition by the Korean conglomerate, he was not only instrumental in scaling up the business to a national brand but also brought about an organizational transformation towards a professional and streamlined business operations poised for fast paced profitable growth. Prior to Havmor, he was with Britannia Industries for almost 18 years, in roles of increasing impact in Sales & Distribution, Category & Brand lifecycle management, Channel development, Supply chain operations and leading P&Ls like Britannia's Dairy, Breads and International Business SBUs.	Mr. Sudip Ghose was appointed as Managing Director of the Company w.e.f. 1st April, 2019. Mr. Sudip Ghose has resigned from the Directorship of the Company w.e.f. 31st January, 2021.

5.	Remuneration proposed	Details of excess remuneration paid are given in the explanatory statement.		
6.	Comparative remunerationprofile with respect to industry, size of the company, profile of the position and person	Taking into account the turnover of the Company and the experience and responsibilities of the said Directors, the remuneration being proposed to be paid to them is reasonable andin line with remuneration levels in the industry.		
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	(i) She is a promoter of the Company and holds 2,22,487 Equity Shares. (ii) Daughter of Mr. Dilip G. Piramal (Chairman of the Company)	None	None
III.	**Other Information**			
1.	Reasons of loss or inadequate profits	Current economic situation, delay in receipt of materials, receivable and other effects of Pandemic Covid-19.		
2.	Steps taken or proposed tobe taken for improvement	The Company is making necessary efforts to maintain its leadership and improve its performance by aggressively implementing its strategies and cost reduction initiatives along with revenue enhancement initiatives.		
3.	Expected increase in productivity and profits inmeasurable terms	Economic revival is expected. The results of the above initiatives are expected to improve Company'sperformance and profitability.		
IV	**Other Parameters**			
1.	Financial and operating performance of the Company during the three preceding financial years:	Details provided in para II (2) above.		
2.	Remuneration or commission drawn by individual concerned in any other capacity from the Company:	None		
3.	Remuneration or Commission drawn by Managerial Personnel from any other Company:	None		
4.	Professional qualification and experience:	Details provided in para II (1) above.		
5.	Relationship between remuneration and performance:	The remuneration is directly linked to the increase in performance.		
6.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:	Company has a strong performance management culture. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year, and increase in compensation and reward by way of variable bonuses is linked to the evaluation of individual's performance. All employees of the Company, including Managing Director, are governed by the Company's Performance appraisal System, in addition to the Board approved Remuneration Policy.		
7.	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:	Company has a clearly laid out Board approved Remuneration Policy. This policy includes, inter alia, separate remuneration parameters for Board of Directors, Key Managerial Personnel and Senior Management.		

<table>
<tr>
<td>8.</td>
<td>Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:</td>
<td>
<table>
<tr><td></td><td>Ms. Radhika Piramal</td><td>Mr. Anindya Dutta</td><td>Mr. Sudip Ghose</td></tr>
<tr><td>Equity Share held</td><td>2,22,487</td><td>295*</td><td>-</td></tr>
<tr><td>Options</td><td>-</td><td>Granted 240,000 ESAR</td><td>-</td></tr>
<tr><td>Shares Pledge if any</td><td>-</td><td>-</td><td>-</td></tr>
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*The Company has allotted 2,40,000 ESARs to Mr. Anindya Dutta in terms of the VIP Employees Stock Appreciation Rights Plan, 2018.

By Order of the Board of Directors

Place: Mumbai
Dated: 25th May, 2021

Anand Daga
Company Secretary & Head-Legal

Registered Office:
5th Floor, DGP House, 88-C,
Old Prabhadevi Road,
Mumbai- 400025
CIN: L25200MH1968PLC013914

Your Directors are pleased to present the 54th Annual Report together with Audited Financial Statements and Auditor's Report for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue from Operations	**613.22**	1,709.99	**618.56**	1,714.35
Profit before depreciation, Interest and Tax	**(17.52)**	269.25	**(16.92)**	306.72
Finance cost	**28.34**	21.63	**2 9.75**	23.00
Depreciation and Amortisation expenses	**67.03**	78.00	**7 7.94**	86.81
Profit before tax and Exceptional/Extraordinary Items	**(112.89)**	169.62	**(124.61)**	196.91
Exceptional/Extraordinary Items- Expense	**-**	48.50	**-**	48.50
Profit Before Tax / Loss	**(112.89)**	121.12	**(124.61)**	148.41
Tax expenses	**(28.36)**	32.39	**(27.12)**	36.68
Profit / Loss for the year	**(84.53)**	88.73	**(97.49)**	111.73

OVERALL PERFORMANCE AND OUTLOOK

Standalone

During the financial year ended 31st March, 2021, revenue from Operations was ₹ 613.22 crores as against ₹ 1,709.99 crores during the previous year, registering a decline in growth of 64.14%. Loss before exceptional items and tax was at ₹ 112.89 crores as against Profit before exceptional items and tax of ₹ 169.62 crores in the previous year. Loss after Tax for the year under review was at ₹ 84.53 crores as against Profit after tax of ₹ 88.73 crores in the previous year.

Consolidated

During the financial year ended 31st March, 2021, revenue from Operations was ₹ 618.56 crores as against ₹ 1,714.35 crores during the previous year, registering a decline in growth of 63.92%. Loss before exceptional items and tax was at ₹ 124.61 crores as against Profit before exceptional items ₹ 196.91 crores in the previous year. Loss after Tax for the year under review was at ₹ 97.49 crores against Proft after tax of ₹ 111.73 crores in the previous year.

A detailed analysis of the operations of your Company during the year under review is included in the Management Discussion and Analysis, forming part of this Annual Report.

EXPORTS AND INTERNATIONAL OPERATIONS

During the year, International business has de-grown due to the continuing outbreak of Covid-19 throughout the year. The Company has started focusing on international business and is expecting to show results in international business in next few years.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at http://www.vipindustries.co.in/financial-information.php.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

NUMBER OF MEETINGS OF THE BOARD

During the financial year ended 31st March, 2021, 7 (seven) Board meetings were held with a minimum of one meeting in each quarter and the gap between two consecutive Board meetings was less than one hundred and twenty days. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, based on their knowledge and belief and the information and explanations obtained, your Directors confirm that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) such accounting policies selected and applied 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 for the financial year ended 31st March, 2021 and of the profit and loss of your Company for that period;

(c) proper and sufficient care has been taken 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) annual accounts for the financial year ended 31st March, 2021, have been prepared on a going concern basis;

(e) internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to section 134(3)(d) of the Act, your Company confirm having received necessary declarations from all the Independent Directors under section 149(7) of the Companies Act, 2013 declaring that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (executive/non-executive) and also the criteria for determining the remuneration of the Directors, KMP and other employees. Nomination and Remuneration Policy of the Company has been displayed on the Company's website at the link – http://www.vipindustries.co.in/policies.php

AUDITORS

Statutory Auditors

In the Annual General Meeting (AGM) held on 28th July, 2016, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) have been appointed as Statutory Auditors of the Company for a periodof 5 (five) years commencing from the conclusion of 49th AGM till the conclusion of 54th AGM of the Company. The Board of Directors at its meeting held on 25th May, 2021 has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP, CharteredAccountants for a period of 5 years i.e. upto the conclusion of 59th Annual General Meeting of the Company to be held in the financial year 2025-26.

The Notes on financial statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company have re-appointed M/s. Ragini Chokshi & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-21 forms part of this Annual Report and is annexed as **Annexure "A"** to the Board's report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans or guarantees made by the Company under Section 186 of the Companies Act, 2013 (the Act) during the year under review. Details of investments made under the provisions of Section 186 of the Act as on 31st March, 2021 are set out in Note 7 and 8 to the Standalone Financial Statement of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has established a Policy for determining related party transactions. The Audit Committee oversees the related party transactions. Related Party Transaction Policy of the Company has been displayed on the Company's website at the link – http://www.vipindustries.co.in/policies.php.

All contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "B"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 45 of Standalone Financial Statements.

STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), is presented in a separate section forming part of this Annual Report.

COST RECORDS

The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

RESERVES & DIVIDEND

During the year under review as well as during the previous year, the Company has transferred ₹ 0.62 crores to the General Reserves. As on 31st March, 2021, Reserves and Surplus of the Company were at ₹ 440.23 crores including retained earnings of ₹ 191.46 crores. In view of the losses incurred by the Company during the year under review, the Board of Directors has not recommended any dividend for the year.

The Board has approved and adopted the Dividend Distribution Policy and the same has been displayed on the Company's website at the link – http://www.vipindustries.co.in/policies.php

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no adverse material changes or commitments occurred after 31st March, 2021 which may affect the financial position of the Company or may require disclosure.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as **Annexure "C"** as attached to this report.

RISK MANAGEMENT POLICY

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The risk governance structure of the Company is a formal organisation structure with defined roles and responsibilities for risk management.

The processes and practices of risk management of the Company encompass risk identification, classification and evaluation. The Company identifies all strategic, operational and financial risks that the Company faces, by assessing and analysing the latest trends in risk information available internally and externally and using the same to plan for risk management activities.

As a part of the Company's strategic planning process, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed. The Company is on track in respect of its risk mitigation activities. The Risk Management Committee overseas the risk management process.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) expenditure incurred by your Company during the financial year 2020-21 was ₹ 3.48 Crores which was of the average profit for the last three financial years.

CSR Committee of the Company comprises of Mr. D. K. Poddar (Chairman of CSR Committee), Mr. Dilip G. Piramal, and Ms. Radhika Piramal.

The Annual Report on CSR activities that includes details about CSR Policy developed and implemented by the Company and CSR initiatives taken during the financial year 2020-21 is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed herewith as **Annexure "D"** to this Report. The CSR policy is placed on the Company's website at http://www.vipindustries.co.in/policies.php.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the performance of the Board, its Committees and of individual Directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

DIRECTORS

Appointment / Re-appointment

Ms. Nisaba Godrej was appointed as an Independent Director for a term of 2 (Two) years w.e.f. 1st April, 2019 to 31st March, 2021. Based on the recommendation of the Nomination and Remuneration Committee, her re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of special resolution which forms art of the Annual general Meeting Notice.

Mr. Anindya Dutta was appointed as an Additional Director of the Company w.e.f. 1st February, 2021. Mr. Anindya Dutta was appointed as Managing Director by the Board of Directors w.e.f. 1st February, 2021.

Retiring by rotation

Mr. Radhika Piramal (DIN-02105221), Executive Vice Chairperson of your Company retires by rotation and being eligible offers herself for re-appointment. The Board recommends her re-appointment and the same forms part of the notice of Annual General Meeting. The disclosures required regarding appointment / re-appointment Ms. Nisaba Godrej, Ms. Radhika Piramal and Mr. Anindya Dutta pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

Resignation / Cessation

Mr. Sudip Ghose resigned from the post of Managing Director of the Company with effect from 30th January, 2021. Your Directors place on record deep appreciations for the valuable services rendered by Mr. Sudip Ghose during his tenure with the Company.

NAME OF THE COMPANIES WHICH HAVE BECOME/CEASED TO BE SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR

Blow Plast Retail Limited (BPRL), VIP Industries Bangladesh Private Limited, VIP Industries BD Manufacturing Private Limited, VIP Luggage BD Private Limited and VIP Accessories BD Private Limited continued to be the wholly owned subsidiarycompanies of the Company. BPRL is a non-material, non listed subsidiary of the Company pursuant to LODR.

Accordingly, as on 31st March, 2021, the Company has 1 Indian and 4 overseas wholly owned Subsidiaries.

During the year under review, no companies have become/ceased to be joint venture or associate companies of the Company.

A statement containing the salient features of financial statements of subsidiaries as per 129(3) of the Act, is also included in this Annual Report in form AOC-1, presented in separate section forming part of the financial statement. The financial statements of the subsidiary companies are available for inspection on the Company's website - https://vipindustries.co.in/financial-information.php.

The Policy for determining “Material” subsidiaries has been displayed on the Company's website - http://www.vipindustries.co.in/policies.php

DEBENTURES

During the year under review, your Company raised funds through issue of 1000 and 500 Fully Paid, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures having face value of ₹ 10,00,000 each, of the aggregate Nominal Value of ₹ 100 crore and ₹ 50 crore respectively on a Private Placement basis. These NCD’s are listed with BSE Limited. The issue proceeds of the NCDs were used for general corporate purposes including but not limited to refinancing of the existing debt, capital expenditure, long-term working capital, investment in mutual fund and for the business operations. Interest on the said NCD’s will be paid on time as per the relevant provisions of the Companies Act, 2013 and the Listing Regulations. The Company has complied with all the applicable provisions of the Listing Regulations with respect to the said listed debentures.

During the year under review, CRISIL Ratings has reaffirmed its ‘CRISIL AA/Stable/CRISIL A1+’ ratings to the Non-Convertible Debentures (NCD) programme and bank facilities of the Company.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits. Your Company does not have any unclaimed deposit as at 31st March, 2021.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate internal financial controls with reference to the financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed.

REPORT ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report. The requisite certificate from Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Business Responsibility Report as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

FAMILIARISATION PROGRAMME

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with your Company's procedures and practices. Periodic presentations are made at the Board Meetings and the Committee Meetings, on business and performance updates of your Company, global business environment, business strategy and risks involved. The details of programmes for familiarisation for Independent Directors are posted on the website of the Company and can be accessed at http://www.vipindustries.co.in/corporate-governance.php.

Every new Independent Director of the Board is required to attend an orientation program to familiarize the new inductees with the strategy, operations and functions of your Company. The Executive Directors / Senior Management personnel make presentations to the inductees about your Company's strategy, operations, products, markets, finance, human resources, technology, quality, facilities and risk management.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism Policy for your Directors, employees and stakeholders to safeguard against victimization of persons who use vigil mechanism and report genuine concerns. The Audit Committee oversees the vigil mechanism complaints. The Vigil Mechanism Policy of the Company has been displayed on the Company's website at the link – http://www.vipindustries.co.in/policies.php.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('the Act') and Rules made thereunder, your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment Act. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have done work in this area and have requisite experience in handling such matters. During the year, no sexual harassment complaint was received by the Company. In order to build awareness in this area, the Company has been conducting programmes on a continuous basis.

EMPLOYEE STOCK APPRECIATION RIGHT (ESAR)

Pursuant to the approval of the Members at the Annual General Meeting held on 17th July, 2018, the Company adopted V.I.P Employee Stock Appreciation Rights Plan 2018 ("ESRAP 2018"/ "Plan"). In accordance with ESARP 2018, the employee of the Company and its subsidiaries are entitled to receive Employee Stock Appreciation Right (ESAR), which entitle them to receive appreciation in the value of the shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of allotment of shares of the Company. The Company confirms that the EASRP 2018 complies with the provisions of SEBI (Shares Based Employee Benefit) Regulation, 2014.

Detail of the ESAR granted under ESARP 2018 along with the disclosures in compliance with SEBI (Shares Based Employee Benefits) Regulations, 2014 are uploaded on the website of the Company at http://www.vipindustries.co.in/corporate-governance.php.

The Company has awarded 15,15,000 ESARs to the eligible employee(s) of the Company and its subsidiary(ies) under the ESARP Scheme 2018, which upon vesting shall convert into not more than 7,06,587 equity shares of the Company.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2021 stood at ₹ 28.26 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2021, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. D. K. Poddar (Chairman of Audit Committee), Mr. Dilip G. Piramal and Mr. Amit Jatia. All the recommendations made by the Audit Committee were deliberated and accepted by the Board. For details of the meetings of the Committee, please refer to the Corporate Governance Report, which forms part of this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 (the Act) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report.

Having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members of your Company. The said information is available for inspection on the Company's website - http://www.vipindustries.co.in and any member desirous of obtaining such information may write to the Secretarial Department of your Company and the same will be furnished on request.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of your Company is furnished hereunder:

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2020-21 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Ms. Radhika Piramal	71X
Mr. Anindya Dutta#	16X
Mr. Sudip Ghose *	121X

#Appointed as Managing Director w.e.f. 1st February, 2021

*Resigned from the position of the Managing Director of the Company w.e.f. 31st January, 2021

2. The Percentage increase in remuneration of all Executive Vice Chairperson, Managing Director, Chief Financial Officer and Company Secretary were as under:

Name	Designation	Increase / Decrease (%)
Ms. Radhika Piramal	Executive Vice Chairperson	-31%
Mr. Sudip Ghose*	Managing Director	2%
Ms. Neetu Kashiramka	Chief Financial Officer	N.A.
Mr. Anand Daga	Company Secretary & Head – Legal	-27%

*Resigned from the position of the Managing Director of the Company w.e.f. 31st January, 2021

3. The percentage decrease in the median remuneration of employees for the financial year 2020-21 is around 33%. The percentage decrease in the median remuneration is calculated for comparable employees and does not include employees who were not eligible.

4. The number of permanent employees on the rolls of the Company is 1348 (excluding the employees of the Subsidiary companies).

5. The Percentage decrease in salaries of the managerial personnel at 50^{th} percentile is 27%. The Percentage decrease in salaries of the non-managerial personnel at 50^{th} percentile is 32%. The decrease in remuneration is due to Covid Pandemic which has hampered the performance of the Company to a great extent.

6. The remuneration paid to the Directors is as per the Remuneration Policy of the Company.

During the year under review, no Managing Director / Whole-time Director of the Company are in receipt of any remuneration or commission from any of its subsidiaries.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the dedicated services of the employees of your Company at all levels.

By Order of the Board of Directors

Dilip G. Piramal
Chairman
(DIN No. 00032012)

Place: Mumbai
Dated: 25^{th} May, 2021

ANNEXURE - A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01/04/2020 to 31/03/2021

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

To
The Members
V. I. P. INDUSTRIES LIMITED
DGP House, 5th Floor, 88 C, Old Prabhadevi Road,
Mumbai – 400025 Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V.I.P. INDUSTRIES LIMITED (CIN: L25200MH1968PLC013914) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering 1st April, 2020 to 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2020 to 31st March, 2021 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

  a) The Securities and Exchange Board of India (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, 2009;

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-

  f) 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- **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)**

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **(Not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review)**

  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **(Not applicable as the Company has not bought back any of its securities during the period under review)**

vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948;
2. MIDC, Nashik, SIDCUL, Haridwar and other local municipal laws
3. Legal Metrology Act, 2009
4. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971
5. Negotiable Instruments Act, 1881;
6. Workmen’s Compensation Act, 1923
7. Payment of Wages Act, 1936
8. Payment of Gratuity Act, 1972
9. Payment of Bonus Act, 1965
10. Industrial Dispute Act, 1947
11. Employees Provident Funds and Miscellaneous Provisions Act, 1974
12. Minimum Wages Act, 1948
13. Employees State Insurance Act, 1948
14. Environment (Protection) Act, 1986
15. Water (Prevention and Control of Pollution) Act, 1974
16. Air (Prevention and Control of Pollution) Act, 1981
17. Hazardous and other wastes (Management and Trans boundary Movement) Rules, 2016

Based on the Compliance Certificates obtained by the Company from the various functional heads and Factory Managers, we relied on the Compliances of the above mentioned statutes.

We have also examined compliance with applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India.

b) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company had no specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following :

1. Appointment of Ms. Neetu Kashiramka, as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 8th April, 2020

2. Resignation of Mr. Sudip Ghose from the position of Managing Director & KMP of the Company with effect from 31st January, 2021

3. Appointment of Mr. Anindya Dutta as an Additional Director of the Company with effect from 1st February, 2021
4. Appointment of Mr. Anindya Dutta as Managing Director and Key Managerial Personnel of the Company with effect from 1st February, 2021
5. Issuance and allotment of Rated Listed Non-Convertible Debentures of ₹ 100 Crores through Private Placement on 30th July, 2020. Such securities are listed on Bombay Stock Exchange with effect from 13th August, 2020;
6. Issuance and allotment of Rated Listed Non-Convertible Debentures of ₹ 50 Crores through Private Placement on 7th September, 2020. Such securities are listed on Bombay Stock Exchange with effect from 16th September, 2020;

Note:- Due to COVID-19 Pandemic impact and situation of partial/complete lockdown, the documents for conducting the audit were obtained through electronic mode for verification.

For **Ragini Chokshi & Co.**

Ragini Chokshi
Partner
C.P.NO. 1436
FCS NO. 2390
UDIN:F002390C000368833

Date: 25th May, 2021
Place: Mumbai

ANNEXURE - B

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

By Order of the Board of Directors

Place: Mumbai
Dated: 25th May, 2021

Dilip G. Piramal
Chairman
(DIN No 00032012)

ANNEXURE – C

Disclosures of particulars with respect to Conservation of energy, Technology absorption and Foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

(A) CONSERVATION OF ENERGY:

a. Consolidation of forming and extrusion machine set up under one roof by relocating the machines to eliminate wastage of electricity and air due to distributed operations.

b. Addition of energy efficient injection molding machine in place of old machine.

c. Replacement of high pressure sodium vapor street light by clean power LED light.

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

i) Specific areas in which R&D carried out by your Company:

- Development of Dual Textured PP Zipper case with unique multifaceted shell Design
- Development of Logos with new Decorative techniques – such as Hot metallic foiling in silver and golden colours.
- Development of new laptop case product for convenience of customers.
- Development of UV resistant & Anti-fog face shield for Covid 19 protection.
- Development of Face Mask with > 95% of BFE & PFE for Covid-19 protection.
- Development Antiviral & Anti-microbial Luggage cover with “Antiviral efficacy” of 99.89 %
- Indigenization of printed PC film and transparent PC film.
- Development of PP ranges having integrated slots in shell eliminating post moulding operations.
- Development of polycarbonate printed film with gradients of colours.
- Development of modular aluminum drilling jigs with high precision and extended life.
- Reverse stitching on assembly lines for improved quality and better productivity
- Development of polymeric compounds having new efficient layering configuration
- Development of new PP textures.
- Introducing new efficient material handling equipment.
- Development of light weight and low cost carrying handles / accessories
- Development of Hybrid Mobility cases for two wheelers
- Development of customized and ergonomic food container Hybrid cases.

ii) Benefits derived as a result of above R&D:

- World Class products offered to consumers at low price without compromising on the quality and durability of the products.
- Launch of Super premium range
- Increased potential for OEM orders.
- Reduced development time resulted in quick response time to market.
- Development of Number of new HL products to improve offerings to customers.
- Reduction in assembly lead time and cost involved.

iii) Future plan of action:

- Research on polymeric materials, blends and finishes.
- Exploring Nano-safe technology in PP/PC hard luggage product for master batches and other polymers used in hardware to develop complete antiviral luggage.
- Development of SPM for multiple hole drilling operation.
- In mound insert molding for PP cases
- PP+PC hybrid luggage.
- Thin wall molding for PP shells for making light weight luggage.
- Development of Smart luggage

iv) Expenditure on R&D: (Amount Rs in Crores) Recurring ₹ 1.30 Crore

R & D expenditure as a percentage of total turnover is 0.21%

b) Technology Absorption, Adaption and Innovation:

i) Efforts taken for technology absorption, adaption and innovation: Technology absorption from:

- Technical Journals.
- Training of personnel on powerful CAD/CAM tools.
- National and International exhibitions / seminars.
- Joint projects with major raw material suppliers to develop innovative technology.
- Training on safety & 'poka yoke' in tools and process to avoid accidents.
- Information from internet.
- Implementation of TPM as a part of excellence in operation and sustenance measures

ii) Benefits derived as a result of the above efforts:

- Enhancement of value to customer.
- Effective utilization of polymers.
- Reduction by way of standardization in variety of components resulting in cost saving.

iii) Information regarding technology imported during last 3 years:

Sr. No.	Details of the technology imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not takenplace and the reasons thereof
1.	HSM CNC Machine in Tool Room	2019	Yes	-
2.	CNC Trimming Machine in VFD	2018/2019	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year – ₹ 162.00 Crores.

Total foreign exchange earned in terms of actual inflow during the year – ₹ 17.98 Crores.

ANNEXURE - D

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   V.I.P. Industries Ltd. (V.I.P) practices its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

   V.I.P recognizes that its business activities have wide impact on the society in which it operates and therefore an effective practice is required, giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. V.I.P endeavors to make CSR a key business process for sustainable development. V.I.P undertakes various activities relating to:

   (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

   (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

   (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

   (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

   (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

   (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

   (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports

   (viii) contribution to the prime minister's national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

   (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

   (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR) Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

   (x) rural development projects

   (xi) slum area development (Explanation - For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

   (xii) disaster management, including relief, rehabilitation and reconstruction activities.

2. Composition of CSR Committee:

Sr. No.	Name of the 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.	Mr. D. K. Poddar	Independent Director	1	1
2.	Mr. Dilip G. Piramal	Chairman (Non-executive, Non Independent)	1	1
3.	Ms. Radhika Piramal	Executive Vice Chairperson	1	1

3. Web-link for Composition of CSR Committee, CSR Policy and CSR projects approved by the Board - http://www.vipindustries.co.in/policies.php
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, - Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not applicable
6. Average net profit of the company as per section 135(5):

(₹ in Crores)

Year	Net Profit as per Section 198 of the Companies Act, 2013
2017-18	180.43
2018-19	195.98
2019-20	144.97
Average net profits of last three years	173.79

7. (a) 2% of the average net profits of last three years – ₹ 3.48 Crore

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- Nil

   (c) Amount required to be set off for the financial year, if any - Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 3.48 Crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) Nil				
	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).		
3.48 Crore	Nil	Nil	Nil	Nil	Nil

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

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 (in years)	Amount allocated for the project (in ₹ Crore)	Amount spent in the current financial Year (in ₹ Crore)	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 [1]
1	School Transformation Program	(ii)	Yes	Maharashtra,	Pune, Mumbai	1	0.60	0.60	-	No	Yuva Unstoppable	NA
2	Promoting and preventive health care	(i)	Yes	Maharashtra, Pune, Mumbai	Pune, Mumbai	1	0.25	0.25	-	No	Vision Foundation	NA
3	Education of girl child	(ii)	Yes	Jharkhand	Pakur	1	0.40	0.40	-	No	Aangan Trust	NA
4	Running of school in tribal villages	(ii)	Yes	Maharashtra	Nanded, Chandrapur, Amravati, Igatpuri	1	0.50	0.50	-	No	Friends of Tribal Society	NA
5	Education of adolescents girls and boys	(ii)	Yes	Jharkhand	Deogarh	1	0.40	0.40	-	No	Quest Alliance	NA

6	Providing basic education and literacy, water and sanitation, disease prevention & treatment and child health	(i), (ii)	Yes	Maharashtra	Jalgaon, Nandurbar, Dhule, Nashik, Ahemadnagar, Akola, Amravati, Yavatmal, Wardha, Aurangabad, Jalna, Bid, Usmanabad and Hingoli	1	0.50	0.50	-	No	Rotary Club Bombay	NA
7	Promoting Sports	(vii)	Yes	Gujarat	Bharuch	1	0.13	0.13	-	No	Naandi Foundation	NA
8	Promoting education and sports	(ii), (vii)	Yes	Jharkhand	Pakur	1	0.10	0.10	-	No	Yuwa India Trust	NA
9	Health care and Education	(i),(ii)	Yes	Rajasthan	All District within these State	1	0.10	0.10	-	No	Swadhar IDWC	
10	Maternal and child health care	(ii), (iii)	Yes	Rajasthan, Haryana, Delhi, Uttar Pradesh, Uttarakhand,	All District within these State	1	0.50	0.50	-	No	Armman	
Total							3.48	3.48				

[(1)] CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021.

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

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 3.48 Crore

(g) Excess amount for set off, if any – Not applicable

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

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

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 – Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

Dilip G. Piramal
Chairman
[DIN: 00032012]

D. K. Poddar
Chairman, CSR Committee
[DIN: 00001250]

ANNEXURE TO THE DIRECTORS' REPORT

COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in complying with any laws and regulations. The Company believes that Corporate Governance is all about maintaining a valuable relationship and trust with the Stakeholders. The Company has a defined policy framework for ethical conduct and business.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike a right balance with its various stakeholders.

BOARD OF DIRECTORS

Board Procedure:

The Board meets at least once in a quarter, inter-alia, to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Company circulates well in advance agenda of the Board Meeting alongwith detailed notes to the Directors.

Information given to the Board:

The dates for the Board meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers with necessary documents and information in advance of each meeting for the Board and Committee(s). The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly placed before Board.

Composition of the Board:

As on 31st March, 2021, the Board of Directors of the Company comprises of 8 (eight) members.

Of 8 (eight) Directors, two are Executive Directors; six are Non-Executive Directors out of which five are Independent Directors.

The details are given in Table A herein below.

Board meetings held and Directors' attendance record

During the financial year 2020-21, the Board met seven (7) times. The meetings were held on:

7th April, 2020; 26th May, 2020, 9th July, 2020, 5th August, 2020, 9th November, 2020, 5th January, 2021 and 3rd February, 2021

The maximum gap between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 ('Act') and Regulation 17(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013 ('Listing Regulations').

Table A: The details of the Directors on the Board of the Company as on 31st March, 2021 are given below:

Name & Designation / Category of the Director	No. of shares held as on 31st March, 2021	Attendance Particulars		Whether attended last AGM held on 5th August, 2020	No. of outside Directorships *	No. of outside Committee positions held @	
		Board Meetings held during the tenure of directorship	Attended			Chairperson	Member
Mr. Dilip G. Piramal Chairman, Non-Executive, Non-Independent	3,50,616	7	7	Yes	13	-	-
Ms. Radhika Piramal Executive Vice Chairperson	2,22,487	7	7	Yes	4	-	-
Mr. Sudip Ghose[1] Managing Director	-	6	5	Yes	-	-	-
Mr. Anindya Dutta[2] Managing Director	295	1	1	NA	-	-	-
Mr. D. K. Poddar Non-Executive, Independent Director	-	7	7	Yes	9	-	2
Mr. Amit Jatia Non-Executive, Independent Director	-	7	7	Yes	12	-	3
Ms. Nisaba Godrej Non-Executive, Independent Director	-	7	7	Yes	4	-	-
Mr. Tushar Jani Non-Executive, Independent Director	-	7	7	Yes	18	1	2
Mr. Ramesh Damani Non-Executive, Independent Director	1,16,480	7	7	Yes	3	1	4

NOTE:

*No. of Outside Directorship includes Directorship in Public Companies, Private Companies and Section 8 Companies but excludes Foreign Companies.

@ Only chairmanship/membership of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited Company has been considered.

[1]Mr. Sudip Ghose has resigned from the position of Managing Director of the Company w.e.f. 31st January, 2021. [2]Mr. Anindya Dutta has been appointed as the Managing Director of the Company w.e.f. 1st February, 2021.

As on 31st March, 2021, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman, being his daughter.

None of the Non-executive Independent Director except Mr. Ramesh Damani holds any shares and/or convertible instruments issued by the Company for the time being.

The Board periodically reviews the compliance reports on various laws applicable to the Company.

Details of Directorship in listed entity(s) as on 31st March, 2021:

Name of the Director	Directorship in listed entity(s)	Category of Directorship
Mr. Dilip G. Piramal	1) V.I.P Industries Limited	Non Executive - Chairman
	2) Kemp and Company Limited	Non Executive - Director
	3) Alkyl Amines Chemicals Limited	Non Executive - Independent Director
	4) KEC International Limited	Non Executive - Independent Director

Ms. Radhika Piramal	1) V.I.P Industries Limited 2) Chalet Hotels Limited	Executive Vice Chairperson Non Executive - Independent Director
Mr. Anindya Dutta	1) V.I.P. Industries Limited	Managing Director
Mr. D K Poddar	1) Bajaj Finance Limited 2) V.I.P. Industries Limited 3) Poddar Housing and Development Ltd.	Non Executive - Independent Director Non Executive - Independent Director Executive Director-Chairperson
Mr. Amit Jatia	1) Westlife Development Ltd 2) Inox Leisure Limited 3) V.I.P. Industries Limited	Executive Director Non Executive - Independent Director Non Executive - Independent Director
Ms. Nisaba Godrej	1) Godrej Consumer Products Ltd 2) Godrej Agrovet Limited 3) V.I.P Industries Limited 4) Mahindra and Mahindra Limited	Executive Chairperson Non-Executive - Non Independent Director Non Executive - Independent Director Non Executive - Independent Director
Mr. Tushar Jani	1) Navneet Education Ltd. 2) V.I.P Industries Limited	Non Executive - Independent Director Non Executive - Independent Director
Mr. Ramesh Damani	1) Avenue Supermarts Limited 2) Aptech Limited 3) V.I.P Industries Limited	Non Executive - Independent Director Non Executive - Independent Director Non Executive - Independent Director

Independent Directors:

The Independent Directors of the Company meet the requirements laid down under the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have declared that they do not fall under any disqualifications specified therein. All Independent Directors of the Company have been appointed as per the provisions of the Act. Formal letters of appointment have been issued to the Independent Directors. The appointment letters including terms and conditions of appointment of Independent Directors are disclosed on the Company's website: http://www.vipindustries.co.in/corporate-governance.php.

The Board is of the opinion that the Independent Directors fulfill the conditions specified under the Act and the Regulations and are independent of the management.

Training of Independent Directors:

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letter including terms & conditions of appointment of Independent Directors are issued to each Independent Director upon his/her appointment once approved by Members.

Separate Meeting of the Independent Directors:

A separate meeting of Independent Directors was held on 3rd February, 2021, without the attendance of Executive Directors and members of Management. All the Independent Directors were present at the meeting wherein, inter-alia, the following items were discussed in detail:

- the performance of the Board as a whole.
- the performance of Non-Independent Directors.
- the performance of the Chairman of the Company taking into account the views of Executive Directors and Non- executive Directors.
- the quality, quantity and timeliness of flow of information between the Company management and the Board for the Board to effectively and reasonably perform its duties.

Familiarization Program for Independent Directors:

The Board of Directors of the Company adopted the Familiarization Program ("the Program") for Independent Directors of the Company. Some of the key features of the Program are as under:

1. **Purpose**

   The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

2. **Familiarization Process**

   The Company through its Executive Directors/Senior Managerial Personnel conducts programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company:

   a) such programs/presentations provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them understand the Company's strategy, business model, industry dynamics, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk appetite and such other areas as may arise from time to time;

   b) the programs/presentations also familiarizes the Independent Directors with their roles, rights and responsibilities;

   c) the Company conducts an introductory familiarization program/presentation, when a new Independent Director is inducted on the Board of the Company;

   d) the Company may circulate news and articles to the industry on a regular basis and may provide specific regulatory updates from time to time; and

   e) the Company may conduct an introductory familiarization program/presentation, when a new Independent Director inducted on the Board of the Company.

   However, due to COVID-19 pandemic no personal visits were organised during the financial year 2020-21. Presentations on major initiatives taken in the fight against COVID-19 were shared with the Independent Directors

3. **Review of the Program**

   The Board may review this Program and make suitable amendments/revisions as and when required.

4. **Disclosure of the Familiarization Program**

   The Familiarization Program for Independent Directors is uploaded on the website of the Company. For public information and easy accessibility of investors the web link http://www.vipindustries.co.in/corporate-governance.php is provided herein.

Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

The areas of expertise identified by the Board in the context of the business of the Company and which are available with the Board are as under:

1. General Management and Business Operations
2. Leadership
3. Senior Management Expertise
4. Public Policy/Governmental Regulations
5. Accounting/Finance/Legal
6. Risk Management
7. Human Resources Management
8. Strategy/M&A/Restructuring
9. Corporate Governance
10. Business Development/Sales/Marketing
11. International Business

In the table below, the above mentioned skills / expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

	Area of expertise										
Director	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**
Mr. Dilip G. Piramal Chairman	√	√	√	√	√	√	√	√	√	√	√
Ms. Radhika Piramal Executive Vice Chairperson	√	√	√	√	√	√	√	√	√	√	√
Mr. Anindya Dutta Managing Director	√	√	√	√	√	√	√	√	√	√	√
Mr. D. K. Poddar Non-Executive Independent Director	√	√	√	√	√	√	√	√	√	√	√
Mr. Amit Jatia Non-Executive Independent Director	√	√	√	√	√	√	√	√	√	√	√
Ms. Nisaba Godrej Non-Executive Independent Director	√	√	√	√	√	√	√	√	√	√	√
Mr. Ramesh Damani Non-Executive Independent Director	√	√	√	√	√	√	√	√	√	√	√
Mr. Tushar Jani Non-Executive Independent Director	√	√	√	√	√	√	√	√	√	√	√

AUDIT COMMITTEE

Composition and Attendance at Meetings:

The Audit Committee comprises of three members all of whom are financially literate as prescribed under the Listing Regulations. Other than Mr. Dilip G. Piramal, Non-executive Director, all other Committee Members are Independent Directors.

Mr. D. K. Poddar, Independent Director is the Chairman of the Committee. The Executive Vice Chairperson, Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are the permanent invitees at the meetings of the Committee. The quorum for the Audit Committee meetings is two members, with atleast two Independent Directors to be present at the meeting. The Company Secretary acts as the Secretary to the Committee. M/s. Suresh Surana & Associates LLP were the Internal Auditors of the Company for the financial year 2020-21 and are re-appointed for the financial year 2021-22. The Internal Auditors report to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once in a quarter, inter-alia, to review the quarterly performance and the financial results. The Audit Committee met five (5) times during the year 2020-21 i.e. 7th April, 2020; 26th May, 2020, 5th August, 2020, 9th November, 2020 and 3rd February, 2021. The maximum gap between two meetings was not more than 120 days.

The details of the composition, position and attendance at the Audit Committee meetings during the year are as under:

Name of the Director	Position	No. of Meetings held during the tenure of directorship	No. of Meetings attended
Mr. D. K. Poddar	Chairman	5	5
Mr. Dilip G. Piramal	Member	5	5
Mr. Amit Jatia	Member	5	5

Mr. D. K. Poddar, Chairman of the Committee, was present at the 53rd Annual General Meeting of the Company held on 5th August, 2020 to answer the shareholders' queries.

The minutes of the Audit Committee Meetings forms part of the documents that are regularly placed before the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee informs the Board members about the significant discussions that took place at the Audit Committee meetings.

During the year under review no person or persons has been denied access to the Chairman of Audit Committee.

Terms of Reference:

The Audit Committee of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Apart from all the matters provided in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Committee reviews reports of the Internal Auditors, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors and reviews accounting policies followed by the Company. The Committee reviews with the management, quarterly/half yearly and annual financial statements before its submission to the Board. The minutes of the Audit Committee meetings are placed and noted at the subsequent meeting of the Board of Directors of the Company.

NOMINATION AND REMUNERATION COMMITTEE

Composition and Attendance at Meetings:

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee (NRC) met seven (7) times during financial year 2020-21 i.e. on 7th April, 2020, 26th May, 2020, 9th July, 2020, 7th August, 2020, 9th November, 2020, 5th January, 2021 and 3rd February, 2021.

The details of the composition, position and attendance at the NRC meetings during the year are as under:

Name of the Director	Position	No. of Meetings held during the tenure of Director	No. of Meetings attended
Mr. D. K. Poddar	Chairman	7	7
Mr. Dilip G. Piramal	Member	7	7
Mr. Amit Jatia	Member	7	7
Ms. Nisaba Godrej*	Member	6	6

* Ms. Nisaba Godrej was appointed as the Member of Nomination and Remuneration Committee of the Company w.e.f. 8th April, 2020.

Mr. D. K. Poddar, Chairman of the Committee was present at the 53rd Annual General Meeting of the Shareholders held on 5th August, 2020 to address the queries of the Members.

Other than Mr. Dilip G. Piramal, Non-executive Director, all other Committee Members are Independent Directors.

Terms of Reference:

The Nomination and Remuneration Committee of the Company reviews, assesses and recommends the performance of managerial personnel on a periodical basis and also reviews their remuneration, decides on all issues related to the proposals of the Company's Employees' Stock package and recommends suitable revision to the Board. The Committee also looks into and decides on all issues related to the proposals of the Company's Employees' Stock Option Scheme and other matters connected thereto.

Performance Evaluation of Non-Executive and Independent Directors:

The Board evaluates the performance of Non-executive and Independent Directors every year. Non-Executive Directors and Independent Directors of the Company are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board helps in taking complex business decisions.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Corporate Social Responsibility, Risk Management and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration the guidance note issued by SEBI on Board evaluation and based on inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of each Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

1. Non-Executive Directors' Remuneration:

The Non-Executive Independent Directors are paid remuneration by way of sitting fees. The Company pays sitting fees of ₹ 1,00,000/- for attending each Board Meeting, ₹ 50,000/- for attending each meeting of the Audit Committee, ₹ 20,000/- for attending each meeting of the Nomination and Remuneration Committee and ₹ 20,000/- for attending Meeting of Independent Directors. The payment of remuneration by way of sitting fees is based on certain criteria such as attendance at the Board/Committee meetings, time devoted, industry trends etc.

However due to adverse impact of COVID-19 pandemic on the business of the Company and resultant losses, all the Non - Executive Directors unanimously agreed not to take sitting fees for attending Board as well as all Committee meetings to be held during the period 1st April, 2020 to 31st December, 2020.

Details of remuneration paid to the Non-Executive Independent Directors for the year ended 31st March, 2021 are as follows:

(₹ in Crore)

Name	Sitting Fees	Commission	Total	Share holding
Mr. D. K. Poddar	0.031	-	0.031	-
Mr. Amit Jatia	0.031	-	0.031	-
Ms. Nisaba Godrej#	-	-	-	-
Mr. Ramesh Damani	0.022	-	0.022	1,16,480
Mr. Tushar Jani	0.022	-	0.022	-

Ms. Nisaba Godrej has voluntarily waived-off receipt of sitting fees for any meetings attended by her.

There are no pecuniary relationship or transactions between the Non-Executive Director's vis-à-vis the Company, which needs to be disclosed in the Annual Report.

2. Chairman (Non-executive, Non Independent)

Mr. Dilip G. Piramal was appointed as the Chairman (Non-executive, Non Independent) w.e.f. 25th March, 2019. The shareholders vide its resolution passed through postal ballot on 25th March, 2019 has approved the payment of commission to Non–executive Directors not exceeding 3 (three) percent of the net profits of the Company in any financial year (computed in the manner provided in Section 197 and 198 of the Companies Act, 2013) plus GST at the applicable rate.

During the FY 2020-21, the Company has not paid any commission for the services rendered by Mr. Dilip G. Piramal to the Company.

Details of payment made to Mr. Dilip G. Piramal for financial year ended 31st March, 2021 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Mr. Dilip G. Piramal	0.029	-	-	-	0.029

3. Executive Directors' Remuneration

A. Ms. Radhika Piramal

Ms. Radhika Piramal was appointed as the Executive Vice Chairperson of the Company for a period of 5 years i.e. upto 6^{th} April, 2024. The contract for such appointment between the Company and the Executive Vice Chairperson may be terminated by either party by giving the other party 6 months notice or the Company paying notice pay equal to the amount due to the Executive Vice Chairperson on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

Details of remuneration paid to Ms. Radhika Piramal for the financial year ended on 31^{st} March, 2021 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Ms. Radhika Piramal	-	1.76	-	-	1.76

B. Managing Director

Mr. Sudip Ghose was appointed as Managing Director of the Company w.e.f. 1^{st} April, 2019. Mr. Sudip Ghose has resigned from the position of Managing Director of the Company w.e.f. 31^{st} January, 2021.

Details of remuneration paid to Mr. Sudip Ghose during his tenure as Managing Director during the financial year 2020-21 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Mr. Sudip Ghose	-	3.00	-	-	3.00

Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1^{st} February, 2021. The contract for such appointment between the Company and Managing Director may be terminated by either party by giving the other party 3 months notice or the Company paying notice pay equal to the amount due to the Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

Details of remuneration paid to Mr. Anindya Dutta during his tenure as Managing Director during the financial year 2020-21 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option	Total
Mr. Anindya Dutta	-	0.39	-	-	0.39

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on 31^{st} March, 2021 had the following Key Managerial Personnel viz., Ms. Radhika Piramal, Executive Vice Chairperson, Mr. Anindya Dutta, Managing Director, Ms. Neetu Kashiramka, Chief Financial Officer and Mr. Anand Daga, Company Secretary.

Details of remuneration of Key Managerial Personnel for the Financial Year 2020-21 are as follows:

(₹ in Crore)

<table>
<tr><th>Name</th><th>Gross Remuneration</th><th>Stock Option</th><th>Total</th></tr>
<tr><td>Ms. Radhika Piramal</td><td colspan="3" rowspan="3">Details given in Point 3 (A and B) above</td></tr>
<tr><td>Mr. Sudip Ghose*</td></tr>
<tr><td>Mr. Anindya Dutta*</td></tr>
<tr><td>Ms. Neetu Kashiramka</td><td>1.51</td><td>-</td><td>1.51</td></tr>
<tr><td>Mr. Anand Daga</td><td>0.47</td><td>-</td><td>0.47</td></tr>
</table>

* Mr. Sudip Ghose resigned from the position of Managing Director w.e.f. 31^{st} January, 2021 and Mr. Anindya Dutta has been appointed as Managing Director of the Company w.e.f. 1^{st} February, 2021.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition:

The Stakeholders' Relationship Committee comprises of following four members:

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Mr. Amit Jatia	Chairman	17	8
Mr. Dilip G. Piramal	Member	17	17
Mr. Sudip Ghose*	Member	12	12
Mr. Anindya Dutta*	Member	5	5
Mr. Tushar Jani	Member	5	5

* Mr. Sudip Ghose ceased to be a member of the Committee w.e.f. 31st January, 2021. Mr. Anindya Dutta and Mr. Tushar Jani were inducted as the members of the Committee w.e.f. 3rd February, 2021.

Mr. Anand Daga, Company Secretary & Head- Legal acts as the Secretary of the Committee.

The Stakeholder Relationship Committee (Committee) primarily considers and resolves grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of declared dividends, etc. The Committee also reviews measures taken for effective exercise of their voting rights, adherence to service standards in respect of services rendered by the Registrar and Share Transfer Agent and also suggests improvements to investor relations initiatives undertaken at the Company.

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The Company has 1,23,128 shareholders as on 31st March, 2021. During the year under review, the Company processed 49 share transfers in the physical form comprising of 44,820 equity shares. The Company had received 5 investor's complaints during the year, all of which have been attended satisfactorily within time. There are no outstanding investor's complaints as on 31st March, 2021.

The Stakeholders' Relationship Committee meets regularly and approves all matters related to shares vis-à-vis transfers, transmissions, dematerialization and re-materialization of shares etc. In case of shares held in physical form, all transfers are completed within the stipulated time from the date of receipt of complete documents. The Company has obtained compliance certificate as stipulated by Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from M/s. Ragini Chokshi & Associates on half yearly basis and submitted the same to the Stock Exchanges within the prescribed time.

Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee include redressing shareholder and investor complaints like non-receipt of transfer and transmission of shares, non- receipt of duplicate share certificate, non-receipt of balance sheet, non-receipt of dividends etc. and to ensure expeditious share transfer process.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the Corporate Social Responsibility Committee and the details of Member's participation at the Meetings of the Committee are as under:

Name of the Member	Category	Meeting held during the tenure of the Director	No. of meetings Attended
Mr. D. K. Poddar	Chairman	1	1
Mr. Dilip G. Piramal	Member	1	1
Ms. Radhika Piramal	Member	1	1

The CSR Committee met one time during the year under review i.e. on 26th May, 2020. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted Risk Management Committee to monitor and review risk management system of the Company including risks related to cyber security. The Committee is responsible for risk identification, evaluation and mitigation, control process for such risks and corrective action taken by the Management to mitigate the same. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

The composition of the Risk Management Committee and the details of Member's participation at the Meetings of the Committee are as under:

Name of the Member	Category	No. of meetings held	No. of meetings Attended
Mr. Dilip G. Piramal	Chairman	1	1
Mr. Anindya Dutta[3]	Member	1	1
Ms. Neetu Kashirmaka[1]	Member	-	-

The Risk Management Committee met one time during the year under review i.e. on 3rd February, 2021.

[1]Ms. Neetu Kashirmaka and Mr. Anindya Dutta were inducted as members of the Committee w.e.f. 26th May, 2020 and 3rd February, 2021 respectively,

[2] Mr. Sudip Ghose ceased to be a member of the Committee w.e.f. 31st January, 2021 and Mr. Dheeraj Goyal and Ms. Radhika Piramal ceased to be the members of the Committee w.e.f. 3rd February, 2021.

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date & time	Venue	Special Resolution Passed
51st AGM (2017-18)	17th July, 2018 at 3:30 p.m.	"Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai- 400 018	• Approval of Employee Stock Appreciation Rights to the Employees and Directors of the Company under 'VIP Employees Stock Appreciation Rights Plan 2018' • Approval of Employee Stock Appreciation Rights to the Employees and Directors of the Subsidiary Company(ies) of the Company under 'VIP Employees Stock Appreciation Rights Plan 2018'.
52nd AGM (2018-19)	30th July, 2019 at 3:00 p.m.	Ravindra Natya Mandir, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025	-

53rd AGM (2019-20)	5th August, 2020 at 4:00 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• Re-appointment of Mr. Amit Jatia (DIN 00016871) as Non- Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 24th July, 2020 to 23rd July, 2025. • Amendment of the Object Clause in the Memorandum of Association of the Company • Alteration in the Liability Clause of the Memorandum of Association of the Company • Adoption of new Articles of Association of the Company containing clauses in conformity with the Companies Act, 2013

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders. The Chairman of the Audit Committee was present at all the above AGMs.

Postal Ballot

During the year ended 31st March, 2021, no resolution was passed through Postal Ballot.

MEANS OF COMMUNICATION:

- **Results:**

  Quarterly/half-yearly/annually financial results are published in widely circulating national and local daily newspapers, such as Business Standard, Free Press Journal, Financial Express, Mumbai Lakshdeep and Navshakti. These are not sent individually to the shareholders.

- **Website:**

  The Company's website www.vipindustries.co.in contains a separate dedicated section 'Investor Relations' wherein shareholders' information including financial results is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

- **Annual Report:**

  The Annual Report containing, inter alia, Audited Financial Statements (standalone and consolidated), Boards' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.vipindustries.co.in

- **NSE Electronic Application Processing System (NEAPS):**

  The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, media releases, among others are filed by the Company electronically on NEAPS.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

  BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):**

  Investors' complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company regularly redresses the complaints if any, on SCORES within stipulated time.

- **Designated exclusive Email-id:**

  The Company has designated the email-id investor-help@vipbags.com exclusively for investor servicing.

- **Presentations to institutional Investors/Analysis:**

  After announcement of Quarterly/half-yearly/annual financial results, the Company participates in the quarterly earnings conference calls wherein the Company's management comments on the financial results of a recently completed quarter/half-yearly/annual financial results. The transcript of such conference calls are uploaded on website of the Company.

GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting**	:	
- Day, Date and Time	:	Friday, 13th August, 2021, at 3:30 p.m. (IST)
2. **Tentative Financial Calendar**	:	The financial year of the Company is for the period from 1st April every year to 31st March of the following year.
a. Publication of Audited Results	:	By 30th May or immediately upon its adoption by the Board each year
b. First Quarter Results	:	By 14th August of each year
c. Second Quarter Results	:	By 14th November of each year
d. Third Quarter Results	:	By 14th February of each year
3. **Date of Book Closure**	:	Friday, 6th August, 2021 to Friday, 13th August 2021 (both days inclusive)
4. **Cut-off date for e-voting/ballot**	:	Friday, 6th August, 2021
5. ***Listing on Stock Exchange***	:	1. BSE Limited (BSE) BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
6. **Listing Fees**	:	Listing fees of both the stock exchanges for the financial year 2021-22 have been paid.

7. **Stock / Debt Code**

Particulars	Equity Shares	Debentures of ₹ 100 Cr	Debentures of ₹ 50 Cr
BSE Ltd	507880	959848	959982
National Stock Exchange of India Ltd	VIPIND	-	-
International Securities Identification Number (ISIN)	INE054A01027	INE054A07016	INE054A07024

8. **Utilisation of funds raised through issue of Non-Convertible Debentures**

During the financial year 2020-21, the Company issued on private placement basis and allotted, Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten lakh) each, aggregating ₹ 150 crore in two tranches as per the terms of issue of the respective tranches. The funds raised through NCDs have been utilised for repayment of existing borrowings and other purposes in the ordinary course of business.

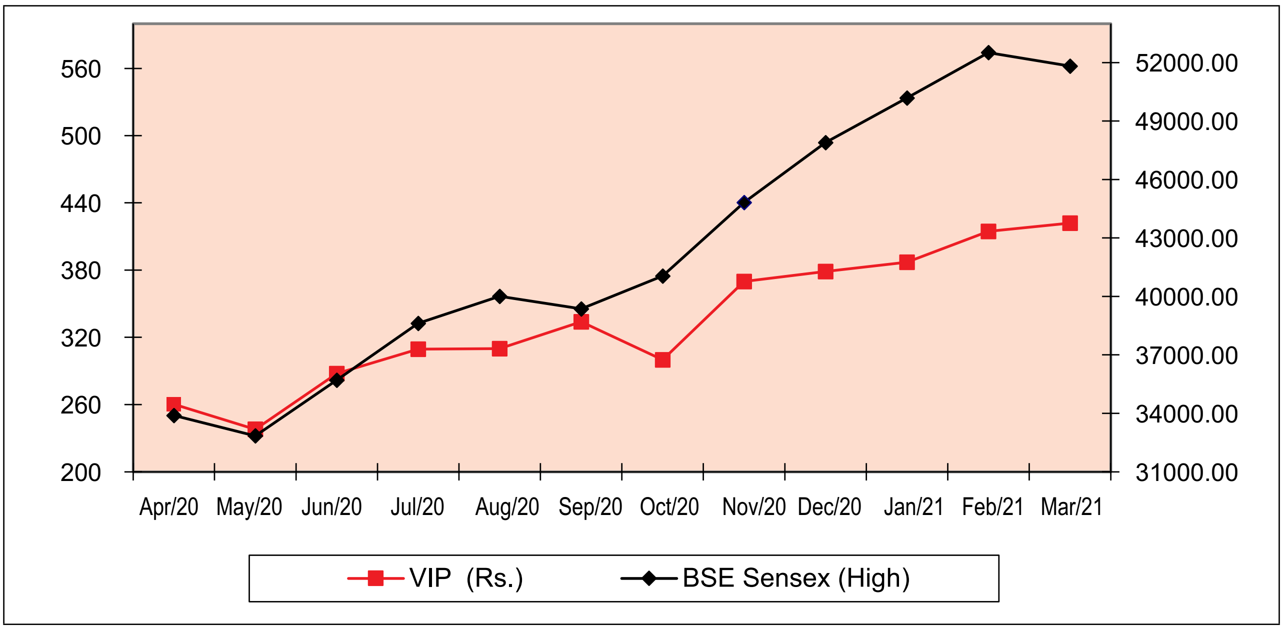
Debenture Trustee
Catalyst Trusteeship Ltd.
(Formerly GDA Trusteeship Ltd.)
Address : Office No.604, 6th Floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098
Office: 022 49220543
Fax: 022 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
www.catalysttrustee.com

9. **The monthly High and Low of market price of the equity shares of the Company on BSE and NSE and the stock performance during the last financial year was as under:**

	Bombay Stock Exchange			National Stock Exchange		
Period	High	Low	Sensex	High	Low	Nifty
(Year 2020-21)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
Apr-20	260.25	212.65	33,887.25	260.00	212.05	9,889.05
May-20	237.95	203.00	32,845.48	237.50	202.00	9,598.85
Jun-20	287.70	221.50	35,706.55	287.70	221.10	10,553.15

	Bombay Stock Exchange			National Stock Exchange		
Period	High	Low	Sensex	High	Low	Nifty
(Year 2020-21)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
Jul-20	309.50	248.60	38,617.03	309.45	248.20	11,341.40
Aug-20	309.95	254.85	40,010.17	306.65	258.30	11,794.25
Sep-20	333.95	268.00	39,359.51	333.90	268.00	11,618.10
Oct-20	299.95	270.00	41,048.05	299.00	270.00	12,025.45
Nov-20	369.80	269.40	44,825.37	369.95	207.00	13,145.85
Dec-20	378.80	310.85	47,896.97	379.00	310.50	14,024.85
Jan-21	387.00	336.35	50,184.01	387.00	334.35	14,753.55
Feb-21	414.60	339.00	52,516.76	414.95	339.00	15,431.75
Mar-21	421.95	338.90	51,821.84	422.00	338.70	15,336.30

10. Performance in comparison to broad-based indices such as VIP v/s BSE SENSEX



11. Registrars and Share Transfer Agents : Link Intime India Pvt. Ltd.,
C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083
Tel. No.: +91 22-49186000, Fax No.:+91 22-49186060

12. Share Transfer System : The Share transfer activities in respect of shares in physical mode are carried out by Link Intime India Pvt. Ltd. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder and issuance of new share certificate are approved by the Stakeholders Relationship Committee of the Board of Directors of your Company.

The particulars of movement of shares in the dematerialized mode are also placed before the Stakeholders Relationship Committee.

13. Distribution Schedule and shareholding Pattern as on 31st March, 2021.

DISTRIBUTION SCHEDULE		
Category Number of Shares	**No. of Shareholders**	**No. of Shares**
Up to 1000	1,18,562	1,48,38,625
1001 to 2000	2,538	38,01,953
2001 to 4000	1,229	34,63,709
4001 to 6000	335	16,58,268
6001 to 8000	118	8,28,314
8001to 10000	90	8,34,337
10001 to 20000	124	17,74,880
20001 and above	132	11,41,17,229
TOTAL	**1,23,128**	**14,13,17,315**

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of Shares**	**%**
Promoter	7,55,44,637	53.46
Mutual Funds and UTI	1,71,19,336	12.11
Banks, Financial Institution and Insurance Companies	65,08,371	4.61
Foreign Financial Investors & Foreign Nationals	19,542	0.01
Bodies Corporate	37,72,013	2.67
Indian Public/Trust/HUF	2,97,89,004	21.08
Non Resident Individuals/ Overseas Corporate Bodies	21,90,868	1.55
Alternate Investment Fund	30,100	0.02
Market Marker/Clearing members	2,66,169	0.19
NBFC Registered with RBI	2,980	0.00
Any other (IEPF)	60,74,295	4.30
TOTAL	**14,13,17,315**	**100.00**

14. Dematerialization of shares and liquidity: 98.08% of the paid-up capital of the Company has been dematerialized as on 31st March, 2021. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

15. Outstanding GDRs/ ADRs/ Warrants : NIL

16. Commodity price risk or foreign exchange: The Company is exposed to a Commodity Price Risk in relation risk and hedging activities to various types of Polymers used as input Raw Materials in its Manufacturing process for Plastic Moulded Luggage. The risk is partially mitigated by constant monitoring of the global crude oil prices and resultant strategic procurement decisions. The Company is also exposed to foreign exchange risk due to import of raw materials, Soft luggage and bags and also export to various countries. The Company evaluates exchange rate exposure arising from these transactions and takes required hedging from time to time which minimizes the impact of fluctuations in exchange rate movement.

17. Plant Locations :

(i) Plot No. 78 A, MIDC Estate, Satpur, Nashik– 422 007.

(ii) Plot No. A/7, MIDC Malegaon, Taluka Sinnar, District - Nashik, 422 103.

(iii) Plot No. L – 4/ L-5, Nagpur Industrial Estate, Nagpur

18. Address for correspondence :

i) Link Intime India Pvt. Ltd.
(Unit – V.I.P. Industries Limited)
C-101, 247 Park, LBS Marg, Vikroli (W), Mumbai-400083
Tel. No.: +91 22-49186000, Fax No.: +91 22-49186060

ii) The Company Secretary
V.I.P. Industries Ltd. DGP House,5th Floor 88-C, Old Prabhadevi Road Mumbai – 400 025.
Tel No.: +91 22 - 66539000, Fax No.: +91 22 – 66539089

19. Designated E-mail ID for registering complaints by the investors: investor-help@vipbags.com

20. Details of Non-Compliance: V.I.P. Industries Limited has complied with all the requirements of regulatory authorities. There has been no instance of non-compliance by the Company on any matter related to capital market during the last three years and hence, no penalties/ strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last 3 (Three) years.

OTHER DISCLOSURES

- **Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS) has been made in the notes of the Financial Statements.

The Board has approved a Policy for Related Party Transactions which has been uploaded on website of the Company. For public information and easy accessibility of investors the web link http://www.vipindustries.co.in/policies.php is provided herein.

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company during the Financial Year 2020-21. The details of transaction between the Company and the related parties are given for information under Note No. 45 of the Notes to Accounts to the Balance Sheet as at 31st March, 2021.

- **Vigil Mechanism/Whistle Blower Policy:**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Obligation and Disclosures Requirements Regulation. The policy comprehensively provides an opportunity for an employee and Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/ or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy is being communicated to the employees and also posted on Company's website. The details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on the Company's website at the link: http://www.vipindustries.co.in/policies.php

- **Compliance with mandatory and non-mandatory requirements:**

The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Audit qualification**

The Company is in the regime of unqualified financial statement.

- **Subsidiary Companies**

  The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the previous financial year.

  The Company has also formulated a policy on material subsidiaries and a copy of the aforesaid Policy for determining Material Subsidiaries is uploaded on the website of the Company. For public information and easy accessibility of investors the web link http://www.vipindustries.co.in/policies.php is provided herein.

  The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Board Meetings of Subsidiary Companies are also circulated to all the Directors and are tabled at the subsequent Board Meetings.

- **Details of total fees paid to statutory auditors**

  Details of total fees paid to statutory auditors are provided in Note No. 32 a of Standalone Financial Statements forming part of Annual Report

- **Complaints pertaining to sexual harassment**

  Please refer Board's Report for the complaints pertaining to sexual harassment during the financial year.

- **Code of Conduct**

  As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its employees and Non-executive Directors including Independent Directors, the Company has formulated a comprehensive Code of Conduct (the Code).

  The code is applicable to the members of the Board and Senior Management Personnel of the Companies and its subsidiaries. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence. All the members of the Board and Senior Management Personnel have confirmed compliance to the Code as on 31st March, 2021.

  A copy of the Code has been uploaded on the website of the Company http://www.vipindustries.co.in/corporate-governance.php. The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Managing Director for the compliance of this requirement is published in this Report.

- **Succession Planning**

  The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Human Resources, Nomination and Remuneration Committee work along with the Human Resource team of the Company for a structured leadership succession plan

Secretarial Audit for Reconciliation of Capital

M/s. Ragini Chokshi & Associates, Practicing Company Secretary has carried our Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and in physical form and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of shares in dematerialized form held with the two depositories namely NSDL & CDSL.

- In the preparation of the financial statements, the Company follows Indian Accounting Standards (Ind As) notified under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015.
- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is laid down to ensure that the management controls the identified risks.
- The Company has received the certificate as required under Part C of Schedule V of Listing Regulations, from Ms. Ragini Chokshi & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority.

- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Chairman of the Company is a Non-Executive Director and is not related to the Managing Director of the Company.
- The Company has framed the following policies, as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  - i. Vigil Mechanism Policy;
  - ii. Policy For Determining Material Subsidiaries;
  - iii. Performance Evaluation Policy;
  - iv. Related Party Transactions Policy;
  - v. Corporate Social Responsibility Policy;
  - vi. Policy on Prevention of Sexual Harassment;
  - vii. Policy on Preservation of Documents;
  - viii. Policy on Disclosure of Material Events or Information;
  - ix. Policy on obligations of Directors & Senior Management;
  - x. Nomination & Remuneration Policy; and
  - xi. Dividend Distribution Policy.
- During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or a preferential issue.
- The details in respect of Director/s seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- The details in respect of Director seeking re-appointment are provided as part of the Notice convening the ensuing Annual General Meeting.
- **Prevention of Insider Trading:**

  The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of the Company's shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.
- All Board of Directors and the designated employees have confirmed compliance with the Code.

DECLARATION UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anindya Dutta, Managing Director of V.I.P. Industries Limited hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2021.

For V.I.P. INDUSTRIES LIMITED

Anindya Dutta
Managing Director
(DIN–08256456)

Place: Mumbai
Date: 25th May, 2021

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To the Board of Directors of V.I.P. Industries Limited

Dear Sirs,

Sub: CEO/CFO Certificate

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Anindya Dutta, Managing Director and Neetu Kashiramka, Chief Financial Officer of V.I.P. Industries Ltd., to the best of our knowledge and belief, certify that:

a) We have reviewed the financial statements and the cash flow statement of V.I.P. Industries Limited for the financial year ended 31st March, 2021 and that to the best of our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company 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 steps taken or propose to take for rectifying these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that :

   i. there are no significant changes in internal control over financial reporting during the year;

   ii. there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and

   iii. there are no instances of significant frauds 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.

For V.I.P. INDUSTRIES LIMITED

Anindya Dutta
Managing Director
(DIN – 08256456)

Neetu Kashiramka
Chief Financial Officer

Place: Mumbai
Date: 25th May, 2021

ANNEXURE TO THE BOARD'S REPORT

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,

V.I.P. INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by V.I.P. INDUSTRIES LIMITED ('the Company') for the financial year ended 31st March, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March, 2021.

We further 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.

For Ragini Chokshi & Co.
(Company Secretaries)

Sd/-

Ragini Chokshi
(Partner)
FCS No.2390
C.P. No. 1436
UDIN: F002390C000369196

Place: Mumbai
Date: 25th May, 2021

A. INDUSTRY STRUCTURE AND DEVELOPMENT

LUGGAGE

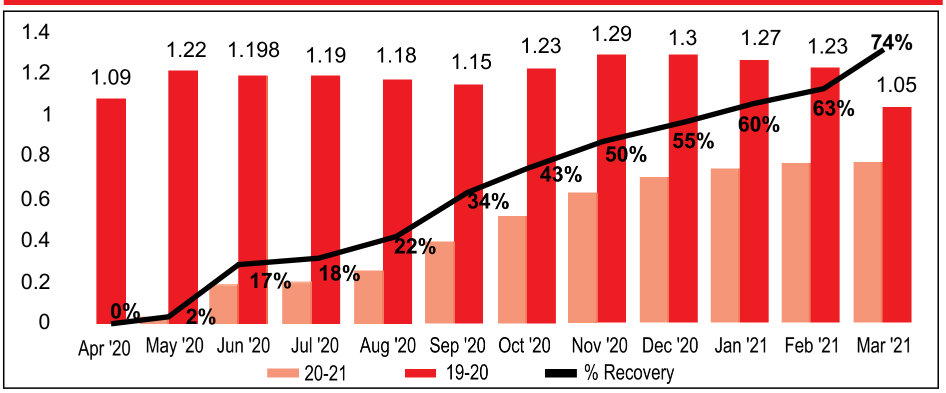
Domestic Markets

The year 2020-21 was an unprecedent year with humanity battling the Covid 19 pandemic. The lock downs, travel restrictions, subdued celebrations and people only venturing out of homes for essentials became the rule than exceptions. Many businesses, especially the ones which are centered around out of home relevance for consumption got impacted unfavorably. The business of your company which is highly corelated to travel and weddings had a disproportionately higher negative impact. The luggage Industry witnessed a significant decline across segments and price points. All channels witnessed similar decline in demand with the exception of Ecommerce in the year under review. Ecommerce witnessed marginal decline amongst other channels,backed by the tailwind online consumption was having pre-pandemic further accentuated by a part of the residual demand also shifting to online purchase / home delivery during the pandemic. A good part of this shift in favor of E Com is here to stay in the future with the consumers favorable experience of buying online.

The year also show a shift of demand towards lower price points and significant competitive pressures through discounting. Sudden drop in demand and higher inventories with all players fueled the discounts and unfavorably impacted the Gross Margins.

The lockdowns and restrictions did help rein the pandemic spread in the first two quarters of the year, and a good recovery was witnessed in the second half of the year albeit far from reaching back to pre covid levels. Neither International travel resumed and nor did school / colleges campus open. The luggage Industry seems to have a strong correlation with Domestic Airline Passenger traffic and your company's revenue recovery did follow a similar trend.

Airlines Passenger traffic bouncing back



Supply of Products

Your company sources luggage and bags from Chinese factories, 3rd party vendors in India and manufactures its own products in its plants in India and Bangladesh. Going forward, your company expects to reduce its purchases from China and increase its production from India and Bangladesh.

Exports and International Operations

The International Business of your Company has declined in recent years and now contributes to less than 2% of the company's total turnover.

Ladies Hand Bags

Caprese brand's business declined in line with market demand and followed a similar trajectory to luggage during the year.

B. OPPORTUNITIES AND THREATS LUGGAGE

Covid-19 is the single largest threat to the travel industry. Despite the collapse in demand, your company is well positioned to outlast the effects of this epidemic, due to its strong brands, market leadership position and strong financial and liquidity position.

Travel, vacations, wedding, celebrations, fashion – all these are an integral part of human existence; they can be subdued owing to a high external threat like the pandemic however there cannot be a long term impact on demand.

We are confident that it will come back to its natural demand as India and World overs the pandemic and normalcy resumes.

C. SEGMENT / PRODUCT WISE PERFORMANCE LUGGAGE

All brands across all price points saw de-growth in 2020-21. However premium brands like Carlton, VIP and and premium brands of competitors were affected most as consumer started buying products with low price points to start with.

Backpack business did not see any pick up as Schools remain shut for full year in 2020-21.

D. OUTLOOK

Considering the threats, opportunities and the strengths of your Company, the key task at hand is to survive Covid-19 with minimum damage to the long term prospects. We expect business to revive in second half of Financial Year 2021-22. All spends on advertising will be tactical and below the line for higher and immediate return on investment in the year 2021-22.

We also expect Gross Margins to improve in next year as a result of increase in share of production at Bangladesh.

E. RISKS AND CONCERNS

Covid-19 is the largest risk and concern. Your company has undertaken necessary cost cutting measures in order to ensure the company's financial positions remains stable and secure.

F. INTERNAL CONTROL SYSTEMS

Your Company has a budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. RSM Astute Consulting Private Limited are the Internal Auditors of your Company. The internal audit function maintains internal controls to safeguard your Company's assets against losses, provides a high degree of assurance regarding the effectiveness and efficiency of operations, assesses the reliability of financial controls and compliance with laws and regulations. The Internal Auditors submit their reports to the Audit Committee every quarter. The management considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of your Company.

All significant changes, if any, in the accounting policies during the year, have been disclosed in the notes to the financial statement.

G. FINANCIAL PERFORMANCE SALES:

The Revenue from Operations of your Company for the year ended 31st March, 2021 was at ₹ 613.22 crores (Previous Year ₹ 1709.99 crores), a de-growth of around 64.14%.

EXPENDITURE:

Your Company continued its focus on cost management initiatives in 2020-21. Cost management is expected to be a core activity for the year 2020-21, whereby achieved savings of ₹ 176 crore in fixed costs and 50% of this is sustainable.

PROFIT/LOSS

Loss after Tax for the year under review amounted to ₹ 84.53 crores (Previous Year Profit after Tax of ₹ 88.73 crores). This fall is mainly due to Impact of COVID - 19, which severely impacted travel and thereby luggage industry was one of the worst affected industry.

RETURN ON NET WORTH

The details of return on net worth at standalone level are as under:

Financial Year	2021	2020
Return on net worth (%) (Profit after tax/Net Worth)	(18.04)%	16.22%

H. HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

During the year under review, Human Resources department of your Company focused on optimizing head count and re-structuring wherever required to optimize Employee Cost. The relationship with the Union at plant locations continues to be cordial, professional and productive.

The employee strength as on 31st March 2021 was 1348.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L25200MH1968PLC013914	
2.	Name of the Company	V.I.P. Industries Limited (hereinafter referred as "VIP" or "the Company")	
3.	Registered address	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai - 400025	
4.	Website	www.vipindustries.co.in	
5.	E-mail id	legal-sec@vipbags.com/ investor-help@vipbags.com	
6.	Financial Year reported	1st April, 2020 to 31st March, 2021	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Luggage, travel goods, bags and ladies handbags.	
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Upright Trolley case; 2. Duffel Bags; and 3. School Bags	
9.	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide detailsof major 5) b) Number of National Locations	a) The Company has exported to 14 international locations. b) VIP has its primary presence in the State ofMaharashtra with its registered office located at Mumbai and factories at Nashik, and Sinnar. The Company has presence at major Tier-I and Tier-IIcities across India.	
10.	Markets served by the Company	Local	✓
		State	✓
		National	✓
		International	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31st MARCH, 2021

1.	Paid up Capital (INR)	Please refer Board's Report
2.	Total Revenue from operations (INR)	
3.	Total profit after taxes (INR)	
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annual Report on CSR activities
5.	List of activities in which expenditure in 4 above has been incurred	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, Company has 5 (Five) Wholly Owned Subsidiaries viz.: a. Blow Plast Retail Limited, b. VIP Industries Bangladesh Private Limited, c. VIP Industries BD Manufacturing Private Limited, d. VIP Luggage BD Private Limited and e. VIP Accessories BD Private Limited
2.	Do the Subsidiary Company/Companies participate in theBR Initiatives of the parent company? If yes, then indicatethe number of such subsidiary company(s)	Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.

3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No other entity with whom the Company does business with viz. suppliers, distributors etc. participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director(s) responsible for implementation of the BR policy/policies

1.	DIN	08256456
2.	Name	Mr. Anindya Dutta
3.	Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	08256456
2.	Name	Mr. Anindya Dutta
3.	Designation	Managing Director
4.	Telephone number	022-6653 9000
5.	e-mail id	legal-sec@vipbags.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These brief are as under:

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Business should promote the well being of all employees.

P4 – Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Business should respect and promote human rights.

P6 – Business should respect, protect and make efforts to restore the environment.

P7 – Business when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Business should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1 Business Ethics	P2 Product Responsibility	P3 Wellbeing ofEmployees	P4 Stakeholder Engagement & CSR	P5 Human Rights	P6 Environment	P7 Public Policy	P8 Inclusive Growth	P9 Customer Relations
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are in line with international standards and practices such as ISO 9001, ISO 14001 and meet regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	The mandatory Polices under the Indian laws and regulations have been adopted by the Board and signed by the Chairman/Executive Vice Chairperson / Managing Director /Executive Director. Other operational internal policies are approved by management and signed by the Managing Director/ Executive Director/ Senior executives.								
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Nomination and Remuneration, Insider Trading Policy and Code of Conduct are available at http://www.vipindustries.co.in/policies.php. Other policies including Privacy Policy, Safety, Health and Environment Policy and employee related policies are available internally with the respective Department.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Polices are communicated to internal stakeholders and the same are available internally with the respective Department. Wherever required, the Polices are also communicated to external stakeholders and/or made available on the Company's website.								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework and internal audits.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes. Each of the Policies formulated by the Company has an in-built grievance and redressal mechanism.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policy is evaluated internally. Policies pertaining to health, safety and environment have been audited by external agencies.								

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	#	-	-

The Company does not have a separate policy on "policy advocacy" for influencing public and regulatory policy. For advocacy on policies related to the Luggage Industry, the Company works through industry associations including IMC Chamber of Commerce and Industry.

3. **Governance related to Business Responsibility:**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors of the Company annually assess the Business Responsibility performance of the Company.

b) **Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Statement became applicable to the Company from financial year 2016-17. The Company publishes the information on Business Responsibility in the Annual Report of the Company. The Annual Report is available on the website of the Company -http://www.vipindustries.co.in/resources/images/vip/pdf/Annual_Report_2020-21.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

At V.I.P, the Code of Conduct serves as a roadmap to all employees of the Company and subsidiaries across all levels and grades. The Company has adequate control measures in place to address the issues relating to ethics, bribery and corruption in the context of appropriate policy. This mechanism includes directors, senior executives, officers, employees and third parties including suppliers and business partners associated with V.I.P, who share the same business values. The well-defined policy lists tenets on ethical business conduct, definitions and the framework for reporting concerns.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year under review, the Company has received 7 complaints from its stakeholders, 100% of the total complaints were resolved satisfactorily.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) Pixel With Antiviral Luggage Cover

   (b) UV Resistant & Anti Fog Face Shield

   (c) V Save Mask

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   The Company is committed to environment sustainability. It constantly works towards reduction and optional utilization of energy, water, raw material, logistics, etc by incorporating new technique and innovative ideas.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The Company endeavors on protection of environment, stake holders interest and cost effectiveness while procuring any raw material or goods. The main raw materials polymers and aluminum are mainly procured from manufacturers/ producers who are well reputed keeping in mind the need for quality and consistency.

   To further reduce the carbon footprint, the Company has also undertaken research and development activity to use recycled material in hard luggage manufacturing activity. Adequate steps are taken for safety during transportation and optimization of logistics which in turn help to mitigate the impact on climate.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company has taken steps to procure goods and services from local and small producers, including communities surrounding the place of work of the Company. The Company is providing training to improve capacity and capability of local and small vendors. The Company is committed to grow small and medium scale entrepreneur based companies who qualify parameters of our quality control department and these business partners supply us various indigenous raw materials and finished goods. The Company provide regular inputs and technical assistance in the form of imparting knowledge, training and process skills in order to upgrade their capacity and capabilities to maintain the quality.

   The Company has started the indigenous production of goods for defense market.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Around 90% of the waste which gets generated during the manufacturing process is recycled by the Company. The Company also manufactures plastic luggage. The plastics used are Polypropylene and Polycarbonate. The wastage generated during manufacturing is again grinded in Grinder and put back in machine. In machine, it is melted at high temperature. It is then injected in mold and get recycled.

Principle 3: Business should promote the well being of all employees

1. **Total number of employees:**

   The Company has 1348 employees (excluding the employees of the Subsidiary companies) as on 31st March, 2021.

2. **Total number of employees hired on temporary/contractual/casual basis:**

   The Company has 1903 employees (excluding the employees of the Subsidiary companies) as on 31st March, 2021.

3. **Number of permanent women employees:**

   Out of the total employees indicated above, the Company is having 73 permanent women employees.

4. **Number of permanent employees with disabilities:**

   The Company has 2 employees with disability.

5. **Do you have an employee association that is recognized by management:**

   Yes, the Company is having an employee association that is recognized by the management.

6. **Percentage of permanent employees that are members of this recognized employee association:**

   Out of 1348 employees, 82 employees are members of recognized employee association which constitutes to around 6.08% of the total permanent employees.

7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

   No cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment were reported in the last financial year.

8. **Percentage of under mentioned employees who were given safety & skill up-gradation training in the last Financial year:**

   (a) Permanent Employees: 1080 out of 1350 (80%)

   (b) Permanent Women Employees: 55 out of 73 (75%)

   (c) Casual/Temporary/Contractual Employees/Apprentices: 921 out of 1,919 (48%)

   (d) Employees with Disabilities: 2 out of 2 (100%)

Principle 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government and regulatory authorities, trade unions etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, the Company has identified marginalized and disadvantaged groups through need assessment and engagement with local communities. The marginalized and disadvantaged communities includes economically deprived children and women, who are in great need of care and protection.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company goes beyond its business activities to create social impact through its diverse initiatives and is working towards improving lives of marginalised and vulnerable communities. We have taken initiatives in specific areas of social development. We continuously strive to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which would also be focused around communities that reside in the proximity of our Company's various manufacturing locations in the country. For specific details, please refer to Report on Corporate Social Responsibility.

Principle 5: Business should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company remains committed to respect and protect human.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year under review the Company has received 7 complaints from its stakeholders, 100% of the total complaints were resolved satisfactorily.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   The Company strives to preserve the environment by striking a balance between economic growth and preservation of the environment with due concern for ecology.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company has devised various strategies and also takes initiatives on regular basis to address global environmental issues such as climate change, global warming, etc. by continuously improving on energy efficient conservation of water and tree plantation.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company regularly identifies and assess potential environmental risks that is associated with it.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   In line with Clean Development Mechanism, the Company has replaced High pressure vapor lamps with LED lights of shop floors and streets. No environmental clearance is required for the aforesaid project.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   a. The Company has installed timer control system for lightning at specified areas on manufacturing plants shop floor and replaced old air compressors with energy efficient compressors.

   b. Technological improvements in forming machine for reducing the heating time of double station machines.

   c. Induction of air saving control valve to reduce the air wastage during idle department operations.

   d. Induction of temperature control system for Fan switching ON/OFF for cooling tower in place of Fan continuous ON.

   e. Replacement of old oil based technology HT breaker into latest vacuum type HT breaker

   f. Recycling of used stretch wrap film in molding of accessories.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Emissions/Waste generated by the Company is within the permissible limits given by CPCB/SPCB for the financial year under report.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   No show cause / legal notice from CPCB/SPCB.

Principle 7: Business when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is member of following chambers:

   a) Confederation of Indian Industry (CII);

   b) IMC Chamber of Commerce and Industry and

   c) Indo-German Chamber of Commerce

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company works very closely with leading Industry Associations and Chambers of Commerce at International, National, State and Local levels to advocate and pursue various causes that are in larger interests of industry, economy, society and the public. These have been in areas of economic reforms.

Principle 8: Business should support inclusive growth and equitable development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has taken a holistic approach towards the development of the deprived groups of the society. The details of the CSR projects undertaken by the Company are described in **'Annexure – D'** of Boards' Report - Annual Report on CSR activities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   CSR programmes are implemented through external agencies.

3. **Have you done any impact assessment of your initiative?**

   CSR Committee regularly review Company's CSR initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During the year, the Company has spent Rs 3.48 crore towards various CSR activities. The project wise details are provided in **'Annexure – D'** of Boards' Report - Annual Report on CSR activities.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Any project that comes up for CSR is first internally reviewed and assessed by the Management. If the Management is convinced of the project, it is put up to the CSR Committee for its consideration and approval. If the project is approved, it is tracked and the report are taken from time to time.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company's uncompromising commitment to providing world class products and services to customers is supported by its concern for the safety of its customers. A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.

   All complaints are appropriately addressed and resolved. As on the end of the financial year, no complainants were pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Yes, the Company displays product information on the products label.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

   There are no cases in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last financial years and pending as on end of financial year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

To the Members of V.I.P. Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of V.I.P. Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2021 and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 38 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer note 3(ii) to the Standalone financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has right to return the goods to the Company; and • compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts and sales returns to source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns, etc.; • Ensured completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end in along with the terms of the related schemes. Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect estimation of rebates, discounts and sales returns.

2. Assessment of litigations in respect of sales tax matters (Refer notes 21 and 40 in the Standalone financial statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2021. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.	Our procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations; • We discussed with management the recent developments and the status of these matters; • We performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the standalone financial statements; • We also used auditor's experts to evaluate the management's assessment of these matters and monitored changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions/ disclosures; • We evaluated management's assessment of the matters that are not disclosed, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures for litigations in respect of sales tax matters. Based on the above work performed, we did not identify any significant deviation to the assessment made by management in respect of provisions recognized and disclosures made in 'contingent liabilities' relating to these sales tax matters in the standalone financial statements.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

11. Our objectives are to obtain reasonable assurance about whether the standalone 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 ad 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 standalone financial statements.

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

    - Identify and assess the risks of material misstatement of the standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, 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) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) 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, 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 on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements.

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. Further, the Company did not have any derivative contracts as at March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

18. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: FRN012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 21100681AAAACR3083

Place: Mumbai
Date: May 25, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of V.I.P. Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence aboutthe adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: FRN012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 21100681AAAACR3083

Place: Mumbai
Date: May 25, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of V.I.P. Industries Limited on the standalone financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4 on Property, plant and equipment and Note 5 on Investment properties to the standalone financial statements, are held in the name of the Company, except for

₹ in Crores

Asset Category	Gross Block	Net Block	Remarks
Leasehold Land	0.01	*	The asset was acquired by the Company pursuant to a scheme of amalgamation and arrangement and the change of name of the said asset is yet to be done.
Freehold Land	0.01	0.01	The Asset was mortgaged in the earlier years for issuance of Non convertible debentures. Title deed is not in the possession of the Company.
Building	2.02	1.79	The assets were acquired by the Company pursuant to a scheme of amalgamation and arrangement along with land and the change of name of the said land is yet to be done.

* Amount is below the rounding off norms adopted by the company

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the product s of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, employees' state insurance and professional tax , though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 40 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax, goods and service tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Crore)**	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.92	F.Y. 2004-05 and F.Y. 2005-06	High Court
		1.32	F.Y. 2015-16 and F.Y. 2017-18	Commissioner of Income Tax Appeals
		0.02	F.Y. 2005-06	Assessing Officer

Central Sales Tax, Local Sales Tax and Goods and Services Tax	Central Sales Tax, Local Sales Tax, Purchase tax, entry tax, VAT and Goods and Services Tax	0.07	1996-97, 2002-03	Assistant Commissioner of Sales Tax
		0.19	2002-03	Assistant Commissioner (BST)
		0.36	1990-91, 2000-01 to 2003-04	Deputy Commissioner (BST)
		0.03	1992-93, 1994-95	Assessing officer of Sales Tax
		0.04	2001-02 to 2005-06	High Court
		0.14	2005-06, 2010-11 and 2016-17	Deputy Commissioner of Sales Tax (Appeals)
		0.11	1994-95	Joint Commissioner of Sales Tax (Appeals)
		312.93	1983-88, 1992-2001 and 2007 -2017	Sales tax Tribunal
		0.02	2018-19	Deputy Commissioner GST (Appeals)
Central Excise Act, 1994	Excise duty	0.17	2000-01	Supreme Court
		0.01	2000-02	The Deputy Commissioner, CGST & Central Excise

** Net of amounts paid under protest ₹ 2.38 Crore.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders as at the balance sheet date. The Company does have any loans or borrowings from government as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also, refer paragraph 18 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: FRN012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 21100681AAAACR3083

Place: Mumbai
Date: May 25, 2021

(₹ in Crores)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	56.77	85.66
Right of Use Assets	4A	172.46	219.15
Capital work-in-progress	4	1.90	2.55
Investment properties	5	2.18	2.30
Other intangible assets	6	2.21	3.88
Intangible assets under development	6	0.30	0.06
Equity investments in subsidiaries	7	6.52	6.52
Financial assets			
Investments	8A	51.70	42.49
Loans	9A	15.93	18.62
Other financial assets	10A	0.04	0.04
Deferred tax assets (net)	11	36.50	9.48
Current tax assets (net)	12	10.64	8.78
Other non-current assets	13A	2.66	2.80
Total non-current assets		**359.81**	**402.33**
Current assets			
Inventories	14	221.72	376.99
Financial assets			
Investments	8B	140.04	40.35
Trade receivables	15	146.69	264.23
Cash and cash equivalents	16	11.31	2.78
Bank balances other than cash and cash equivalents	17	70.12	3.91
Loans	9B	5.51	7.50
Other financial assets	10B	6.80	2.25
Other current assets	13B	46.39	50.90
Total current assets		**648.58**	**748.91**
Total assets		**1,008.39**	**1,151.24**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	28.26	28.26
Other equity	19	440.23	518.76
Total equity		**468.49**	**547.02**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	22B (A)	147.86	165.31
Other financial liabilities	20A	1.88	2.88
Provisions	21A	11.75	12.45
Other non-current liabilities	22A (A)	0.06	0.10
Total non-current liabilities		**161.55**	**180.74**
Current liabilities			
Financial liabilities			
Borrowings	23	148.48	32.19
Trade payables			
a) Total outstanding dues of micro and small enterprises	24	-	-
b) Total outstanding dues other than micro and small enterprises	24	147.08	286.12
Lease Liabilities	22B (B)	35.05	53.78
Other financial liabilities	20B	11.57	4.64
Provisions	21B	4.47	6.95
Other current liabilities	22A (B)	31.70	39.80
Total current liabilities		**378.35**	**423.48**
Total liabilities		**539.90**	**604.22**
Total equity and liabilities		**1,008.39**	**1,151.24**

The above standalone balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

(₹ in Crores)

	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations	25	613.22	1,709.99
Other income	26	59.36	24.05
Total income		**672.58**	**1,734.04**
Expenses:			
Cost of materials consumed	27A	98.29	221.57
Purchases of stock-in-trade	27B	159.89	604.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27C	148.33	72.91
Employee benefits expense	28	112.34	175.59
Finance costs	29	28.34	21.63
Depreciation and amortisation expense	30	67.03	78.00
Other expenses	31	171.25	389.84
Total expenses		**785.47**	**1,564.42**
Profit/(Loss) before exceptional items and tax		**(112.89)**	**169.62**
Exceptional items	48	-	48.50
Profit/(Loss) before tax		**(112.89)**	**121.12**
Tax expense	34		
Current tax		-	36.54
Deferred tax		(28.19)	(4.15)
Short/(Excess) provision for tax relating to prior years		(0.17)	-
Total tax expense		**(28.36)**	**32.39**
Profit/(Loss) for the year		**(84.53)**	**88.73**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.52	(0.35)
Remeasurement benefit of defined benefit plans		4.10	(4.19)
Income tax relating to above items		(1.17)	1.21
Other comprehensive income/(loss) for the year, net of tax		**3.45**	**(3.33)**
Total comprehensive income/(loss) for the year		**(81.08)**	**85.40**
Earnings per equity share			
Basic earnings/(loss) per share (in ₹)	35	(5.98)	6.28
Diluted earnings/(loss) per share (in ₹)	35	(5.98)	6.28

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

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Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

(₹ in Crores)

	Year Ended	
	March 31, 2021	March 31, 2020
Cash flow from operating activities		
(Loss)/Profit before tax	**(112.89)**	**121.12**
Adjustments for:		
Depreciation and amortisation Expenses	67.03	78.00
Dividend Income classified as investing cash flows	(11.03)	(9.88)
Interest Income classified as investing cash flows	(9.03)	(0.15)
Unwinding of interest on security deposits paid	(3.55)	(2.85)
Income due to rent concession & modification	(17.79)	(1.38)
Interest income from financial assets at amortised cost	-	(0.15)
Finance costs	28.34	21.63
Changes in fair value of financial assets at fair value through profit or loss	1.25	(1.65)
Employee Stock Appreciation Rights	2.55	1.62
Obsolescence of fixed assets	1.13	5.77
Provision for doubtful debts	10.54	8.22
Bad Debts written off during the year	0.04	0.54
(Gain) on Sale of Investment (net)	(2.43)	(0.64)
(Gain) on disposal of property, plant and equipment (net)	(7.87)	(0.24)
Liabilities written back to the extent no longer required	(3.08)	(3.56)
Net exchange differences (unrealised)	(4.29)	5.98
Operating Profit/(Loss) before changes in working capital	**(61.08)**	**222.38**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	(134.62)	(33.59)
Increase/(Decrease) in other liabilities	(8.70)	(15.37)
Increase/(Decrease) in Provisions	5.10	(1.60)
(Increase)/Decrease in other assets	(55.21)	4.81
(Increase)/Decrease in inventories	155.27	107.07
(Increase)/Decrease in trade receivabels	106.82	26.46
Cash generated from operations	**7.58**	**310.16**
Direct Taxes Paid (Net of Refund Received)	(1.86)	(39.03)
Net cash inflow/(outflow) from operating activities	**5.72**	**271.13**
Cash flow from investing activities		
Payments for property, plant and equipment	(4.51)	(33.71)
Purchase of investments	(107.19)	(44.38)
Proceeds from sale of property, plant and equipment	28.63	0.96
Interest received	2.26	0.15
Dividend received	9.95	8.90
Tax on Dividend Income received from subsidiaries	1.09	0.98
Net cash inflow/(outflow) from investing activities	**(69.78)**	**(67.10)**

(₹ in Crores)

	Year Ended	
	March 31, 2021	March 31, 2020
Cash flow from financing activities		
Interest paid	(6.14)	(2.71)
Proceeds/(repayment) on borrowings	116.29	(53.96)
Prinicipal payment of Lease Liabilities	(22.36)	(45.39)
Interest payment of Lease Liabilities	(14.83)	(18.92)
Dividend paid	(0.37)	(72.99)
Dividend distribution tax paid	-	(13.08)
Net cash inflow/(outflow) from financing activities	**72.59**	**(207.05)**
Net changes in cash and cash equivalents	8.53	(3.02)
Cash and cash equivalents at the beginning of the year (Refer Note 16)	2.78	5.80
Cash and cash equivalents at the end of the year (Refer Note 16)	**11.31**	**2.78**
Cash and cash equivalents as per above comprise of the following:		
Cash on Hands	0.30	0.22
Balance with Banks	11.01	2.56
Total	**11.31**	**2.78**
Non-cash financing and investing activities		
Payments for acquiring right of use assets	55.88	302.90

The above standalone statement of cash flow should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

A. Equity share capital

(₹ in Crores)

Particulars	Notes	Amount
Balance as at March 31, 2019	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2020	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2021	**18**	**28.26**

B. Other equity

(₹ in Crores)

Particulars	Notes	Reserves and Surplus						Other reserves	Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
Balance as at March 31, 2019	**19**	**0.15**	**0.15**	**33.53**	**1.31**	**208.76**	**273.86**	**0.57**	**518.33**
Profit for the year		-	-	-	-	-	88.73	-	88.73
Other comprehensive income for the year		-	-	-	-	-	(3.06)	(0.27)	(3.33)
Total comprehensive income for the year,net of tax		-	-	-	-	-	**85.67**	**(0.27)**	**85.40**
Employee Stock Appreciation Rights Expense	19	-	-	-	1.62	-	-	-	1.62
Dividend paid on equity shares	19	-	-	-	-	-	(73.51)	-	(73.51)
Dividend distribution tax paid	19	-	-	-	-	-	(13.08)	-	(13.08)
Balance as at March 31, 2020		**0.15**	**0.15**	**33.53**	**2.93**	**208.76**	**272.94**	**0.30**	**518.76**
Profit/(Loss) for the year		-	-	-	-	-	(84.53)	-	(84.53)
Other comprehensive income for the year		-	-	-	-	-	3.05	0.40	3.45
Total comprehensive income for the year,net of tax		-	-	-	-	-	**(81.48)**	**0.40**	**(81.08)**
Employee Stock Appreciation Rights Expense	19	-	-	-	2.55	-	-	-	2.55
Employee Stock Appreciation Rights Trasnferred to General Reserve	19	-	-	-	(0.62)	0.62	-	-	-
Dividend paid on equity shares	19	-	-	-	-	-	-	-	-
Dividend distribution tax paid	19	-	-	-	-	-	-	-	-
Balance as at March 31, 2021		**0.15**	**0.15**	**33.53**	**4.86**	**209.38**	**191.46**	**0.70**	**440.23**

(i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013.

General reserve - General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Company's securities. It was created by transfer of amounts out of distributable profits, from time to time.

Equity instruments through other comprehensive income - The Company has opted to recognise changes in fair value of certain investments in equity instruments through other comprehensive income, under an irrevocable option. These changes are accumulated within the FVOCI equity investments reserve within equity. The amount under this reserve will be transferred to retained earnings when such instruments are disposed off.

Employee stock appreciation rights reserve - Employee stock appreciation rights reserve is created by accounting of the grant date fair value of the rights granted to employees under Employee Stock Appreciation Rights Plan 2018 (ESAR Plan 2018). The said reserve shall be utilised for issue of equity shares of the Company against the exercise of the employees share stock appreciation rights by the employees under the ESAR Plan 2018.

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

1. General information

V.I.P. Industries Limited (the 'Company') is a public limited Company and is listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company is engaged interalia, in the business of manufacturing and marketing of luggage, bags and accessories.

These standalone financial statements were approved for issue by the board of directors on May 25, 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on the historical cost basis, except for the following:

a) Certain financial assets and liabilities (including derivatives instruments) that are measured at Fair Value.

b) Defined benefit plans - Plan assets are measured at Fair Value

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2020:

- Definition of Material- Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- COVID-19 related concessions – Amendments to Ind AS 116, Leases

  Amendments listed above except Ind AS 116, Leases did not have any material impact on the current period and are not expected to significantly affect the future period. Impact due to amendment to Ind AS 116 has been disclosed in note 37.

  The MCA has also carried out amendments to the following other accounting standards. The amendments to the following standards has been assessed and the same are not applicable to the Company.
- Definition of a Business – Amendments to Ind AS 103
- Interest Rate Benchmark Reform – Amendments to Ind AS 109 and Ind AS 107

b Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of Profit and loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c Revenue recognition

(i) Sale of goods:

Recognition: The Company manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the control of the products has been transferred to the customer. The control of the products is said to have been transferred to the customer when the products are delivered to the customer, the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the Company, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/ discounts and revenue is only recognised to the extent that is highly probable that significant reversal will not accure. The related liabilities at the year end are disclosed in 'Other Liabilities'. The assumptions and estimated amount of rebates/ discounts and Returns are reassessed at each reporting period. The Company's obligation to repair or replace faulty products under the standard warranty term is recognised as a provision.

Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax and amounts collected on behalf of third parties.

ii) Export Benefits

In case of export sales made by the Company, export benefits arising from Duty Drawback scheme and Merchandise Export Incentive scheme are recognised along with underlying revenue.

d Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Managing director of the Company. Refer note 39 for Segment information presented.

e Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

The income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period 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 only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

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 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 realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the 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.

Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution and dividend distribution tax is recognised and presented in equity.

f Leases

i) As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Amounts expected to be payable by the Company under residual value guarantees, if any

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

  Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as on expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

ii) As a lessor

Lease income from operating leases where the Company is lessor is recognised as income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

g Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes purchase price including import duties, non-refundable taxes and directly attributable expenses relating to the acquisition of the items.

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 expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress ('CWIP') comprises of cost of assets not ready for intended use as on the Balance sheet date. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the Company run stores, Computer Servers, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
Factory Building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at Company run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss account.

h Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years

i Intangible assets

a) Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents, copyrights and other rights	10 years
Computer Software	3 years

j Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset’s or cash generating unit’s fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k Inventories

Raw materials, packing materials, stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials, stores and spares and stock-in-trade comprise of cost of purchases determined using moving average method. Cost of work-in-progress and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

l Investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures which are of equity in nature are carried at cost less impairment, if any. Other Investments in subsidiaries are carried at Fair Value and gain/loss on fair valuation are recognised through the statement of profit and loss.

m Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) **Financial Assets**

i) **Classification**

The Company classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Gains and losses will either be recorded in the statement of profit and loss or other comprehensive income for assets measured at fair value. The Company has made an irrevocable election at the time of initial recognition, to account for investments in equity instruments that are not held for trading, at FVOCI.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) **Measurement**

At initial recognition, in case of a financial asset not at fair value through the statement of profit and loss account, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the statement of profit and loss are expensed in profit or loss.

a) **Debt instruments**

There are three measurement categories into which the Company classifies its debt instruments:

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. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

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 Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income or other expenses (as applicable).

Fair value through profit and loss (FVTPL) : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

b) **Equity instruments**

The Company measures all equity investments (except Equity investment in subsidiaries) at fair value. Where the Company's management has opted to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Where the Company's management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the Company assesses the credit risk has been disclosed in note number 43A.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The Company has transferred the rights to receive cash flows from the financial asset or

- 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 Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

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 de-recognition 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.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) 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 recognised amounts and there is an intention to settle on a net basis or realise 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 counter party.

n Employee benefits

(i) 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 period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

A) Defined benefit gratuity plan:

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 and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit provident fund plan:

Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year.Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

o Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of 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 passage of time is recognised as a finance cost.

Contingent liabilities: 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.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where 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.

p Contributed Equity

Equity shares are classified as equity. 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.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

r Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders of the Company, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s Exceptional items

An item of income or expenses, pertaining to the ordinary activities of the Company, is classified as an exceptional item, when the size, type or incidence of the item merits seperate disclosure in order to provide better understanding of the performance of the Company. Accordingly the same is disclosed in the notes accompanying the financial statements.

t Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 Critical estimates and judgments

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 40)

ii) Estimation of rebates, discounts and sales returns

The Company’s revenue recognition policy requires estimation of rebates, discounts and sales returns. The Company has a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The Company estimates expected sales returns based on a detailed historical study of past trends. [Refer Note 2(c) and 25]

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The Company provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate, salary escalation rate and attrition rate at the end of each year. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability and attrition rate and salary escalation rate is determined based on the Company's past trends adjusted for expected changes in rate in the future. (Refer note 28)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

The Company offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36).

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The Company uses judgement in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 15)

ix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. The lease term is determined without considering an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4 Property, plant and equipment

(₹ in Crores)

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March 31, 2021	As at March 31, 2021
Buildings # ***	18.26	1.13	10.08	9.31	3.83	0.69	1.87	-	2.65	6.66
Plant and machinery	49.34	1.51	7.93	42.92	12.08	4.94	1.91	-	15.11	27.81
Data processing machines	11.77	0.24	0.14	11.87	4.95	3.08	0.10	-	7.93	3.94
Moulds and dies	13.31	1.45	*	14.76	7.04	1.78	-	-	8.82	5.94
Furniture and fixtures	21.27	0.19	5.05	16.41	11.35	4.02	3.95	0.19	11.61	4.80
Office equipment	6.77	0.17	0.39	6.55	2.18	1.18	0.22	-	3.14	3.41
Vehicles	10.37	0.60	3.23	7.74	4.00	1.12	1.59	-	3.53	4.21
Total	**131.09**	**5.29**	**26.82**	**109.56**	**45.43**	**16.81**	**9.64**	**0.19**	**52.79**	**56.77**
Capital Work-in-Progress	**2.55**	**1.43**	**2.08**	**1.90**	**-**	**-**	**-**	**-**	**-**	**1.90**

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation charge during the year	Disposals/ Adjustments	Impairement Provision	As at March 31, 2020	As at March 31, 2020
Leasehold land ##***	5.78	-	5.78	-	0.83	0.06	0.89	-	-	-
Building # **	17.51	1.03	0.28	18.26	2.97	0.91	0.05	-	3.83	14.43
Plant and machinery	43.69	10.40	4.75	49.34	7.62	4.52	0.06	-	12.08	37.26
Data processing machines	6.58	5.24	0.05	11.77	2.99	1.99	0.03	-	4.95	6.82
Moulds and dies	9.71	3.83	0.23	13.31	5.57	1.70	0.23	-	7.04	6.27
Furniture and fixtures	13.02	8.68	0.43	21.27	7.60	3.92	0.17	-	11.35	9.92
Office equipment	3.79	3.31	0.33	6.77	1.34	0.89	0.05	-	2.18	4.59
Vehicles	10.41	1.40	1.44	10.37	3.40	1.42	0.82	-	4.00	6.37
Total	**110.49**	**33.89**	**13.29**	**131.09**	**32.32**	**15.41**	**2.30**	**-**	**45.43**	**85.66**
Capital Work-in-Progress	**4.23**	**2.57**	**4.25**	**2.55**	**-**	**-**	**-**	**-**	**-**	**2.55**

*Amount is below the rounding off norm adopted by the Company.

** An amount of ₹ NIL (March 31, 2020: ₹ 0.06 Crores) included in land and building is reclassified from investment property.

*** An amount of ₹ NIL (March 31, 2020: ₹ 0.01 Crores) and Rs NIL (March 31, 2020: ₹ 0.34 Crores) previously included in leasehold land and building respectively is reclassified to investment property.

An amount of ₹ 0.89 Crores (March 31, 2020: ₹ 0.91 Crores) included in building is yet to be registered in the name of the Company. For other properties yet to be registered in the name of the Company [Refer note 5].

An amount of ₹ NIL (March 31, 2020: ₹ 5.77 Crores) previously included in leasehold land is transferred to right of use asset.

Notes :

i) Contractual obligations :

Refer note 49 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements.

iii) The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Sinnar in District Nashik, Maharashtra by way of mortgage and the listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage (Refer Note 23).

iv) During the year, the Company has disposed off the property plant & equipments at its Haridwar Plant and accordingly, recognised a gain of ₹ 0.15 Crores under the head 'Other Income'. (Refer Note 50).

4A Right Of Use Assets

(₹ in Crores)

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at Mar 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	As at Mar 31, 2021	As at Mar 31, 2021
Leasehold Land	5.77	-	5.29	0.48	0.89	0.03	0.75	0.17	0.31
Building	274.39	58.01	55.84	276.56	60.12	48.23	3.94	104.41	172.15
Total	**280.16**	**58.01**	**61.13**	**277.04**	**61.01**	**48.26**	**4.69**	**104.58**	**172.46**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at Mar 31, 2020	As at April 1, 2019	Depreciation charge during the year	Disposals/ Adjustments	As at Mar 31, 2020	As at Mar 31, 2020
Leasehold Land	-	-	(5.77)	5.77	-	-	(0.89)	0.89	4.88
Building	241.11	71.33	38.05	274.39	-	61.12	1.00	60.12	214.27
Total	**241.11**	**71.33**	**32.28**	**280.16**	**-**	**61.12**	**0.11**	**61.01**	**219.15**

Note:

During the year, the Company has disposed off the immovable property at its Haridwar Plant (Land) and accordingly, recognised a gain of ₹ 13.14 Crores under the head 'Other Income'. (Refer Note 50)

5 Investment properties

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.53
Additions	-	-
Disposals	-	-
Transfer (net)	-	0.29
Closing gross carrying amount	**2.82**	**2.82**
Accumulated depreciation		
Opening accumulated depreciation	0.52	0.35
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer (net)	-	0.05
Closing accumulated depreciation	**0.64**	**0.52**
Net Carrying amount #	**2.18**	**2.30**

An amount of ₹ 0.01 Crores (March 31, 2020: ₹ 0.01 Crores) included in freehold land, ₹ * Crores (March 31, 2020: ₹ * Crores) included in leasehold land and ₹ 0.90 Crores (March 31, 2020: ₹ 0.93 Crores) included in building is yet to be registered in the name of the Company.

* Amount is below the rounding off norm adopted by the Company.

(i) Amount recognised in statement of profit or loss for Investment properties

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Rental income	2.12	3.15
Direct operating expenses	0.28	0.65
Profit from investment properties before depreciation	**1.84**	**2.50**
Depreciation	0.12	0.12
Profit from investment properties	**1.72**	**2.38**

(ii) Fair Value (₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Investment properties	77.83	76.93

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually based on current prices in an active market for properties of similar nature or recent prices of similar properties. The fair values of investment properties have been determined by an independent valuer. The main inputs used are the rental growth rates and market rates bases on comparable transactions.

6 Other Intangible assets

(₹ in Crores)

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2021
Computer software	7.26	0.17	*	7.43	3.38	1.84	*	5.22	2.21
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**7.31**	**0.17**	**-**	**7.48**	**3.43**	**1.84**	**-**	**5.27**	**2.21**
Intangible Assets under development	**0.06**	**0.27**	**0.03**	**0.30**	**-**	**-**	**-**	**-**	**0.30**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2020	As at March 31, 2020
Computer software	4.85	2.41		7.26	2.03	1.35	-	3.38	3.88
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**4.90**	**2.41**	**-**	**7.31**	**2.08**	**1.35**	**-**	**3.43**	**3.88**
Intangible Assets under development	**0.11**	**0.06**	**0.11**	**0.06**	**-**	**-**	**-**	**-**	**0.06**

*Amount is below the rounding off norm adopted by the Company.

Contractual obligations : Refer note 49 for disclosure of contractual commitments for the acquisition of intangible assets.

7 Equity investments in subsidiaries

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Unquoted		
i) In subsidiaries (at cost)		
50,000 (March 31, 2020: 50,000) equity shares of ₹ 10 each fully paid-up held in Blow Plast Retail Limited. [Refer Note no 45(f)]	0.05	0.05
9,070,475 (March 31, 2020: 9,070,475) equity shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note no 45(f)]	6.44	6.44
11,305 (March 31, 2020:11,305) equity shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited. [Refer Note no 45(f)]	0.01	0.01
11,412 (March 31, 2020: 11,412) Equity Shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited. [Refer Note no 45(f)]	0.01	0.01
11,581 (March 31, 2020: 11,581) Equity Shares BDT 10 each fully paid-up held in VIP Accessories BD private limited. [Refer Note no 45(f)]	0.01	0.01
Total Investment in Equity Instruments of subsidiaries	**6.52**	**6.52**
Aggregate amount of unquoted investments in subsidiaries	6.52	6.52

8 Investments

(₹ in Crores)

	As at March 31, 2021	As at March 31, 2020
A) Non-Current Investments		
I Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2020:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2020:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer Note 45(f)]	0.07	0.09
2,250 (March 31, 2020: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.86	0.32
Total Quoted equity shares	**0.94**	**0.42**
b) Unquoted		
In other entities (at FVTPL)		
2,000 (March 31, 2020: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*
100 (March 31, 2020: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*
10 (March 31, 2020: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*
Total Unquoted equity shares	*	*
Total Investment in Equity Instruments	**0.94**	**0.42**
II Preference shares (unquoted and fully paid up)		
In subsidiaries (at FVTPL)		
17,039,279 (March 31, 2020: 17,039,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer Note 45(f)]	14.35	14.41
16,519,000 (March 31, 2020: 16,519,000) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited. [Refer Note 45(f)]	12.77	12.91
28,155,245 (March 31, 2020:16,697,373) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited. [Refer Note 45(f)]	22.19	13.39
1,675,000 (March 31, 2020: 1,675,000) 8% convertible preference shares of BDT 10 each fully paid-up held in VIP Accessories BD private limited. [Refer Note 45(f)]	1.45	1.36
Total Investment in Preference shares	**50.76**	**42.07**
Total Non-current investments (I+II)	**51.70**	**42.49**
Aggregate amount of quoted investments and market value thereof	**0.94**	**0.42**
Aggregate amount of unquoted investments	**50.76**	**42.07**
*Amount is below the rounding off norm adopted by the Company.		
B) Current investments		
I Investments in mutual funds (quoted) (at FVTPL)		
195,506.326 units (March 31, 2020: 69,431.355 units) Aditya Birla Sun Life Overnight Fund	21.76	7.50
Nil (March 31, 2020: 3,99,291.586 units) Aditya Birla Sun Life Liquid Fund	-	12.76
Nil (March 31, 2020: 41,409.069 units) Nippon India Liquid Fund Direct Plan- Growth	-	20.09
Total current investments	**21.76**	**40.35**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
II	**Investments in Bonds (quoted)**		
	At amortised cost		
	3,50,000 (March 31, 2020: Nil) 8.75% Muthoot Finance Limited June 19, 2021 Bonds of FV of ₹ 1000 each	35.37	-
	100 (March 31, 2020: Nil) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	10.02	-
		45.39	**-**
III	**Investments in Commercial Paper (quoted) (at amortised cost)**		
	500 (March 31, 2020: Nil) 9.15% Adani Enterprises Limited April 09,2021 Commercial Papers of ₹ 5 Lacs each	24.23	-
	500 (March 31, 2020: Nil) 7.75% Piramal Enterprises Ltd July 19, 2021 Commercial Papers of ₹ 5 Lacs each	24.07	-
	300 (March 31, 2020: Nil) 7.50% Piramal Enterprises Ltd May 07, 2021 Commercial Papers of ₹ 5 Lacs each	14.74	-
	200 (March 31, 2020: Nil) 6.00% Adani Enterprises Limited May 10, 2021 Commercial Papers of ₹ 5 Lacs each	9.85	-
		72.89	**-**
	Total current investments (I+II+III)	**140.04**	**40.35**
	Aggregate amount of quoted investments and book value thereof	**140.04**	**40.35**
	Aggregate amount of quoted investments and market value thereof	**140.39**	**-**
	Aggregate amount of unquoted investments	**-**	**-**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
9	**Loans**		
	A) Non-current		
	Security deposits	15.93	18.62
	Total non-current loans	**15.93**	**18.62**
	B) Current		
	Security deposits	5.51	7.50
	Total current loans	**5.51**	**7.50**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	21.44	26.12
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**21.44**	**26.12**
	Loss allowance	**-**	**-**
	Total loans	**21.44**	**26.12**
10	**Other financial assets**		
	A) Non-current		
	Margin money deposit	0.04	0.04
	Total non-current other financial assets	**0.04**	**0.04**
	B) Current		
	Receivable against sale of property	2.00	2.00
	Less: Provision for Doubtful debts	(2.00)	-
		-	2.00
	Interest accrued on deposits	6.77	0.13
	Receivable from subsidiary [Refer Note 45 (f)]	0.03	0.12
	Total current other financial assets	**6.80**	**2.25**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
11	**Deferred tax assets (net)**		
	The balance comprises:		
	Deferred tax assets		
	Provision for doubtful debts	4.99	2.38
	Expenses disallowed u/s 43B of the Income tax act, 1961	1.98	2.36
	Depreciation and ammortisation	3.69	1.22
	FVTPL	0.21	(0.08)
	Lease	4.03	2.91
	Others	1.39	0.78
	Taxes on Losses	20.42	-
	Deferred tax liabilities		
	FVOCI	(0.21)	(0.09)
	Total deferred tax assets (net) (Refer Note 41)	**36.50**	**9.48**
12	**Current tax assets (net)**		
	Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 287 Crores (March, 2020 ₹ 287 Crores)]	10.64	8.78
	Total current tax assets	**10.64**	**8.78**
13	**Other assets**		
	A) Non-current		
	Capital advances	0.32	0.19
	Prepaid expenses	0.39	0.48
	Balances with government authorities	1.95	2.13
	Total other non-current assets	**2.66**	**2.80**
	B) Current		
	Prepaid expenses	6.33	9.91
	Balances with government authorities	19.68	34.69
	Advances to employees	0.11	0.22
	Advance to suppliers	0.70	1.28
	Export benefit receivable	0.27	0.25
	Others	0.49	0.29
	Advances to related party [Refer Note 45 (f)]	5.23	1.04
	Refund Assets	7.57	3.22
	Advance to Gratuity Trust (Refer Note 44)	6.01	-
	Total other current assets	**46.39**	**50.90**
14	**Inventories**		
	Stores and spares	0.94	1.12
	Packing material	0.89	5.07
	Raw Materials	32.16	35.01
	Raw Materials in transit	1.28	1.01
	Work-in-progress	11.02	9.00
	Finished goods	20.64	50.89
	Stock-in-trade	141.22	240.67
	Stock-in-trade in transit	13.57	34.22
	Total inventories	**221.72**	**376.99**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
15	**Trade receivables**		
	Trade receivables#	164.42	273.20
	Receivables from related parties [Refer Note 45 (f)]	0.05	0.27
	Less: Provision for doubtful debts	(17.78)	(9.24)
	Total receivables	146.69	264.23
	Current portion	146.69	264.23
	Non-current portion	-	-
	Break-up of security details		
	Trade Receivable considered good - Secured	-	-
	Trade Receivable considered good - Unsecured	164.47	273.47
	Trade Receivable which have significant increase in credit risk	-	-
	Trade Receivable credit impaired	-	-
	Total	164.47	273.47
	Provision for doubtful debts	(17.78)	(9.24)
	Total trade receivables	**146.69**	**264.23**

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 5.86 crores [March 31, 2020 ₹ 5.31 crores], [Refer note 2(c) and note 25].

16	**Cash and cash equivalents**		
	Cash and cash equivalents		
	Cash on hand	0.30	0.22
	Balances with banks		
	In current accounts	10.17	1.43
	In EEFC accounts	0.84	1.13
	Total cash and cash equivalents	**11.31**	**2.78**
17	**Bank balances other than cash and cash equivalents**		
	Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.54	3.91
	Deposits with maturity more than 3 months but less than 12 months	66.58	-
	Total bank balances other than cash and cash equivalents	**70.12**	**3.91**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

18	**Equity share capital**		
	Authorised share capital:		
	246,500,000 (March 31, 2020: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
	1,000 (March 31, 2020: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
		49.40	49.40
	Issued, subscribed and fully paid up		
	141,317,315 (March 31, 2020: 141,317,315) equity shares of ₹ 2 each	28.26	28.26
	Total equity share capital	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year (₹ in Crores)

	Number of Shares	Amount
Issued, subscribed and paid-up capital		
As at March 31, 2019	**141,317,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2020	**141,317,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2021	**141,317,315**	**28.26**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	Number of shares	% Holding
As at March 31, 2020		
Equity Shares held by:		
DGP Securities Limited	36,893,755	26.11%
Vibhuti Investments Company Limited	22,532,585	15.94%

	Number of shares	% Holding
As at March 31, 2021		
Equity Shares held by:		
DGP Securities Limited	36,842,755	26.07%
Vibhuti Investments Company Limited	22,532,585	15.94%

(₹ in Crores)

		As at	
		March 31, 2021	**March 31, 2020**
19	**Other equity**		
	(i) Capital reserve	0.15	0.15
	(ii) Capital redemption reserve	0.15	0.15
	(iii) Securities premium	33.53	33.53
	(iv) Employee Stock Appreciation Rights Reserve	4.86	2.93
	(v) General reserve	209.38	208.76
	(vi) Retained earnings	191.46	272.94
	(vii) Other Reserves	0.70	0.30
	Total reserves and surplus	**440.23**	**518.76**
	(i) Capital reserve		
	At the beginning and end of the year	**0.15**	**0.15**
	(ii) Capital redemption reserve		
	At the beginning and end of the year	**0.15**	**0.15**
	(iii) Securities premium		
	At the beginning and end of the year	**33.53**	**33.53**
	(iv) Employee Stock Appreciation Rights Reserve		
	At the beginning of the year	2.93	1.31
	Add: Employee Stock Appreciation Rights Expense	2.55	1.62
	Transfer to General Reserve	(0.62)	-
	Balance as at the end of the year	**4.86**	**2.93**

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
(v) General reserve		
Balance as at the beginning of the year	208.76	208.76
Add: Transferred from Employee Stock Appriciation Rights	0.62	-
Balance as at the end of the year	**209.38**	**208.76**
(vi) Retained earnings		
At the beginning of the year	272.94	273.86
Add: Profit/(Loss) for the year	(84.53)	88.73
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	3.05	(3.06)
Less: Appropriations		
Dividends		
Interim dividend	-	45.25
Final dividend	-	28.26
Dividend distribution tax	-	13.08
Closing balance	**191.46**	**272.94**

	FVOCI - Equity Instruments	Total Other Reserves
(vii) Other reserves		
As at March 31, 2019	0.57	0.57
Changes in fair value of FVOCI equity instruments	(0.35)	(0.35)
Deferred tax	0.08	0.08
As at March 31, 2020	**0.30**	**0.30**
Changes in fair value of FVOCI equity instruments	0.52	0.52
Deferred tax	(0.12)	(0.12)
As at March 31, 2021	**0.70**	**0.70**

20 Other financial liabilities

A) Non-current		
Deposits received	1.88	2.88
Total other non-current financial liabilities	**1.88**	**2.88**
B) Current		
Unpaid/Unclaimed dividends (Refer note below)	3.54	3.91
Payable on capital purchases	0.04	0.45
Deposits received	0.61	0.28
Interest accrued and not due on Non Convertible Debentures (Refer Note 23)	7.38	-
Total other current financial liabilities	**11.57**	**4.64**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

21 Provisions

A) Non-current		
Provision for sales tax disputes (Refer Note 36 B)	0.29	0.37
Provisions for warranties (Refer Note 36 A)	5.42	4.87
Provision for compensated absences (Refer Note 44)	6.04	7.21
Total non-current provisions	**11.75**	**12.45**
B) Current		
Provisions for warranties (Refer Note 36 A)	2.71	2.43
Provision for gratuity (Refer Note 44)	-	2.55
Provision for compensated absences (Refer Note 44)	1.76	1.97
Total current provisions	**4.47**	**6.95**

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
22A Other liabilities		
A) Non-current		
Unearned income on deposit received	0.06	0.10
Total other non-current liabilities	**0.06**	**0.10**
B) Current		
Employee benefits payable	0.04	1.26
Advances from customers	7.99	9.41
Statutory dues including provident fund and tax deducted at source	3.56	5.71
Unearned income on deposit received	0.03	0.06
Others	20.08	23.36
Total other current liabilities	**31.70**	**39.80**
22B Lease Liabilities		
A) Non-current		
Lease Liabilities (Refer Note 37)	147.86	165.31
Total Non Current Lease Liabilities	**147.86**	**165.31**
B) Current		
Lease Liabilities (Refer Note 37)	35.05	53.78
Total Current Lease Liabilities	**35.05**	**53.78**
23 Borrowings (Current)		
Secured:		
Debentures (Refer Note below)		
7.45% Non- Convertible Debentures	98.90	-
7.25% Non- Convertible Debentures	49.58	-
Working capital loans from banks	-	12.19
Unsecured:		
Working capital loans from banks	-	20.00
Total current borrowing	**148.48**	**32.19**

1) Secured Borrowings: The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage and The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. (Refer Note 51)

2) Interest on Debentures has been calculated using effective interest rate method as per Ind AS 109. The same has been classified as current financial liability and shown separately.

3) The Charge on the current assets of the Company has been created for undrawn borrowing facilities at the end of the reporting period.

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
24	**Trade Payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	-	2.54
	(ii) Others	129.05	233.97
	Trade payables to related parties [Refer Note 45 (f)]	18.03	49.61
	Total	**147.08**	**286.12**

Disclosure of Trade payables and payable on capital purchases to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
25	**Revenue from operations**		
	Revenue from contracts with customers [Sale of products]		
	Manufactured goods	236.62	546.10
	Traded goods	375.23	1,161.60
		611.85	1,707.70
	Other operating revenues		
	Scrap sales	1.20	1.57
	Export incentive	0.17	0.72
	Total revenue from operations	**613.22**	**1,709.99**
	Reconciliation of revenue from operations with contract price		
	Contract Price	713.84	1,887.08
	Less adjustments for :		
	Sales Returns	6.13	1.52
	Discounts and rebates	94.39	172.84
	Others	1.47	5.02
		611.85	**1,707.70**
26	**Other income**		
	Interest Income on financial assets at amortised cost		
	On security Deposits	0.11	0.14
	On bank deposits	3.35	0.01
	On bond	3.73	-
	On commercial paper	1.84	-
	Others	-	0.15
	Unwinding of interest on security deposits (paid)	3.55	2.85
	Dividend income		
	From investment in subsidiaries measured at FVTPL	11.03	9.88
	Other non-operating income		
	Rental income	2.12	3.15
	Liabilities written back to the extent no longer required	3.08	3.56
	Other Income from subsidiary-guarantee commission (Refer Note 45)	0.06	0.12
	Income due to Rent Concession & Modifications (Refer Note 37)	17.79	1.38
	Miscellaneous Income	2.40	0.28
	Other gains and losses		
	Net gain on fair value changes on investments	-	1.65
	Net gain arising on sale of property, plant and equipment (Refer Note 4 & 4A)	7.87	0.24
	Net gain arising on sale of investments	2.43	0.64
	Total other income	**59.36**	**24.05**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
27(A)	**Cost of materials consumed**		
	Raw material consumed		
	Opening inventory	36.02	38.10
	Add: Purchases (net)	83.88	202.77
	Less: Inventory at the end of the year	33.44	36.02
		86.46	**204.85**
	Packing material consumed		
	Opening inventory	5.07	3.87
	Add: Purchases (net)	7.65	17.92
	Less: Inventory at the end of the year	0.89	5.07
		11.83	**16.72**
	Total cost of materials consumed	**98.29**	**221.57**

(₹ in Crores)

	Year ended March 31, 2021	Year ended March 31, 2020
27(B) Purchases of stock-in-trade		
Stock-in-trade	159.89	604.88
Total purchase of stock-in-trade	**159.89**	**604.88**
27 (C) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year:		
Finished goods	20.64	50.89
Work-in-progress	11.02	9.00
Stock-in-trade	154.79	274.89
	186.45	**334.78**
Stock at the beginning of the year		
Finished goods	50.89	40.66
Work-in-progress	9.00	9.43
Stock-in-trade	274.89	385.56
	334.78	**435.65**
Less: Reclassification to Exceptional items (Refer Note 48)	**-**	**27.96**
	334.78	**407.69**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**148.33**	**72.91**
28 Employee benefits expense		
Salaries, wages and bonus	97.13	155.67
Contribution to provident fund and other funds (Refer Note 44)	6.37	9.27
Employee share-based payment expense (Refer Note 46)	2.55	1.62
Gratuity (Refer Note 44)	2.27	1.74
Staff welfare expenses	4.02	7.29
Total employee benefits expense	**112.34**	**175.59**
29 Finance costs		
Unwinding of interest on security deposits	0.08	0.06
Interest expense	4.98	2.51
Interest accrued on non-convertible debentures [Refer note 23 (2)]	7.38	-
Interest on lease liabilities	14.83	18.92
Other finance costs	1.07	0.14
Total finance costs	**28.34**	**21.63**
30 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 4)	16.81	15.41
Amortisation of intangible assets (Refer note 6)	1.84	1.35
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	48.26	61.12
Total depreciation and amortisation expense	**67.03**	**78.00**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
31	**Other expenses**		
	Consumption of stores and spare parts	0.72	1.28
	Job Work Charges	8.43	23.21
	Power and fuel	6.55	14.88
	Electricity Expenses	2.40	4.65
	Rent (Refer Note 37)	5.88	4.16
	Repairs and maintenance		
	Buildings	0.60	0.36
	Plant and machinery	0.07	0.43
	Others	9.88	10.74
	Insurance	3.34	2.67
	Rates and taxes	2.59	4.26
	Travelling expenses	3.80	21.49
	Directors fees	0.14	0.24
	Payments to auditor (Refer Note 32)	0.45	0.44
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 33)	3.48	3.31
	Professional fees	4.45	5.16
	Communication expenses	1.96	3.77
	Advertisement and publicity expenses	20.84	91.62
	Freight, handling and octroi	42.95	95.22
	Commission on sales	0.17	0.46
	Bank charges and commission	0.71	1.96
	Human resource procurement	28.46	62.02
	Allowance for doubtful debts (net) (Refer Note 10 B and 15)	10.58	8.76
	Bad debts written off during the year	0.04	0.54
	Less: Provision for doubtful debts	(0.04)	(0.54)
	Net loss on foreign currency transactions and translation	(0.75)	8.25
	Obsolescence of fixed assets	1.13	0.04
	Net loss on fair value changes on investments	1.25	-
	Miscellaneous expenses	11.17	20.46
	Total	**171.25**	**389.84**

32	**Details of payment to auditors**		
	As auditor :		
	Audit fee	0.38	0.38
	In other capacities		
	Certification fees	0.07	0.05
	Re-imbursement of expenses	*	0.01
	Total payments to auditor	**0.45**	**0.44**

*Amount is below the rounding off norm adopted by the Company.

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
33	**Corporate social responsibility expenditure**		
	Amount required to be spent as per section 135 of the Act	3.48	3.28
	Amount spent during the year on		
	(i) Construction/ acquisition of an asset	-	-
	(ii) on purpose other than (i) above	3.48	3.31
		3.48	**3.31**
	Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
	Balance unspent as at April 01, 2020	(0.16)	(0.13)
	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
	Amount required to be spent during the year	3.48	3.28
	Amount spent during the year	3.48	3.31
	Balance unspent as at March 31, 2021	**(0.16)**	**(0.16)**

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

		March 31, 2021	March 31, 2020
34	**Income tax expense**		
	a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	36.54
	Adjustments for current tax of prior periods	(0.17)	-
	Total current tax expense	**(0.17)**	**36.54**
	Deferred tax		
	(Increase) in deferred tax assets	(28.19)	(4.15)
	Total Deferred tax (benefit)	**(28.19)**	**(4.15)**
	Total income tax expense	**(28.36)**	**32.39**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit/(loss) before tax	(112.89)	121.12
	Enacted Income tax rate in India applicable to the Company	25.17%	25.63%
	Tax expenses on profit/(loss) before tax calculated at the rate above	(28.41)	31.04
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	0.01	-
	Expenses disallowed	0.89	0.74
	Items subject to differential tax rate	0.03	(0.84)
	Adjustments for tax of prior periods	0.17	-
	Change in tax rate	-	1.36
	Adjustments for indexation on capital gain	(1.38)	-
	Others	0.33	0.09
	Total income tax expense	**(28.36)**	**32.39**
	c) Tax on items of OCI		
	Deffered Tax on fair valuation of equity instruments	(0.12)	0.08
	Current Tax on remeasurement of defined benefit plans	(1.05)	1.13
		(1.17)	**1.21**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
35	**Basic earnings/(loss) per share**		
	Profit/(loss) after tax attributable to equity shareholders	(84.53)	88.73
	Weighted average number of shares outstanding during the year (numbers)	141,317,315	141,317,315
	Earnings/(loss) per share (Basic) (₹)	(5.98)	6.28
	Nominal value per share (₹)	2	2
	Diluted earnings/(loss) per share		
	Profit/(loss) after tax attributable to equity shareholders	(84.53)	88.73
	Effect of dilution due to issue of Employee stock appreciation rights	-	-
	Profit/(loss) after tax attributable to equity shareholders after dilution impact	(84.53)	88.73
	Weighted average number of shares outstanding during the year (numbers)	141,865,077	141,317,315
	Earnings/(loss) per share (Diluted) (₹)#	(5.98)	6.28
	Nominal value per share (₹)	2	2

Note: Since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

36 Provision for warranty and sales tax dispute

A)	**Warranty provision**		
	Balance as at the beginning of the year	7.30	5.47
	Additions	3.23	6.60
	Amounts used	2.40	4.44
	Amounts reversed	-	0.33
	Balance as at the end of the year	**8.13**	**7.30**
	Classified as non-current	5.42	4.87
	Classified as current	2.71	2.43

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

B)	**Provision for Sales Tax Dispute**		
	Balance as at the beginning of the year	0.37	2.27
	Additions	0.02	0.01
	Amounts used	0.10	1.91
	Balance as at the end of the year	0.29	0.37
	Classified as non-current	0.29	0.37
	Classified as current	-	-

Sales Tax Provision: The amounts in respect of sales tax represent the best possible estimates arrived on the available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of the future cash flows will be determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The said provisions primarily relate to subjudice matters under the erstwhile local sales tax acts, value added tax acts of respective states and the central sales tax act 1961.

37 Leases

i) The Company's major leasing arrangements are in respect of commercial / residential premises (including furniture and fittings therein wherever applicable taken on leave and license basis).

ii) **Amounts recognised in balance sheet** **(₹ in Crores)**

Particulars	As at	
	March 31, 2021	March 31, 2020
Right-of-use assets		
Leasehold Land	0.31	4.88
Buildings	172.15	214.27
Total	**172.46**	**219.15**

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities		
Current	35.05	53.78
Non-current	147.86	165.31
Total	**182.91**	**219.09**

iii) Additions to the right-of-use assets during the year were ₹ 58.01 (March 31, 2020: ₹ 312.44), which includes right-of-use assets building of ₹ 55.88 Crores (March 31, 2020: ₹ 302.90 Crores) and right-of-use assets deposit of ₹ 2.13 Crores (March 31, 2020: ₹ 9.54 Crores)

iv) **Amounts recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases: **(₹ in Crores)**

Particulars	Note	As at	
		March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.03	-
Buildings	4A	48.23	61.12
Total		**48.26**	**61.12**

Particulars	Note	As at	
		March 31, 2021	March 31, 2020
Income due to rent concession & modification	26	17.79	1.38
Interest expense	29	14.83	18.92
Expense relating to short-term leases	31	5.88	4.16

v) The total cash outflow for leases for the year ₹ 37.19 Crores (March 31, 2020: ₹ 64.31 Crores)

As part of its strategy to counter the impact of Covid 19 pandemic, the Company has continued to take various measures including changes in Lease payments in the form of Lease concessions and Lease terminations.

The Company continues to apply the practical expedient as per paragraph 46A of the Indian Accounting standard on Leases 'Ind AS 116' , for accounting changes in leases, in the form of Lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The Company has consequently recognised an income of ₹ 0.57 Crores and ₹ 11.97 Crores for the quarter and Year ended March 31, 2021 respectively, under the head 'Other Income'. For changes in leases in the form of terminations, the Company continues to account for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 0.19 Crores and ₹ 5.82 Crores for the Quarter and Year ended March 31, 2021, under the head 'Other Income'. Therefore the aggregate impact of lease concessions and terminations for the Year ended March 31, 2021, recognised under the head Other Income is ₹ 17.79 Crores.

38 COVID-19 - Impact assessment

The Company's operations and financial results for the period ended March 31, 2021 have been adversely impacted by the outbreak of COVID-19 pandemic, as the travel industry has been amongst the most affected segments in the economy. The Company has been closely monitoring the changes in the economic conditions and its possible impact on its business. The Company had seen signs of recovery across all market of operations after the initial impact due to the onset of COVID-19 at the beginning of the year. The Company has resumed operations across all locations including manufacturing plants. Currently the Company is experiencing a temporary slowdown in its operations due to fresh restrictions imposed due to surge in COVID-19. Though the Supply chain of the Company is temporarily affected due to the restrictions imposed across the country due to the COVID outbreak, it is well aligned and equipped to cater to the market demand as soon as the external economic environment is favourable and restrictions are eased out. The Company has taken into account external and internal information for assessing possible impact of COVID-19 on various elements of its financial results and its liquidity, including assessment of recoverable value of its assets comprising trade receivables and others.

As per our current assessment no significant impact on the financial position of the Company is expected. The actual impact may differ from that estimated as at the date of approval of these financial results. The Company will continue to monitor any changes in the future economic conditions.

39 Segment reporting

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the Company has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2021.

(₹ in Crores)

	year ended	
	March 2021	**March 2020**
Revenue from external customer		
India	606.24	1,663.57
Outside India	6.98	46.42
Total Revenue	**613.22**	**1,709.99**

	As at	
	March 31, 2021	**March 31, 2020**
Non Current Assets		
India	264.46	342.24
Outside India	58.85	50.61
Total Non Current Assets	**323.31**	**392.85**

There are transactions with two external customers which amount to 10% or more of the Company's revenue each.

40 Contingent Liabilities

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Claims against the Company not acknowledged as debts	-	0.04
Income tax matters	2.82	1.83
Sales tax matters	319.04	245.41
Excise and customs matters	0.55	0.55

The Company has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

41 Movement in deferred tax assets

(₹ in Crores)

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Leases	Taxes on Losses*	Others	Total
At March 31, 2019	**0.21**	**0.36**	**3.49**	**0.29**	**(0.19)**	**-**	**-**	**1.06**	**5.22**
(charged)/credited:									
- to profit or loss	1.01	2.02	(1.13)	(0.38)	-	2.91	-	(0.28)	4.15
- to other comprehensive income	-	-	-	-	0.10	-	-	-	0.10
At March 31, 2020	**1.22**	**2.38**	**2.36**	**(0.08)**	**(0.09)**	**2.91**	**-**	**0.78**	**9.48**
(charged)/credited:									
- to profit or loss	2.47	2.61	(0.38)	0.29	-	1.12	21.47	0.61	28.19
- to other comprehensive income	-	-	-	-	(0.12)	-	(1.05)	-	(1.17)
At March 31, 2021	**3.69**	**4.99**	**1.98**	**0.21**	**(0.21)**	**4.03**	**20.42**	**1.39**	**36.50**

*Deferred tax assets has been recognised on losses for the year ended March 31, 2021, based on estimates and reasonable certainty of future projections. The Company shall continue to monitor the operations closely and shall reassess the estimates.

42 Fair value measurements

(₹ in Crores)

	As at March 31, 2021			As at March 31, 2020		
Financial instruments by category	**FVTPL**	**FVOCI**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Amortised Cost**
Financial assets						
Investments						
- Equity instruments#	-	0.94	-	-	0.42	-
- Preference shares	50.76	-	-	42.07	-	-
- Mutual Funds	21.76	-	-	40.35	-	-
- Bonds	-	-	45.39	-	-	-
- Commercial Paper	-	-	72.89	-	-	-
Trade receivables	-	-	146.69	-	-	264.23
Cash and cash equivalents	-	-	11.31	-	-	2.78
Bank balances other than cash and cash equivalents	-	-	70.12	-	-	3.91
Loans	-	-	21.44	-	-	26.12
Other financial assets	-	-	6.84	-	-	2.29
Total Financial assets	**72.52**	**0.94**	**374.68**	**82.42**	**0.42**	**299.33**
Financial Liabilities						
Borrowings	-	-	148.48	-	-	32.19
Trade payables	-	-	147.08	-	-	286.12
Other financial liabilities	-	-	13.45	-	-	7.52
Total Financial liabilities	**-**	**-**	**309.01**	**-**	**-**	**325.83**

#The company has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the company considered this to be more relevant.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Preference shares	8A	-	-	50.76	**50.76**
-Mutual funds - Dividend plan	8B	-	21.76	-	**21.76**
Financial investments at FVOCI					
-Listed equity investments - steel sector	8A	0.86	-	-	**0.86**
-Listed equity investments - others	8A	0.08	-	-	**0.08**
-Unquoted equity investments	8A	-	-	*	*
Total financial assets		**0.94**	**21.76**	**50.76**	**73.46**

*Amount is below the rounding off norm adopted by the Company

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments - Bonds	8B	-	10.02	35.37	45.39
Investments -Commercial Paper	8B	-	-	72.89	72.89
Trade receivables	15	-	-	146.69	146.69
Cash and cash equivalents	16	-	-	11.31	11.31
Bank balances other than cash and cash equivalents	17	-	-	70.12	70.12
Loans	9A,9B	-	-	21.44	21.44
Other financial assets	10A,10B	-	-	6.84	6.84
Total financial assets		**-**	**10.02**	**364.66**	**374.68**
Financial liabilities					
Borrowings	23	-	-	148.48	148.48
Trade payables	24	-	-	147.08	147.08
Other financial liabilities	20A,20B	-	-	13.45	13.45
Total financial liabilities		**-**	**-**	**309.01**	**309.01**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Preference shares	8A	-	-	42.07	**42.07**
-Mutual funds - Dividend plan	8B	-	40.35	-	**40.35**
Financial investments at FVOCI					
-Listed equity investments - steel sector	8A	0.32	-	-	**0.32**
-Listed equity investments - others	8A	0.10	-	-	**0.10**
-Unquoted equity investments	8A	-	-	*	*
Total Financial assets		**0.42**	**40.35**	**42.07**	**82.84**

*Amount is below the rounding off norm adopted by the Company

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	15	-	-	264.23	**264.23**
Cash and cash equivalents	16	-	-	2.78	**2.78**
Bank balances other than cash and cash equivalents	17	-	-	3.91	**3.91**
Loans	9A,9B	-	-	26.12	**26.12**
Other financial assets	10A,10B	-	-	2.29	**2.29**
Total Financial assets		**-**	**-**	**299.33**	**299.33**
Financial liabilities					
Borrowing	23	-	-	32.19	32.19
Trade Payables	24	-	-	286.12	286.12
Other financial liabilities	20A,20B	-	-	7.52	7.52
Total Financial liabilities		**-**	**-**	**325.83**	**325.83**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.
- the use of Net Assets Value (‘NAV’) for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of the preference shares is determined based on present values and the discount rates used were adjusted for counterparty risk and country risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

(₹ in Crores)

Particulars	Unquoted preference shares	Unquoted equity share	Total
As at April 1, 2019	33.46	*	33.46
Acquisitions	7.06	*	7.06
Gain/(Loss) recognised in Profit and loss	1.55	-	1.55
As at March 31, 2020	42.07	*	42.07
Acquisitions	9.85	-	9.85
Gain/(Loss) recognised in Profit and loss	(1.16)	-	(1.16)
As at March 31, 2021	50.76	*	50.76
Unrealised gain/(loss) recognised in profit and loss related to assets held			
Year ended March 31, 2021	(1.16)	*	(1.16)
Year ended March 31, 2020	1.55	*	1.55

*Amount is below the rounding off norm adopted by the Company

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation technique adopted. **(₹ in Crores)**

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020	
Unquoted preference shares	50.76	42.07	Risk adjusted discount rate	10.75% -11.75%	10.75% -11.75%	2021 : Increasing/ Decreasing the risk adjusted discount rate would decrease by ₹ 1.14 cr and increase by ₹ 1.10 cr 2020 : Increasing / Decreasing the risk adjusted discount rate would decrease by ₹ 1 cr and increase by ₹ 0.96 cr

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of Financial assets and liabilities measured at amortised cost **(₹ in Crores)**

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments - Bonds	45.39	45.39	-	-
Investments -Commercial Paper	72.89	72.89		
Trade receivables	146.69	146.69	264.23	264.23
Cash and cash equivalents	11.31	11.31	2.78	2.78
Bank balances other than cash and cash equivalents	70.12	70.12	3.91	3.91
Loans	21.44	21.44	26.12	26.12
Other financial assets	6.84	6.84	2.29	2.29
Total financial assets	**374.68**	**374.68**	**299.33**	**299.33**
Financial liabilities				
Borrowings	148.48	148.48	32.19	32.19
Trade payables	147.08	147.08	286.12	286.12
Other financial liabilities	13.45	13.45	7.52	7.52
Total financial liabilities	**309.01**	**309.01**	**325.83**	**325.83**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings, Investment (bonds) and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) The fair values and carrying value for security deposits, other financial assets and other financial liabilities are materially the same.

43A Financial risk management

The Company's activities expose it to market risk, liquidity risk, credit risk and interest risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The risk governance structure of the Company is a formal organisation structure with defined roles and responsibilities for risk management.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under the guidance from the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises from receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 146.69 Crores as at March 31, 2021 (March 31, 2020 – ₹ 264.23 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses.Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
Opening provision	9.24	1.02
Add: Additional provision made	8.58	8.71
Less: Provision write off (including exchange rate translation)	0.04	0.49
Less: Provision reversed	-	-
Closing provision	17.78	9.24

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision table as above.

b) Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 11.31 crores (March 31, 2020: ₹ 2.78 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) Investment in mutual funds:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the Company.

2) Liquidity risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	193.60	101.81

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities and Lease liabilities are at discounted cash flows. **(₹ in Crores)**

As at March 31, 2021	0-6 months	6 - 12 months	More than 12 months
Borrowings	148.48	-	-
Trade Payable	147.08	-	-
Payable related to Capital goods	0.04	-	-
Lease liabilities	17.32	17.73	147.86
Other financial liabilities (current and non-current)	11.50	0.03	1.88

(₹ in Crores)

As at March 31, 2020	0-6 months	6 - 12 months	More than 12 months
Borrowings	32.19	-	-
Trade Payable	286.12	-	-
Payable related to Capital goods	0.45	-	-
Lease liabilities	28.88	24.90	165.31
Other financial liabilities (current and non-current)	4.07	0.12	2.88

3) 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 of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows: **(₹ in Crores)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	Others	USD	Others
Financial assets				
Investment in preference shares*	50.76	-	42.07	-
Trade receivables	2.39	-	7.73	-
Other financial assets	0.18	0.25	0.25	0.39
Cash and Cash equivalents	0.84	0.69	1.13	0.26
Net exposure to foreign currency risk (assets)	**54.17**	**0.94**	**51.18**	**0.65**
Financial liabilities				
Trade payables	35.56	0.22	120.47	0.23
Net exposure to foreign currency risk (liabilities)	**35.56**	**0.22**	**120.47**	**0.23**
Net unhedge foreign currency exposure	**(18.61)**		**69.29**	

* Investment in preference shares (at face value) is ₹ 56.73 Crores.

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

(₹ in Crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	Others	USD	Others
Assets				
Investment in equity shares	6.47	-	6.47	
Investment in preference shares	50.76	-	42.07	-
Trade receivables	2.39	-	7.73	-
Other financial assets	0.18	0.25	0.25	0.39
Cash and Cash equivalents	0.84	0.69	1.13	0.26
Net exposure to foreign currency risk (assets)	**60.64**	**0.94**	**57.65**	**0.65**
Liabilities				
Trade payables	35.56	0.22	120.47	0.23
Net exposure to foreign currency risk (liabilities)	**35.56**	**0.22**	**120.47**	**0.23**
Net unhedge foreign currency exposure	**(25.08)**		**62.82**	

The Company is mainly exposed to USD. The below table demonstrates the sensitivity to 1% increase or decrease in the USD against INR with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date.

(₹ in Crores)

	Effect on Profit after Tax	
	For year ended March 31, 2021	
	1% increase	1% decrease
USD	0.14	(0.14)
Increase / (decrease) in profit or loss	**0.14**	**(0.14)**

B) Market Risk- Other price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio The majority of the Company's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

(₹ in Crores)

	Impact on other components of equity	
	For year ended March 31, 2021	For year ended March 31, 2020
BSE Index - Increase 5%	0.05	0.02
BSE Index - Decrease 5%	(0.05)	(0.02)

C) Market Risk- Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

(₹ in Crores)

	As at 31.03.21	As at 31.03.20
50 bps increase - effect on profit before taxes	-	(0.16)
50 bps decrease - effect on profit before taxes	-	0.16

- There is no borrowing with floating rate of interest as at March 31, 2021.

43B Capital management

(a) Risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio: **(₹ in Crores)**

	As at	
	March 31, 2021	March 31, 2020
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	320.08	248.50
Total equity	468.49	547.02
Net debt equity ratio	68.32%	45.43%

The net debt to equity ratio includes Impact of Ind AS 116.

(b) Dividends

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
i) Equity Share		
Final dividend	-	28.26
Interim dividend	-	45.25
Dividend distribution tax on above dividend	-	13.08
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	-	-
Dividend distribution tax on proposed dividend	-	-

44 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2021	March 31, 2020
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges (Including Foreign Employees)	3.69	5.36
(ii) Employer Contribution to Provident Fund (under Pension Plan)	2.17	3.07
(iii) EDLI Charges & Admin Charges	0.13	0.14
(iv) Employer Contribution to ESIC	0.38	0.70
Total	**6.37**	**9.27**

B) Defined benefit plan

a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the "VIP Industries Limited Employees Gratuity Fund Trust". The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

(₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2019	**19.51**	**(18.17)**	**1.34**
Current service cost	1.64	-	1.64
Interest expense/(income)	1.46	(1.36)	0.10
Past Service Cost	-	-	-
Total amount recognised in profit or loss	**3.10**	**(1.36)**	**1.74**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	1.29	1.29
Experience losses	2.05	-	2.05
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	0.85	-	0.85
Total amount recognised in other comprehensive income	**2.90**	**1.29**	**4.19**
Employer's contribution	-	(4.72)	(4.72)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.40)	3.40	-
March 31, 2020	**22.11**	**(19.56)**	**2.55**

(₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2020	**22.11**	**(19.56)**	**2.55**
Current service cost	2.10	-	2.10
Interest expense/(income)	1.46	(1.29)	0.17
Past service costs	-	-	-
Total amount recognised in profit or loss	**3.56**	**(1.29)**	**2.27**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(2.67)	(2.67)
Experience losses	(0.84)	-	(0.84)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(0.59)	-	(0.59)
Total amount recognised in other comprehensive income	**(1.43)**	**(2.67)**	**(4.10)**
Employer's contribution	-	(6.73)	(6.73)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(6.73)	6.73	-
March 31, 2021	**17.51**	**(23.52)**	**(6.01)**

ii) The net liabilities disclosed above relating to funded plans are as follows: **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
Present value of funded obligations	17.51	22.11
Fair value of plan assets	(23.52)	(19.56)
Deficit/ (surplus) of gratuity plan	**(6.02)**	**2.55**

iii) The principal assumptions used in determining gratuity benefit obligations are shown below:

	As at	
	March 31, 2021	**March 31, 2020**
Discount rate	6.49%	6.59%
Expected return on plan assets	6.49%	6.59%
Salary escalation rate	8% for the next 2 Years, 5% thereafter starting from the 3rd year	11% for next 1 Year, 8% for next 2 Year, 5% thereafter starting from the 4th year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possbile changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

Assumption	**Impact on defined benefit obligation**							
	Changes in Assumption (%)		**Increase in Assumption**			**Decrease in Assumption**		
	March 31, 2021	**March 31, 2020**		**March 31, 2021**	**March 31, 2020**		**March 31, 2021**	**March 31, 2020**
Discount Rate	1%	1%	Decreased by	0.69	0.95	Increased by	0.76	1.05
Salary Increase	1%	1%	Increased by	0.74	1.01	Decreased by	0.68	0.93
Employee Turnover	1%	1%	Increased by	0.03	0.03	Decreased by	0.04	0.04

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation asset/ (liability) recognised in the Balance Sheet.

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	As at			
	March 31, 2021		**March 31, 2020**	
	Amount	**in %**	**Amount**	**in %**
Government securities (Central and State)	-	0%	0.12	1%
Special deposit scheme	0.38	2%	0.38	2%
Cash and cash equivalents	0.47	2%	0.30	1%
Insurer managed fund	22.64	96%	18.69	96%
Others	0.01	0%	0.05	0%
Total	**23.50**	**100%**	**19.54**	**100%**

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to acturial risks such as: Investment risk, interest rate risk, and salary risk.

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) Defined benefit liability and employer contributions

The Company expects to make a contribution for the year ending March 31, 2022 is ₹ NIL Crores (March 31, 2021 is ₹ 4.65 Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

(₹ in Crores)

	Less than a year	**Between 1-2 Years**	**Between 2-5 Years**	**Over 5 Years**	**Total**
March 31, 2021					
Defined benefit obligations - Gratuity	3.31	3.05	6.61	11.47	24.44
March 31, 2020					
Defined benefit obligations - Gratuity	3.46	2.63	9.28	16.60	31.97

b) Provident Fund

Provident fund for eligible employees is managed by the Company through the “VIP Industries Limited Employees Provident Fund Trust”, in line with the Provident fund and Miscellaneous Provisions Act 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement whichever is earlier. The benefits vest immediately on rendering the services by the employee. The Company does not currently have any unfunded plans.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2021. The Company has contributed ₹3.35 Crores (March 31,2020: ₹4.18 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2021.

i) Amount recognised in the Balance Sheet **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
Present value of benefit obligation	82.82	81.50
Plan assets at period end, at fair value, restricted to present value of benefit obligation	82.82	81.50
Asset recognised in Balance Sheet	-	-

ii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at	
	March 31, 2021	**March 31, 2020**
Discounting Rate	6.49%	6.59%
Expected Guaranteed interest rate	8.50%	8.50%

* Rate mandated by EPFO for there FY 2020-21 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the Company's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months. **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
Leave obligations expected to be settled within the next 12 months	1.76	1.97
Leave obligations not expected to be settled within the next 12 months	6.04	7.21

45 Related party disclosures as per Ind AS 24:

a) List of related parties: **(₹ in Crores)**

Relationships	**Country**	**As at March 31, 2021**	**As at March 31, 2020**
Subsidiaries			
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%
VIP Industries BD Manufacturing Private Limited	Bangladesh	100%	100%
VIP Luggage BD Private Limited	Bangladesh	100%	100%
VIP Accessories BD Private Limited	Bangladesh	100%	100%
Blow Plast Retail Limited	India	100%	100%

b) Key management personnel

Name	**Nature of relationship**
Mr Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Managing Director (upto January 31, 2021)
Mr. Anindya Dutta	Managing Director (w.e.f. February 1, 2021)
Mr. Ashish K Saha	Director Works (upto June 30, 2019)

c) List of entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name

(i) Kemp & Company Limited

(ii) Vibhuti Investments Company Limited

d) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

e) Disclosure in respect of transactions with related parties during the year: **(₹ in Crores)**

	Year ended	
	March 31, 2021	**March 31, 2020**
Transaction		
1) Sale of product**		
1. Kemp & Company Limited	0.32	1.34
Total sale of product	**0.32**	**1.34**
2) Preference Dividend income		
1. VIP Industries Bangladesh Private Limited	1.21	1.12
2. VIP Industries BD Manufacturing Private Limited	1.16	0.61
Total dividend income	**2.37**	**1.73**
3) Equity Dividend income		
1. VIP Industries Bangladesh Private Limited	8.66	8.15
Total Equity Dividend income	**8.66**	**8.15**
4) Purchase of goods and expenses incurred		
1. VIP Industries Bangladesh Private Limited	29.97	64.20
2. VIP Industries BD Manufacturing Private Limited	38.04	115.21
3. VIP Luggage BD Private Limited	43.14	43.46
Total purchase of goods and expenses incurred	**111.15**	**222.87**
5) Rent paid		
1. Vibhuti Investments Company limited	2.45	4.02
Total rent paid	**2.45**	**4.02**
6) Guarantee commission		
1. VIP Luggage BD Private Limited #	0.05	0.12
2. VIP Accessories BD Private Limited #	0.01	*
Total of guarantee commission	**0.06**	**0.12**
7) Investment in subsidiaries		
Preference Shares		
1. VIP Luggage BD Private Limited	9.84	7.06
Total investment in subsidiaries	**9.84**	**7.06**
8) Deposit paid		
1. Vibhuti Investments Company limited	-	1.96
Total deposit paid	**-**	**1.96**
9) Key management personnel compensation		
Remuneration***		
1. Mr. Dilip G. Piramal	-	0.37
2. Ms.Radhika Piramal	1.76	2.56
3. Mr. Sudip Ghose	3.00	2.95
4. Mr. Ashish Saha	-	1.66
5. Mr. Anindya Dutta	0.39	-
Total key management personnel compensation	**5.15**	**7.54**
10) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	6.73	4.72
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	9.98	12.48
Total contribution to trust	**16.71**	**17.20**

*** Amount is below the rounding off norm adopted by the Company**

**** Including applicable taxes**

***** Key Management personnel who are the under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.**

f) Disclosure of closing balances: **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
1) Trade receivables		
1. Kemp & Company Limited	0.05	0.27
Total trade receivables	**0.05**	**0.27**
2) Trade payables		
1. VIP Industries Bangladesh Private Limited	9.81	27.91
2. VIP Industries BD Manufacturing Private Limited	8.22	21.70
Total trade payables	**18.03**	**49.61**
3) Advances		
1. VIP Luggage BD Private Limited	5.23	1.04
Total Advances	**5.23**	**1.04**
4) Other financial assets - commission receivable		
1. VIP Luggage BD Private Limited #	0.03	0.12
2. VIP Accessories BD Private Limited #	-	*
Total other financial assets - commission receivable	**0.03**	**0.12**
5) Non Current Investment		
1. Kemp & Co Limited	0.07	0.09
Total Non Current Investment	**0.07**	**0.09**
6) Equity investments in subsidiaries		
Equity		
1. VIP Industries Bangladesh Private Limited	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	0.01
3. VIP Luggage BD Private Limited	0.01	0.01
4. VIP Accessories BD Private Limited	0.01	0.01
5. Blow Plast Retail Limited	0.05	0.05
Total equity investments in subsidiaries	**6.52**	**6.52**
7) Non-current investments		
Preference shares		
1. VIP Industries Bangladesh Private Limited	14.35	14.41
2. VIP Industries BD Manufacturing Private Limited	12.77	12.91
3. VIP Luggage BD Private Limited	22.19	13.39
4. VIP Accessories BD Private Limited	1.45	1.36
Total Non-Current Investments	**50.76**	**42.07**
10) Loans-Securtiy Deposit		
1. Vibhuti Investments Company limited	1.96	1.96
Total Loans- Security Deposit	**1.96**	**1.96**

*Amount is below the rounding off norm adopted by the Company

The Company had provided a bank guarantee for credit facilities for the subsidiary in Bangladesh (USD 1.8 million).

g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

46 Employee Stock Appreciation Rights

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Aug 07, 2020, Nov 09, 2020 and Feb 03, 2021, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17, 2018. Accordingly, during the year the Company has granted 13,80,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 4.86 for the year ended March 31, 2021. Correspondingly, the eligible employees of the Company surrendered the stock appreciation rights issued to them earlier. The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on July 09, 2020 approved the surrender of the said rights. Consequently the Company has recognised a reversal of ₹ 2.31 Crores under 'Employee Benefit expenses' and transferred ₹ 0.62 Crores to the General Reserve during the year ended March 31, 2021 respectively. Accordingly, a net expense of ₹ 2.55 Crores has been recognised for the year ended March 31, 2021.

The fair value of the ESAR's (Grant date Aug 07, 2020) was determined using the Black Scholes model using the following inputs at the grant date

(₹ in Crores)

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**261.70**	**261.70**	**261.70**
Expected Life	3.51	4.51	5.51
Expected volatility (%)	44.05	42.26	41.51
Risk-free interest rate (%)	4.84	5.18	5.46
Exercise Price	160	160	160
Dividend Yield (%)	1.22	1.22	1.22

The fair value of the ESAR's (Grant date Nov 09, 2020) was determined using the Black Scholes model using the following inputs at the grant date

(₹ in Crores)

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**286.25**	**286.25**	**286.25**
Expected Life	3.50	4.50	5.51
Expected volatility (%)	43.83	42.36	41.72
Risk-free interest rate (%)	4.79	5.15	5.45
Exercise Price	172	172	172
Dividend Yield (%)	1.10	1.10	1.10

The fair value of the ESAR's (Grant date Feb 03, 2021) was determined using the Black Scholes model using the following inputs at the grant date

(₹ in Crores)

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**348.35**	**348.35**	**348.35**
Expected Life	3.50	4.50	5.51
Expected volatility (%)	44.50	42.96	42.35
Risk-free interest rate (%)	5.08	5.43	5.72
Exercise Price	211	211	211
Dividend Yield (%)	0.91	0.91	0.91

Particulars	**Number of Grant**
Outstanding at the beginning of the period	**335,000**
Granted During the year	1,380,000
Forfeited during the period	650,000
Exercised during the period	-
Expired during the period	-
Outstanding at the end of the period	**1,065,000**

Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

(₹ in Crores)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Employee stock appreciation rights	2.55	1.62

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 19)

47 Net Debt Reconciliation

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Cash and cash equivalents	11.31	2.78
Liquid investments	140.04	40.35
Current borrowings	(155.86)	(32.19)
Lease Liabilities	(182.91)	(219.09)
Net debt	**(187.42)**	**(208.15)**

	Other Assets		Liabilities from financing activities		Total
	Cash and Bank overdraft	Liquid Investments	Current Borrowings	Lease Liabilities	
Net debt as at March 31, 2019	**5.80**	**-**	**(86.15)**	**-**	**(80.35)**
Recognised on adoption of Ind AS 116	-	-	-	(234.38)	(234.38)
Acquisitions – leases	-	-	-	(68.52)	(68.52)
Disposals	-	-	-	38.42	38.42
Interest expense- Leases	-	-	-	(18.92)	(18.92)
Repayment- Borrowings	-	-	86.15	-	86.15
Interest expense- Borrowings	-	-	(2.51)	-	(2.51)
Interest paid- Borrowings	-	-	2.51	-	2.51
Proceeds- Borrowings	-	-	(32.19)	-	(32.19)
Cash flows (Net)	(3.02)	40.35	-	64.31	101.64
Net debt as at March 31, 2020	**2.78**	**40.35**	**(32.19)**	**(219.09)**	**(208.15)**
Acquisitions – leases	-	-	-	(55.88)	(55.88)
Disposals - Leases	-	-	-	55.80	55.80
Modification - Leases	-	-	-	13.89	13.89
Interest expense- Leases	-	-	-	(14.83)	(14.83)
Repayment- Borrowings	-	-	32.19	-	32.19
Interest expense- Borrowings	-	-	(12.36)	-	(12.36)
Interest paid- Borrowings	-	-	4.98	-	4.98
Proceeds Borrowings			(148.48)	-	(148.48)
Cash flows (Net)	8.53	99.69	-	37.20	145.42
Net debt as at March 31, 2021	**11.31**	**140.04**	**(155.86)**	**(182.91)**	**(187.42)**

The Exceptional Item disclosed in Statement of profit and loss of ₹ 48.50 Crores relates to loss of property, plant and equipment and inventories that were destroyed due to a fire at the Company’s regional warehouse at Ghaziabad on April 03, 2019. The Company has initiated its insurance claim process and considering the Company’s insurance policy, it expects the loss to be adequately covered.

49 Capital and other commitments

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Crores)

	Year ended	
	March 31, 2021	March 31, 2020
Property, plant and equipment	0.63	2.00
Other intangible assets	0.20	-

ii) Other commitments

For lease commitments, refer note 37

50 The Company has decided to consolidate its India manufacturing operations by transferring the capacities at its plant at Hardwar to its plants at Nasik with a view to optimise costs and enhance control while maintaining its capacities. This is part of the several measures taken by the Company to optimise operations in the current covid environment. Consequently, the Board of Directors have passed a resolution dated August 24, 2020 according their approval for the disposal of the immovable property at its plant at Hardwar (Land and Building). The Company has disposed off the said immovable property during the year and recognised a gain of ₹ 13.29 Crores for the year ended March 31, 2021. The same has been disclosed under 'Other Income'.

51 Listed Redeemable Non- Convertible Debentures

The Company has issued Listed Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores on July 30, 2020 and Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores on September 07, 2020.

A Additional disclosures are as follows- (₹ in Crores)

a)

Particulars	Maturity Date	
	Principal	Principal Amount in Crores
1000 (March 31.2020 Nil) 7.45% Listed Redeemable Non- Convertible Debentures of ₹ 10 Lacs each	29-07-2022	100.00
500 (March 31.2020 Nil) 7.25% Listed Redeemable Non- Convertible Debentures of ₹ 10 Lacs each	06-09-2022	50.00

b) Credit Rating and change in credit rating (if any)- The Non Convertible Debentures issued by the Company are rated "CRISIL AA/STABLE"

c) **Security cover** : The Company has maintained the requisite asset cover as per the terms of the Debenture Trust Deed.

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to Rs 100 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage.

The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to Rs 50 Crores are secured by a first pari passu charge on the current assets of the Company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

d) Other Information **(₹ in Crores)**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Debt Equity Ratio	0.34	0.06
Debt Service Coverage Ratio	(2.98)	6.60
Interest Service Coverage Ratio	(2.98)	6.60
Capital Redemption Reserve (Rs in Crores)	0.15	0.15
Debenture Redemption Reserve	NA	NA
Net Worth (Rs in Crores)	440.23	518.76

Formula used for computation of ratios are as follows:

Debt Equity Ratio	Debts / (paid up equity Capital + Other equity) Debt includes long Term borrowings + Short Term Borrowings + current maturities of long-Term borrowings.
Debt Service Coverage Ratio	Earning before Interest and Tax / (Interest Expenses + Principal payment due on long term borrowing during the period)
Interest Service Coverage Ratio	Earning before interest and Tax / Interest Expenses

B Disclosure as per SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Large Corporates

a) **Initial Disclosure to be made by an entity identified as a Large Corporate**

Particulars	Details
Name of Company	V.I.P Industries Limited
CIN	L25200MH1968PLC013914
Outstanding borrowing of Company as on March 31, 2021	₹ 150 Crores*
Highest credit rating during the pervious financial year along with name of the credit rating agency	CRISIL AA/Stable
Name of Stock Exchange in which the fine shall be paid in case of short fall in the required borrowing under frame work	BSE Limited

* Outstanding borrowing excludes interest accrued and effective interest rate calculation

b) Annual Disclosure to be made by an entity identified as a Large Corporate

1. Name of Company : V.I.P Industries Limited
2. CIN : L25200MH1968PLC013914
3. Report filed for FY: 2020-21
4. Details of the borrowings (all figures in ₹ crore):

Particulars	Details
Incremental borrowing*done in Financial Year (a)	NIL
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	Not Applicable
Actual borrowings done through debt securities in Financial Year (c)	NIL
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Not Applicable
Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

*Incremental borrowings mean any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is for refinancing/repayment of existing debt or otherwise and shall exclude external commercial borrowings and intercorporate borrowings between a parent and subsidiary(ies).

52 The Indian Parliament has approved the code on Social security, 2020 ('the code') which, inter alia, deals with employee benefits during employment and post- employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

53 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

To the Members of V.I.P Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of V.I.P Industries Limited (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 40 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, of consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 and 18 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 37 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1. Estimation of rebates, discounts and sales returns (Refer note 3A(ii) to the consolidated financial statements) The Company sells its products through various channels like modern trade, distributors, retailers, institutions, etc., and recognises liabilities related to rebates, discounts and right of return. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration rebates, discounts and right of return as per the terms of the contracts. With regard to determination of revenue, the management is required to make significant estimates in respect of following: • the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; • provision for sales returns, where the customer has right to return the goods to the Company; and • compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, sales returns and the estimation of revenue, period end provisions, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts and sales returns to source data; • Assessed the underlying assumptions used for determination of rebates, discount rates, sales returns, etc.; • Ensured completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end in along with the terms of the related schemes. Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect estimation of rebates, discounts and sales returns.

2. Assessment of litigation in respect of sales tax (Refer notes 20 and 39 in the consolidated Financial Statements) The Company has litigations in respect of certain sales tax matters. In this regard, the Company has recognised a provision and has disclosed the balance under contingent liabilities as at March 31, 2021. Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. Where considered relevant, the management judgement is also supported with legal advice in these cases. We focused on this area as the ultimate outcome of matters are uncertain and the positions taken by the management are based on the application of judgement, related legal advice including those relating to interpretation of laws and regulations.	Our procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations; • We discussed with management the recent developments and the status of these matters; • We performed our assessment on the underlying calculations supporting the provisions recorded or other disclosures made in the consolidated financial statements; • We also used auditor's experts to evaluate the management's assessment of these matters and monitored changes in the disputes by reading external legal advice taken by the Company, where relevant, to establish the appropriateness of the provisions / disclosures; • We evaluated management's assessment of the matters that are not disclosed, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures for litigations in respect of sales tax matters. Based on the above work performed, we did not identify any significant deviation to the assessment made by management in respect of provisions recognised and disclosures made in 'contingent liabilities' relating to these sales tax matters in the consolidated financial statements.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 17 and 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial information of 4 subsidiary companies located outside India, whose financial information reflect total assets of ₹180.66 crores and net assets of ₹ 58.73 crores as at March 31, 2021, total revenue of ₹ 122.77 crores, total comprehensive loss (comprising of profit/(loss) and other comprehensive income) of ₹ (4.18) crores and net cash flows amounting to ₹ 5 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

18. We did not audit the financial statements of a subsidiary company located in India whose financial statements reflect total assets of ₹ 0.02 Crores and net assets of ₹ 0.02 Crores as at March 31, 2021, total revenue of ₹ * Crores, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (*) Crores and net cash flows amounting to ₹ (*) Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

*Amount is below the rounding off norm adopted by the group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b)In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c)The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group Refer Note 39 to the consolidated financial statements.

ii. The Group had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. Further, the Group did not have any derivative contract as on March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

20. The Holding Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The subsidiaries incorporated in India have not provided any managerial remuneration to any director during the year. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the subsidiaries incorporated outside India.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: FRN 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681
UDIN:21100681AAAACS6128

Place: Mumbai
Date: May 25, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 19(f) of the Independent Auditors' Report of even date to the members of V.I.P Industries Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of V.I.P Industries Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: FRN 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 20100681AAAABM4381

Place: Mumbai
Date: May 25, 2021

CONSOLIDATED BALANCE SHEET

(₹ in Crores)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	94.87	127.66
Right of Use Assets	4A	188.92	236.70
Capital work-in-progress	4	1.98	2.70
Investment properties	5	2.18	2.30
Other intangible assets	6	2.23	3.93
Intangible assets under development	6	0.30	0.06
Financial assets			
Investments	7A	0.94	0.42
Loans	8A	17.82	21.84
Other financial assets	9A	0.04	0.04
Deferred tax assets (net)	10	33.98	7.50
Current tax assets (net)	11	10.64	8.78
Other non-current assets	12A	2.66	3.69
Total non-current assets		**356.56**	**415.62**
Current assets			
Inventories	13	301.65	448.15
Financial assets			
Investments	7B	140.04	40.35
Trade receivables	14	148.47	267.44
Cash and cash equivalents	15	20.38	6.85
Bank balances other than cash and cash equivalents	16	70.12	3.91
Loans	8B	6.16	7.50
Other financial assets	9B	6.77	2.14
Other current assets	12B	44.77	52.05
Total current assets		**738.36**	**828.39**
Total assets		**1,094.92**	**1,244.01**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	28.26	28.26
Other equity	18	488.92	581.85
Total equity		**517.18**	**610.11**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	21B (A)	161.06	179.88
Other financial liabilities	19A	1.88	2.88
Provisions	20A	11.75	12.45
Other non-current liabilities	21A (A)	0.06	0.10
Deferred Tax Liabilities (Net)	24B	1.04	0.76
Total non-current liabilities		**175.79**	**196.07**
Current liabilities			
Financial liabilities			
Borrowings	22	153.70	32.19
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	-	-
b) Total outstanding dues other than micro and small enterprises	23	154.03	291.25
Lease Liabilities	21B (B)	38.68	57.30
Other financial liabilities	19B	11.58	4.80
Provisions	20B	8.81	10.76
Current tax liabilities (net)	24A	0.53	1.17
Other current liabilities	21A (B)	34.62	40.36
Total current liabilities		**401.95**	**437.83**
Total liabilities		**577.74**	**633.90**
Total equity and liabilities		**1,094.92**	**1,244.01**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Alpa Kedia
Partner
Membership Number: 100681

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

Place: Mumbai
Date: May 25, 2021

(₹ in Crores)

	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations	25	618.56	1,714.35
Other income	26	48.35	12.50
Total income		**666.91**	**1,726.85**
Expenses:			
Cost of materials consumed	27A	163.92	359.75
Purchases of stock-in-trade	27B	48.75	382.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27C	153.49	64.16
Employee benefits expense	28	137.60	210.49
Finance costs	29	29.75	23.00
Depreciation and amortisation expense	30	77.94	86.81
Other expenses	31	180.07	403.72
Total expenses		**791.52**	**1,529.94**
Profit/(Loss) before exceptional items and tax		**(124.61)**	**196.91**
Exceptional items		-	48.50
Profit before tax		**(124.61)**	**148.41**
Tax expense	34		
Current tax		0.43	38.41
Deferred tax		(27.38)	(1.73)
Short/(Excess) provision for tax relating to prior years		(0.17)	-
Total tax expense		**(27.12)**	**36.68**
Profit/(Loss) for the year		**(97.49)**	**111.73**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.52	(0.35)
Remeasurement benefit of defined benefit plans		4.83	(4.62)
Income tax relating to above items		(1.17)	1.22
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(2.16)	5.76
Other comprehensive income for the year, net of tax		**2.02**	**2.01**
Total comprehensive income for the year		**(95.47)**	**113.74**
Earnings per equity share			
Basic earnings/(loss) per share (in ₹)	35	(6.90)	7.91
Diluted earnings/(loss) per share (in ₹)	35	(6.90)	7.91

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
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Company Secretary
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Place: Mumbai
Date: May 25, 2021

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Crores)

	Year ended	
	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before tax	(124.61)	148.41
Adjustments for:		
Depreciation and amortisation expense	77.94	86.81
Interest income classified as investing cash flows	(9.03)	(0.15)
Unwinding of interest on security deposits paid	(3.63)	(2.85)
Interest income from financial assets at amortised cost	-	(0.15)
Income due to Rent Concession and modifications	(17.79)	(1.38)
Finance costs	29.75	23.00
Changes in fair value of financial assets at fair value through profit or loss	0.09	(0.10)
Employee Stock Appreciation Rights	2.55	1.62
Obsolescence of fixed assets	1.13	5.77
Provision for doubtful debts	10.54	8.22
Bad Debts written off during the year	0.04	0.54
(Gain) on Sale of Investment (net)	(2.43)	(0.64)
(Gain) on disposal of property, plant and equipment (net)	(7.87)	(0.24)
Liabilities written back to the extent no longer required	(3.08)	(3.56)
Net exchange differences (unrealised)	(2.32)	6.01
Net Gain/Loss on Translation	(2.16)	5.76
Operating profit before change in operating assets and liabilities	**(50.88)**	**277.07**
Change in operating assets and liabilities:		
(Decrease)/Increase in trade payables	(132.88)	(33.31)
(Decrease)/Increase in other liabilities	(5.97)	(14.53)
Increase in Provisions	6.79	1.79
Decrease/(Increase) in other assets	(51.93)	(1.14)
Decrease/(Increase) in inventories	146.50	79.23
Decrease/(Increase) in trade receivabels	108.34	23.25
Cash generated from operations	19.97	332.36
Direct taxes paid (Net of refund received)	(2.93)	(40.39)
Net cash inflow/(outflow) from operating activities	**17.04**	**291.97**
Cash flow from investing activities		
Payments for property, plant and equipment	(9.12)	(45.22)
(Purchase)/Sale of investments	(97.34)	(40.89)
Proceeds from sale of property, plant and equipment	28.63	0.96
Interest received	2.26	0.15
Net cash (outflow)/inflow from investing activities	**(75.57)**	**(85.00)**

(₹ in Crores)

	Year ended	
	March 31, 2021	**March 31, 2020**
Cash flow from financing activities		
Interest paid	(6.14)	(2.71)
(Repayment)/ Proceeds from short term borrowings	121.50	(53.96)
Principal payment of Lease Liabilities	(26.70)	(47.89)
Interest payment of Lease Liabilities	(16.23)	(20.29)
Dividend paid	(0.37)	(72.99)
Dividend distribution tax paid	-	(13.08)
Net cash (outflow)/inflow from financing activities	**72.06**	**(210.92)**
Net changes in cash and cash equivalents	13.53	(3.95)
Cash and cash equivalents at the beginning of the year (Refer Note 15)	6.85	10.81
Cash and cash equivalents at the end of the year (Refer Note 15)	**20.38**	**6.85**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.34	0.27
Balances with Banks	20.04	6.58
Balance as per statement of cash flows	**20.38**	**6.85**
Non-cash financing and investing activities		
Acquisition of Right of Use Assets	58.07	322.47

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

A. Equity share capital

(₹ in Crores)

Particulars	Notes	Amount
Balance as at March 31, 2019	**17**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2020	**17**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2021	**17**	**28.26**

B. Other equity

(₹ in Crores)

Particulars	Notes	Reserves and Surplus						Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Appreciation Rights Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Foreign currency monetary item translation difference account	
Balance as at March 31, 2019	**18**	**0.15**	**0.15**	**33.53**	**1.31**	**208.76**	**307.85**	**0.57**	**0.80**	**553.12**
Profit for the year		-	-	-	-	-	111.73	-	-	111.73
Other comprehensive income for the year		-	-	-	-	-	(3.52)	(0.27)	5.76	1.97
Total comprehensive income for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**108.21**	**(0.27)**	**5.76**	**113.70**
Employee Stock Appreciation Rights Expense	18		-	-	1.62	-	-	-	-	1.62
Dividend paid on equity shares	18	-	-	-	-	-	(73.51)	-	-	(73.51)
Dividend distribution tax paid	18	-	-	-	-	-	(13.08)	-	-	(13.08)
Balance as at March 31, 2020		**0.15**	**0.15**	**33.53**	**2.93**	**208.76**	**329.47**	**0.30**	**6.56**	**581.85**
Profit/(loss) for the year		-	-	-	-	-	(97.49)	-	-	(97.49)
Other comprehensive income for the year		-	-	-	-	-	3.77	0.40	(2.16)	2.02
Total comprehensive income for the year,net of tax		**-**	**-**	**-**	**-**	**-**	**(93.72)**	**0.40**	**(2.16)**	**(95.47)**
Employee Stock Appreciation Rights Expense	18	-	-	-	2.55	-	-	-	-	2.55
Employee Stock Appreciation Rights Trasnferred to General Reserve	18	-	-	-	(0.62)	0.62	-	-	-	-
Dividend paid on equity shares	18	-	-	-	-	-	-	-	-	-
Dividend distribution tax paid	18	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021		**0.15**	**0.15**	**33.53**	**4.86**	**209.38**	**235.75**	**0.70**	**4.40**	**488.92**

(i) Re-measurement of defined benefit plans shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

(ii) Nature and purpose of each reserve

Capital reserve - This reserve was created in the Financial year 1987-88 and 1990-91. Capital reserves are created out of capital profits and are usually utilised for issue of Bonus Shares or to adjust capital losses.

Capital redemption reserve - Whenever there is a buy-back or redemption of the share capital, the nominal value of the capital is transferred to the capital redemption reserve out of the free reserves available for distribution. This reserve is usually utilised for issue of bonus shares. The said reserve was created in the financial year 1987-88 by erstwhile Blow Plast Limited, which was later-on merged with the Company in the financial year 2006-07.

Securities premium - Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act 2013.

General reserve - General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the company's securities. It was created by transfer of amounts out of distributable profits, from time to time.

Equity instruments through other comprehensive income - The Company has opted to recognise changes in fair value of certain investments in equity instruments through other comprehensive income, under an irrevocable option. These changes are accumulated within the FVOCI equity investments reserve within equity. The amount under this reserve will be transferred to retained earnings when such instruments are disposed off.

Employee stock appreciation rights reserve - Employee stock appreciation rights reserve is created by accounting of the grant date fair value of the rights granted to employees under Employee Stock Appreciation Rights Plan 2018 (ESAR Plan 2018). The said reserve shall be utilised for issue of equity shares of the company against the exercise of the employees share stock appreciation rights by the employees under the ESAR Plan 2018.e Stock Appreciation Rights Plan 2018.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

1. General information

V.I.P. Industries Limited (hereinafter referred to as “the Parent Company” or “the Company”) together with its subsidiaries (collectively referred to as “the Group”) are engaged in the business of manufacturing, and marketing of luggage,bags and accessories. The company is a public limited company and is listed on the BSE Lilmited (BSE) and the National Stock Exchange of India Limited (NSE).

These Consolidated financial statements were approved for issue by the board of directors on May 25, 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

These financial statements have been prepared on the historical cost basis, except for the following:

a) Certain financial assets and liabilities (including derivatives instruments) that are measured at Fair Value.

b) Defined benefit plans - Plan assets are measured at Fair Value

c) Employee Stock appreciation rights are measured at Fair Value

iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the group’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2020:

- Definition of Material- Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- COVID-19 related concessions – Amendments to Ind AS 116, Leases

Amendments listed above except Ind AS 116, Leases did not have any material impact on the current period and are not expected to significantly affect the future period. Impact due to amendment to Ind AS 116 has been disclosed in note 38.

The MCA has also carried out amendments to the following other accounting standards. The amendments to the following standards has been assessed and the same are not applicable to the group.

- Definition of a Business – Amendments to Ind AS 103
- Interest Rate Benchmark Reform – Amendments to Ind AS 109 and Ind AS 107

b Principles of consolidation and equity accounting

Subsidiaries are all entities over which the parent company has control. The parent company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. For list of subsidiaries, refer note 40.

C Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the group 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 parent Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of Profit and loss. All the foreign exchange gains and losses are presented in the consolidated statement of Profit and Loss on a net basis within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

iii) Transaction of financial statements of foreign entities

On Consolidation, the assets and liabilities of foreign operations are translated into Indian rupees (INR) at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing on the date of transaction. For practical reasons, the group uses an average rate to translate income and expense items if the average rate approximates the exchange rates on the date of transaction. The exchange differences arising on translation for consolidation are recognised in consolidated statement of Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclaissified to consolidated statement of Profit and Loss.

d Revenue recognition

(i) Sale of goods:

Recognition: The group manufactures and sells a range of luggage and bags in the wholesale and retail market. Sales are recognised when the control of the products has been transferred to the customer.The control of the products is said to have been transferred to the customer when the products are delivered to the customer,the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

The revenue is recognised net of estimated rebates/discounts pursuant to the schemes offered by the group, estimated additional discounts and expected sales returns. Accumulated experience is used to estimate and provide for the rebates/discounts. The related liabilities at the year end are disclosed in 'Other Liabilities'. The assumptions and estimated amount of rebates/discounts and Returns are reassessed at each reporting period. The group's obligation to repair or replace faulty products under the standard warranty term is recognised as provision.

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns (including expected returns), rebates and discounts, goods and service tax and amounts collected on behalf of third parties.

ii) Export Benefits

In case of export sales made by the group, export benefits arising from Duty Drawback scheme and Merchandise Export Incentive scheme are recognised alongwith underlying revenue.

e Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker assesses the financial performance and position and makes strategic decisions. (Refer note 42)

f Income tax, deferred tax and dividend distribution tax

Current and Deferred Income tax

The income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period 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 only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Recognition of Deferred Tax Assets on losses would be based on the management estimates of reasonable certainty of future projections of profitability.

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 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 realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the 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.

Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution and dividend distribution tax is recognised and presented in equity.

Foreign Subsidiaries:

The Manufacturing factories are based in Mongla Export Processing Zone (MEPZ) under BEPZA. As per the provisions of S.R.O. No. 219/2012 dated June 27, 2012, the income of the Factory is exempted from tax 100% for the first three years, 50% for next three years and 25% in the seventh year from the date of commencement of commercial production. As per SRO and relevant provisions of Income Tax Ordinance 1984, adequate tax provision has been made on the profits.

g Leases

i) As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable

- Amounts expected to be payable by the group under residual value guarantees, if any

The lease payments are discounted using group’s incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-ofuse asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

-The amount of the initial measurement of lease liability

- Any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straightline basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as on expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

ii) As a lessor

Lease income from operating leases where the group is lessor is recognised as income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

h Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes purchase price including import duties, non-refundable taxes and directly attributable expenses to the acquisition of the items.

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 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 expenses are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital Work in Progress ('CWIP') comprises of cost of assets not ready for intended use as on the Balance sheet date. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013, except for furniture and fixtures in the stores, Computer Servers, Soft luggage Moulds and Hard Luggage Moulds, where useful life is based on technical evaluation done by management's expert, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years
Plant and machinery	
- Single shift	15 years
- Triple shift	7.5 years
Moulds and dies	
- Soft luggage	2 years
- Hard luggage	6.17 years
Furniture and fixtures	
- Furniture and fixtures at group run stores	2 years
- Others	10 years
Office equipments	5 years
Data processing machines	3 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss account.

Foreign Subsidiaries

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	20 years
Furniture	10 years
Plant and machinery	5 years
Office equipments	5 years
Data processing machines	3.33 years
Vehicles	5 years

i Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Buildings	
- Factory building	30 years
- Others	60 years

j Intangible assets

a) Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

b) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The estimates of useful lives are as follows:

Assets	Estimated Useful life (in years)
Patents, copyrights and other rights	10 years
Computer Software	3 years

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life (in years)
Computer Software	3.33 years

k Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l Inventories

Raw materials, packing materials, stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials, stores and spares and stockin-trade comprise of cost of purchases determined using moving weighted average method. Cost of work-in-progress and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

m Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

i) Classification

The group classifies its financial assets in the following measurement categories:

- At fair value either through other comprehensive income (FVOCI) or through profit and loss (FVTPL); and
- At amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Gains and losses will either be recorded in the statement of profit and loss or other comprehensive income for assets measured at fair value. The group has made an irrevocable election at the time of initial recongnition, to account for investment in equity instruments that are not held for trading, at FVOCI.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss account, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss.

a) Debt instruments

There are three measurement categories into which the classifies its debt instruments:

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. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

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 income and foreign exchange gains and losses which are recognised in the 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 profit and loss and recognised in other income or other expenses (as applicable).

Fair value through profit and loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

b) Equity instruments

The group measures all equity investments at fair value. Where the group's management has opted to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss, subject to derecognition of the asset. Dividends from such investments are recognised in the statement of profit and loss as other income when the group's right to receive payments is established.

Where the management has not opted to present fair value gains and losses on equity investments in other comprehensive income, changes in fair value are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The manner in which the company assesses the credit risk has been disclosed in note number 45.

For trade receivables only, the simplified approach is applied as permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when –

- The group has transferred the rights to receive cash flows from the financial asset or
- 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 group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income Recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow and the amount of the dividend can be measured reliably.

vi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the financial statement.

vii) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less expected credit losses.

2) Financial Liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liabilities not recorded at fair value through profit and loss), that are directly attributable to the issue of financial liability. All financial liabilities are subsequently measured at amortised cost using effective interest method. Under the effective interest method, future cash outflow are exactly discounted to the initial recognition value using the effective interest rate, over the expected life of the financial liability, or, where appropriate, a shorter period. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

ii) Derecognition

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 de-recognition 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.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

iv) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments.They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivative contracts are used to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

v) 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 recognised amounts and there is an intention to settle on a net basis or realise 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.

n Employee benefits

(i) 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 period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

A) Defined benefit gratuity plan for the parent company:

The parent 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 and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

B) Defined benefit gratuity plan for the overseas subsidiaries-

The subsidiary companies provides for service benefit for employees as per the Payment of service benefit Act, 2019. Employees who are in continuous service for a period of 5 years or more are eligible for service benefit. The amount of service benefit payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The service benefit plan is a non funded plan and the Company makes provision in the the books over a period of time based on estimations of expected service benefit payments.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income, which are included in retained earnings in the statement of changes in equity and in the balance sheet.

C) Defined benefit provident fund plan for the parent company:

Provident Fund contributions are made to a Trust administered by the parent company. The parent company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Gains and losses, if any, arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

D) Contributory Provident Fund for overseas subsidiaries-

A contributory provident fund has been introduced for its eligible employees, obtaining necessary approval from the National Board of Revenue, GOB. Provident Fund is reviewed by a Board of Trustees. All confirmed employees are contributing 8.33% of their basic salary as subscription of the fund and overseas subsidiaries have also contributed at the same rate to the fund. The contributions are invested in compliance with the PF Trust Deed. Members are eligible to withdraw fund as per the BEPZA provident Fund policy 2012.

(iv) Bonus plans

A liability and an expense for bonuses has been recognised. The provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Stock Appreciation Rights Plan.

Liabilities for the share appreciation rights are recognised as employee benefit expense over the relevant vesting period. The fair value of the rights are measured at grant date and an Employee stock appreciation rights reserve is created in the balance sheet over the vesting period.

o Provisions, contingent liabilities and contingent assets

Provisions: Provisions for legal claims, Service Warranties, Volume discount and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of 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 passage of time is recognised as a finance cost

Contingent liabilities: 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 group 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.

Contingent assets: Contingent assets are disclosed when there is a possible asset that arises from past events and where 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 group.

p Contributed Equity

Equity shares are classified as equity. 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.

q Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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

r Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s Exceptional item

An item of income or expenses, pertaining to the ordinary activities of the group, is classified as an exceptional item, when the size, type or incidence of the item merits separate disclosure in order to provide better understanding of the performance of the group. Accordingly the same is disclosed in the notes accompanying the financial statements.

t Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III of the Companies Act 2013.

3 Critical estimates and judgments

In the application of the group's accounting policies, which are described in note 2, the management is required to make judgement, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other process. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future period.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

i) Estimation of Provisions and Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which are related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. Although there can be no assurance of the final outcome of the legal proceedings in which the group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. (Refer note 39)

ii) Estimation of rebates, discounts and sales returns

The revenue recognition policy requires estimation of rebates, discounts and sales returns. There are a varied number of rebates/discount schemes offered which are primarily driven by the terms and conditions for each scheme including the working methodology to be followed and the eligibility criteria for each of the scheme. The estimates for rebates/discounts need to be based on evaluation of eligibility criteria and the past trend analysis. The expected sales returns are estimated based on a detailed historical study of past trends. [Refer Note 2(d) and 25].

iii) Estimation of useful life of Property, Plant and Equipment, Intangible assets, Investment properties

Property, Plant and Equipment, Intangible assets, Investment properties represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 4, 5 and 6)

iv) Estimation of provision for inventory

The group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

v) Estimation of defined benefit obligation

The group provides defined benefit employee retirement plans. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate, salary escalation rate, attrition rate and mortality rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The appropriate discount rate, salary escalation rate are determined and attrition rate at the end of each year. In determining the appropriate discount rate, the interest rates of government bonds of maturity approximating the terms of the related plan liability are considered and attrition rate and salary escalation rate is determined based on the past trends adjusted for expected changes in rate in the future. (Refer note 28)

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii) Estimation of provision for warranty claims

Warranties are offered for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year (Refer note 36 A).

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on expected credit loss method. The judgement is used in making the assumptions in calculating the default rate required for identifying the provision as per the expected credit loss method at the end of each reporting period. (Refer note 14)

ix) Leases

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4 Property, plant and equipment

(₹ in Crores)

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	Impairment Provision	As at March 31, 2021	As at March 31, 2021
Buildings #	40.50	4.54	10.79	34.25	8.44	1.91	2.03	-	8.32	25.93
Plant and machinery	84.68	2.38	8.98	78.08	25.63	10.58	2.39	-	33.82	44.26
Data processing machines	12.60	0.26	0.16	12.70	5.22	3.31	0.11	-	8.42	4.28
Moulds and dies	13.31	1.45	*	14.76	7.04	1.78	-	-	8.82	5.94
Furniture and fixtures	23.44	0.23	5.12	18.55	11.75	4.23	3.96	0.19	12.21	6.34
Office equipment	7.13	0.19	0.40	6.92	2.29	1.21	0.23	-	3.27	3.65
Vehicles	10.38	0.84	3.23	7.99	4.01	1.12	1.61	-	3.52	4.47
Total	**192.04**	**9.89**	**28.68**	**173.25**	**64.38**	**24.14**	**10.33**	**0.19**	**78.38**	**94.87**
Capital Work-in-Progress	**2.70**	**1.46**	**2.18**	**1.98**	**-**	**-**	**-**		**-**	**1.98**

	Gross carrying amount				Accumulated Depreciation					Net carrying amount
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation charge during the year	Disposals/ Adjustments	Impairment Provision	As at March 31, 2020	As at March 31, 2020
Leasehold land ##***	5.78	-	5.78	-	0.83	0.06	0.89	-	-	-
Buildings # **	37.88	1.22	(1.40)	40.50	6.19	1.98	(0.27)	-	8.44	32.06
Plant and machinery	66.84	20.34	2.50	84.68	15.93	8.90	(0.80)	-	25.63	59.05
Data processing machines	6.90	5.70	*	12.60	3.11	2.12	0.01	-	5.22	7.38
Moulds and dies	9.71	3.83	0.23	13.31	5.57	1.70	0.23	-	7.04	6.27
Furniture and fixtures	14.32	9.40	0.28	23.44	7.80	4.09	0.14	-	11.75	11.69
Office equipment	4.04	3.39	0.30	7.13	1.41	0.92	0.04	-	2.29	4.84
Vehicles	10.42	1.40	1.44	10.38	3.41	1.41	0.81	-	4.01	6.37
Total	**155.89**	**45.28**	**9.13**	**192.04**	**44.25**	**21.18**	**1.05**	**-**	**64.38**	**127.66**
Capital Work-in-Progress	**5.69**	**2.68**	**5.67**	**2.70**	**-**	**-**	**-**	**-**	**-**	**2.70**

*Amount is below the rounding off norm adopted by the group.

** An amount of ₹ NIL (March 31, 2020: 0.06 Crores) included in land and building is reclassified from investment property.

*** An amount of ₹ NIL (March 31, 2020: ₹ 0.01 Crores) and ₹ NIL (March 31, 2020: ₹ 0.34 Crores) previously included in leasehold land and building respectively is reclassified to investment property.

An amount of ₹ 0.89 Crores (March 31, 2020: 0.91 Crores) included in building is yet to be registered in the name of the company. For other properties yet to be registered in the name of the Company [Refer note 5].

An amount of ₹ NIL (March 31, 2020: ₹ 5.77 Crores) previously included in leasehold land is transferred to right of use asset.

Notes :

i) Contractual obligations :

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) Capital work-in-progress :

Capital work-in-progress mainly comprises of moulds and other routine infrastructure enhancements.

iii) The Listed, secured Redeemable, 7.45% Non-Convertible Debentures (NCDs) aggregating to ₹ 100 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Sinnar in District Nashik, Maharashtra by way of mortgage and the listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. (Refer note 22)

iv) During the year, the Company has disposed off the property, plant & equipments at its Haridwar Plant and accordingly, recognised a gain of ₹ 0.15 Crores under the head 'Other Income'. (Refer note 51)

4A Right Of Use Assets

(₹ in Crores)

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at Mar 31, 2021	As at April 1, 2020	Depreciation charge during the year	Disposals/ Adjustments	As at Mar 31, 2021	As at Mar 31, 2021
Leasehold Land	5.77	-	5.29	0.48	0.89	0.03	0.75	0.17	0.31
Building	294.96	60.93	57.72	298.17	63.14	51.79	5.37	109.56	188.61
Total	**300.73**	**60.93**	**63.01**	**298.65**	**64.03**	**51.82**	**6.12**	**109.73**	**188.92**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2020	As at March 31, 2020
Leasehold Land	-	-	(5.77)	5.77	-	-	(0.89)	0.89	4.88
Building	259.06	72.95	37.05	294.96	-	64.14	1.00	63.14	231.82
Total	**259.06**	**72.95**	**31.28**	**300.73**	**-**	**64.14**	**0.11**	**64.03**	**236.70**

Note:

During the year, the Company has disposed off the properties at its Haridwar Plant and accordingly, recognised a gain of ₹ 13.14 Crores under the head 'Other Income'. (Refer note 51)

5 Investment properties

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Gross Carrying amount		
Opening Gross Carrying amount	2.82	2.53
Additions	-	-
Disposals	-	-
Transfer (net)	-	0.29
Closing gross carrying amount	**2.82**	**2.82**
Accumulated depreciation		
Opening accumulated depreciation	0.52	0.35
Depreciation charged	0.12	0.12
Disposals	-	-
Transfer (net)	-	0.05
Closing accumulated depreciation	**0.64**	**0.52**
Net Carrying amount #	**2.18**	**2.30**

An amount of ₹ 0.01 Crores (March 31, 2020: ₹ 0.01 Crores) included in freehold land, ₹ * Crores (March 31, 2020: ₹ * Crores) included in leasehold land and ₹ 0.90 Crores (March 31, 2020: ₹ 0.93 Crores) included in building is yet to be registered in the name of the Company.

* Amount is below the rounding off norm adopted by the group.

(i) Amount recognised in statement of profit or loss for Investment properties

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Rental income	2.12	3.15
Direct operating expenses	0.28	0.65
Profit from investment properties before depreciation	**1.84**	**2.50**
Depreciation	0.12	0.12
Profit from investment properties	**1.72**	**2.38**

(ii) Fair Value (₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Investment properties	77.83	76.93

Estimation of fair value

The group obtains independent valuations for its investment properties at least annually based on current prices in an active market for properties of similar nature or recent prices of similar properties. The fair values of investment properties have been determined by an independent valuer. The main inputs used are the rental growth rates and market rates bases on comparable transactions.

6 Other Intangible assets

(₹ in Crores)

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2020	Additions	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation charge during the year	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021
Computer software	7.86	0.17	0.02	8.01	3.93	1.86	0.01	5.78	2.23
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**7.91**	**0.17**	**0.02**	**8.06**	**3.98**	**1.86**	**0.01**	**5.83**	**2.23**
Intangible Assets under development	**0.06**	**0.27**	**0.03**	**0.30**	**-**	**-**	**-**	**-**	**0.30**

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2019	Additions	Disposal/ Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation charge during the year	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020
Computer software	5.40	2.41	(0.05)	7.86	2.53	1.37	(0.03)	3.93	3.93
Patent and trademarks	0.05	-	-	0.05	0.05	-	-	0.05	-
Total	**5.45**	**2.41**	(0.05)	**7.91**	**2.58**	**1.37**	**(0.03)**	**3.98**	**3.93**
Intangible Assets under development	**0.11**	**0.06**	**0.11**	**0.06**	**-**	**-**	**-**	**-**	**0.06**

Contractual obligations : Refer note 41 for disclosure of contractual commitments for the acquisition of intangible assets.

7 Investments

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
A) Non-Current Investments		
Investment in Equity Instruments (fully paid-up)		
a) Quoted (at FVOCI)		
1,000 (March 31, 2020:1,000) equity shares of ₹ 2 each fully paid-up in Windsor Machines Limited	0.01	0.01
1,909 (March 31, 2020:1,909) equity shares of ₹ 10 each fully paid-up in Kemp and Company Limited [Refer note 47 (e)]	0.07	0.09
2,250 (March 31, 2020: 2,250) equity shares of ₹ 10 each fully paid-up in Jindal South West Holdings Limited	0.86	0.32
Total Quoted equity shares	**0.94**	**0.42**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
	b) Unquoted		
	In other entities (at FVTPL)		
	2,000 (March 31, 2020: 2,000) equity shares of ₹ 10 each fully paid-up held in Saraswat Co-operative Bank Limited.	*	*
	100 (March 31, 2020: 100) equity shares of ₹ 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited.	*	*
	10 (March 31, 2020: 10) equity shares of ₹ 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar.	*	*
	Total Unquoted equity shares	*	*
	Total Investment in Equity Instruments	**0.94**	**0.42**
	Total Non-current investments	**0.94**	**0.42**
	Aggregate amount of quoted investments and market value thereof	**0.94**	**0.42**
	Aggregate amount of unquoted investments	*	*
	*Amount is below the rounding off norm adopted by the group.		
B)	**Current investments**		
I	**Investments in mutual funds (quoted) (at FVTPL)**		
	1,95,506.326 units (March 31, 2020: 69,431.355 units) Aditya Birla Sun Life Overnight Fund	21.76	7.50
	Nil (March 31, 2020: 3,99,291.586 units) Aditya Birla Sun Life Liquid Fund	-	12.76
	Nil (March 31, 2020: 41,409.069 units) Nippon India Liquid Fund Direct Plan - Growth	-	20.09
		21.76	**40.35**
II	**Investments in Bonds (quoted) (at amortised cost)**		
	3,50,000 (March 31, 2020: Nil) 8.75% Muthoot Finance Limited June 19, 2021 Bonds of FV of ₹ 1000 each	35.37	-
	100 (March 31, 2020: Nil) Muthoot Fincorp Limited Feb 16, 2023 Bonds of FV of ₹ 10 Lacs each	10.02	-
		45.39	**-**
III	**Investments in Commercial Paper (quoted) (at amortised cost)**		
	500 (March 31, 2020: Nil) 9.15% Adani Enterprises Limited April 9, 2021 Commercial Papers of ₹ 5 Lacs each	24.23	-
	500 (March 31, 2020: Nil) 7.75% Piramal Enterprises Ltd July 19, 2021 Commercial Papers of ₹ 5 Lacs each	24.07	-
	300 (March 31, 2020: Nil) 7.50% Piramal Enterprises Ltd May 7, 2021 Commercial Papers of ₹ 5 Lacs each	14.74	-
	200 (March 31, 2020: Nil) 6.00% Adani Enterprises Limited May 10, 2021 Commercial Papers of ₹ 5 Lacs each	9.85	-
		72.89	**-**
	Total current investments (I+II+III)	**140.04**	**40.35**
	Aggregate amount of quoted investments and book value thereof	**140.04**	**40.35**
	Aggregate amount of quoted investments and market value thereof	**140.39**	**-**
	Aggregate amount of unquoted investments	**-**	**-**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
8	**Loans**		
	A) Non-current		
	Security deposits	17.82	21.84
	Total non-current loans	**17.82**	**21.84**
	B) Current		
	Security deposits	6.16	7.50
	Total current loans	**6.16**	**7.50**
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	23.98	29.34
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	Total	**23.98**	**29.34**
	Loss allowance	-	-
	Total loans	**23.98**	**29.34**
9	**Other financial assets**		
	A) Non-current		
	Margin money deposit	0.04	0.04
	Total non-current other financial assets	**0.04**	**0.04**
	B) Current		
	Receivable against sale of property	2.00	2.00
	Less: Provision for Doubtful debts	(2.00)	
		-	2.00
	Interest accrued on deposits	6.77	0.14
	Total current other financial assets	**6.77**	**2.14**
10	**Deferred tax assets (net)**		
	The balance comprises:		
	Deferred tax assets		
	Provision for doubtful debts	4.99	2.38
	Expenses disallowed u/s 43B of the Income tax act, 1961	1.98	2.36
	On account of voluntary retirement scheme	-	-
	Depreciation and ammortisation	3.32	1.22
	Lease	4.05	2.91
	Others	-	-
	Tax on Losses	20.95	-
	Deferred tax liabilities		
	FVOCI	(0.21)	(0.11)
	Others	(1.10)	(1.26)
	Total deferred tax assets (net) (Refer note 43a)	**33.98**	**7.50**
11	**Current tax assets (net)**		
	Advance income tax and income tax deducted at source [Net of provision for taxation ₹ 287 Crores (March, 2020 ₹ 287 Crores)]	10.64	8.78
	Total current tax assets	**10.64**	**8.78**

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
12 Other assets		
A) Non-current		
Capital advances	0.32	1.08
Prepaid expenses	0.39	0.48
Balances with government authorities	1.95	2.13
Total other non-current assets	**2.66**	**3.69**
B) Current		
Prepaid expenses	6.80	10.39
Balances with government authorities	19.68	34.69
Advances to employees	0.11	0.22
Advance to suppliers	3.84	3.00
Export benefit receivable	0.27	0.25
Others	0.49	0.28
Refund Assets	7.57	3.22
Advance to Gratuity Trust [Refer Note 46]	6.01	-
Total other current assets	**44.77**	**52.05**
13 Inventories		
Stores and spares	3.91	4.26
Packing material	3.36	6.99
Raw Materials	95.53	84.10
Raw Materials in transit	1.28	1.01
Work-in-progress	25.70	24.88
Finished goods	68.74	106.46
Stock-in-trade	89.55	186.22
Stock-in-trade in transit	13.58	34.23
Total inventories	**301.65**	**448.15**
14 Trade receivables		
Trade receivables#	166.20	276.41
Receivables from related parties (Refer note 47e)	0.05	0.27
Less: Provision for doubtful debts	(17.78)	(9.24)
Total receivables	148.47	267.44
Current portion	148.47	267.44
Non-current portion	-	-
Break-up of security details		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	166.25	276.68
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable credit impaired	-	-
Total	166.25	276.68
Provision for doubtful debts	(17.78)	(9.24)
Total trade receivables	**148.47**	**267.44**

Trade receivables are disclosed net of expected sales returns aggregating to ₹ 5.86 crores [March 31, 2020 ₹ 5.31 crores], [Refer note 2(d) and note 25].

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
15	**Cash and cash equivalents**		
	Cash and cash equivalents		
	Cash on hand	0.34	0.27
	Balances with banks		
	In current accounts	19.20	5.46
	In EEFC accounts	0.84	1.12
	Total cash and cash equivalents	**20.38**	**6.85**
16	**Bank balances other than cash and cash equivalents**		
	Earmarked balances with banks (Unpaid/Unclaimed dividend account)	3.54	3.91
	Deposits with maturity more than 3 months but less than 12 months	66.58	-
	Total bank balances other than cash and cash equivalents	**70.12**	**3.91**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

17	**Equity share capital**		
	Authorised share capital:		
	246,500,000 (March 31, 2020: 246,500,000) equity shares of ₹ 2 each	49.30	49.30
	1,000 (March 31, 2020: 1,000) 9% redeemable cumulative preference shares of ₹ 1,000 each	0.10	0.10
		49.40	49.40
	Issued, subscribed and fully paid up		
	141,317,315 (March 31, 2020: 141,317,315) equity shares of ₹ 2 each	28.26	28.26
	Total equity share capital	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year (₹ in Crores)

	Number of Shares	Amount
Issued, subscribed and paid-up capital		
As at March 31, 2019	**141,317,315**	28.26
Add : Issued during the year	-	-
As at March 31, 2020	**141,317,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2021	**141,317,315**	**28.26**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	Number of shares	% Holding
As at March 31, 2020		
Equity Shares held by:		
DGP Securities Limited	36,893,755	26.11%
Vibhuti Investments Company Limited	22,532,585	15.94%
As at March 31, 2021		
Equity Shares held by:		
DGP Securities Limited	36,842,755	26.07%
Vibhuti Investments Company Limited	22,532,585	15.94%

(₹ in Crores)

	As at March 31, 2021	As at March 31, 2020
18 Other equity		
(i) Capital reserve	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15
(iii) Securities premium	33.53	33.53
(iv) Employee Stock Appreciation Rights Reserve	4.86	2.93
(v) General reserve	209.38	208.76
(vi) Retained earnings	235.75	329.47
(vii) Other Reserves	5.10	6.86
Total reserves and surplus	**488.92**	**581.85**
(i) Capital reserve		
At the beginning and end of the year	**0.15**	**0.15**
(ii) Capital redemption reserve		
At the beginning and end of the year	**0.15**	**0.15**
(iii) Securities premium		
At the beginning and end of the year	**33.53**	**33.53**
(iv) Employee Stock Appreciation Rights Reserve		
Balance as at the beginning of the year	2.93	1.31
Add: Employee Stock Appreciation Rights Expense	2.55	1.62
Less: Transfer to General Reserve	(0.62)	-
Balance as at the end of the year	**4.86**	**2.93**
(v) General reserve		
Balance as at the beginning of the year	208.76	208.76
Add: Transferred from Employee Stock Appreciation Rights Reserve	0.62	-
Balance as at the end of the year	**209.38**	**208.76**
(vi) Retained earnings		
At the beginning of the year	329.47	307.85
Add: Profit/(loss) for the year	(97.49)	111.73
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	3.77	(3.52)
Less: Appropriations		
Dividends		
Interim dividend	-	45.25
Final dividend	-	28.26
Dividend distribution tax	-	13.08
Closing balance	**235.75**	**329.47**
(vii) Other reserves		
At the beginning of the year	**0.30**	**0.57**
Changes in fair value of FVOCI equity instruments	0.52	(0.35)
Deferred tax	(0.12)	0.08
Closing balance	**0.70**	**0.30**
Foreigen currency translation reserve		
At the beginning of the year	6.56	0.80
Exchange difference arising on translation of foreign operations	(2.16)	5.76
Balance as at the end of the year	**4.40**	**6.56**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
19	**Other financial liabilities**		
	A) Non-current		
	Deposits received	1.88	2.88
	Total other non-current financial liabilities	**1.88**	**2.88**
	B) Current		
	Unpaid/Unclaimed dividends (Refer note below)	3.54	3.91
	Payable on capital purchases	0.05	0.61
	Deposits received	0.61	0.28
	Interest accrued and not due on non-convertible debentures (Refer note 22)	7.38	-
	Total other current financial liabilities	**11.58**	**4.80**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

		As at	
		March 31, 2021	March 31, 2020
20	**Provisions**		
	A) Non-current		
	Provision for sales tax disputes (Refer Note 36 B)	0.29	0.37
	Provisions for warranties (Refer Note 36 A)	5.42	4.87
	Provision for compensated absences (Refer Note 46)	6.04	7.21
	Total non-current provisions	**11.75**	**12.45**
	B) Current		
	Provisions for warranties (Refer Note 36 A)	2.71	2.43
	Provision for gratuity (Refer Note 46)	3.28	5.08
	Provision for compensated absences (Refer Note 46)	2.82	3.25
	Total current provisions	**8.81**	**10.76**
21A	**Other liabilities**		
	A) Non-current		
	Unearned income on deposit received	0.06	0.10
	Total other non-current liabilities	**0.06**	**0.10**
	B) Current		
	Employee benefits payable	2.79	1.33
	Advances from customers	8.01	9.63
	Statutory dues including provident fund and tax deducted at source	3.72	5.94
	Unearned income on deposit received	0.03	0.06
	Others	20.07	23.40
	Total other current liabilities	**34.62**	**40.36**
21B	**Lease Liabilities**		
	A) Non-current		
	Lease Liabilities (Refer Note 38)	161.06	179.88
	Total Non Current Lease Liabilities	**161.06**	**179.88**
	B) Current		
	Lease Liabilities (Refer Note 38)	38.68	57.30
	Total Current Lease Liabilities	**38.68**	**57.30**

(₹ in Crores)

		As at	
		March 31, 2021	March 31, 2020
22	**Borrowings Current**		
	Secured:		
	Debenture (Refer note below)		
	7.45% Non- Convertible Debentures	98.90	-
	7.25% Non- Convertible Debentures	49.58	-
	Working capital loans from banks	5.22	12.19
	Unsecured:		
	Working capital loans from banks	-	20.00
	Total current borrowing	**153.70**	**32.19**

1) Secured borrowings : The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage. And The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage. (Refer note 52)
2) Interest on Debentures has been calculated using effective interest rate method as per Ind AS 109. The same has been classified as current financial liability and shown separately.
3) The Charge on the current assets of the Company has been created for undrawn borrowing facilities at the end of the reporting period.

23	**Trade Payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	-	2.54
	(ii) Others	154.03	288.71
	Total	**154.03**	**291.25**

Disclosure of Trade payable and payable on capital purchases to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year

24A	**Current tax liabilities (net)**		
	Provision for income tax (net) [Net of advance tax ₹ 0.13 Crores (March, 2020 ₹ 0.88 Crores)]	0.53	1.17
	Total current tax liabilities	**0.53**	**1.17**
24B	**Deferred tax liabilities (net)**		
	Depreciation and ammortisation (Deferred Tax Liabilities)	1.08	0.78
	Leases (Deferred Tax asset)	(0.04)	(0.02)
	Total current tax liabilities (Refer note 43b)	**1.04**	**0.76**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
25	**Revenue from operations**		
	Revenue from contracts with customers [Sale of products]		
	Manufactured goods	390.46	550.46
	Traded goods	226.73	1,161.60
		617.19	1,712.06
	Other operating revenues		
	Scrap sales	1.20	1.57
	Export incentive	0.17	0.72
	Total revenue from operations	**618.56**	**1,714.35**
	Reconciliation of revenue from operations with contract price		
	Contract Price	719.18	1,891.44
	Less adjustments for :		
	Sales Returns	6.13	1.52
	Discounts and rebates	94.39	172.84
	Others	1.47	5.02
		617.19	**1,712.06**
26	**Other income**		
	Interest Income on financial assets at amortised cost		
	On security Deposits	0.11	0.14
	On bank deposits	3.35	0.01
	On bond	3.73	-
	On commercial paper	1.84	-
	Others	-	0.15
	Unwinding of interest on security deposits (paid)	3.63	2.85
	Other non-operating income		
	Rental income	2.12	3.15
	Liabilities written back to the extent no longer required	3.08	3.56
	Income due to Rent Concession and modifications (Refer note 38)	17.79	1.38
	Miscellaneous Income	2.40	0.28
	Other gains and losses		
	Net gain on fair value changes on investments	-	0.10
	Net gain arising on sale of property, plant and equipment (Refer note 4 & 4A)	7.87	0.24
	Net gain arising on sale of Investment	2.43	0.64
	Total other income	**48.35**	**12.50**
27(A)	**Cost of materials consumed**		
	Raw material consumed (Refer note 33)		
	Opening inventory	84.27	72.74
	Add: Purchases (net)	164.76	348.01
	Less: Inventory at the end of the year	97.75	82.29
		151.28	**338.46**
	Packing material consumed (Refer note 33)		
	Opening inventory	6.96	5.40
	Add: Purchases (net)	9.08	22.77
	Less: Inventory at the end of the year	3.40	6.88
		12.64	**21.29**
	Total cost of materials consumed	**163.92**	**359.75**

(₹ in Crores)

	Year ended March 31, 2021	Year ended March 31, 2020
27(B) Purchases of stock-in-trade		
Stock-in-trade	48.75	382.01
Total purchase of stock-in-trade	**48.75**	**382.01**
27(C) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year: (Refer note 33)		
Finished goods	68.84	105.80
Work-in-progress	25.92	23.98
Stock-in-trade	103.13	220.45
	197.89	**350.23**
Stock at the beginning of the year		
Finished goods	106.29	77.47
Work-in-progress	24.64	14.65
Stock-in-trade	220.45	350.23
	351.38	**442.35**
Less: Reclassification to Exceptional items (Refer note 50)	-	27.96
	351.38	**414.39**
Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**153.49**	**64.16**
28 Employee benefits expense		
Salaries, wages and bonus	119.19	186.55
Contribution to provident fund and other funds (Refer note 46)	7.00	9.96
Employee share-based payment expense (Refer note 48)	2.55	1.62
Gratuity (Refer note 46)	3.88	3.71
Staff welfare expenses	4.98	8.65
Total employee benefits expense	**137.60**	**210.49**
29 Finance costs		
Unwinding of interest on security deposits	0.08	0.06
Interest expense	4.99	2.51
Interest accured on non-convertible debentures [Refer note 22(2)]	7.38	-
Interest on lease liability	16.23	20.29
Other finance costs	1.07	0.14
Total finance costs	**29.75**	**23.00**
30 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 4)	24.14	21.18
Amortisation of intangible assets (Refer note 6)	1.86	1.37
Depreciation on investment property (Refer note 5)	0.12	0.12
Depreciation Right to Use Assets (Refer note 4A)	51.82	64.14
Total depreciation and amortisation expense	**77.94**	**86.81**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
31	**Other expenses**		
	Consumption of stores and spare parts	2.31	3.87
	Job Work Charges	8.50	23.52
	Power and fuel	7.56	16.40
	Electricity Expenses	2.40	4.65
	Rent (Refer note 38)	5.91	4.17
	Repairs and maintenance	-	-
	Buildings	0.60	0.36
	Plant and machinery	0.07	0.43
	Others	9.92	10.81
	Insurance	4.80	5.32
	Rates and taxes	2.63	4.29
	Travelling expenses	4.14	22.12
	Directors fees	0.14	0.24
	Payments to auditors (Refer note 32A)	0.50	0.48
	Expenditure towards corporate social responsibility (CSR) activities (Refer note 32B)	3.48	3.31
	Professional fees	4.76	5.52
	Communication expenses	2.04	3.91
	Advertisement and publicity expenses	20.84	91.62
	Freight, handling and octroi	45.98	100.72
	Commission on sales	0.17	0.46
	Bank charges and commission	1.04	2.23
	Human resource procurement	28.46	62.02
	Allowance for doubtful debts (net) (Refer note 9B and 14)	10.58	8.76
	Bad debts written off during the year	0.04	0.54
	Less: Provision for doubtful debts	(0.04)	(0.54)
	Net loss on foreign currency transactions and translation	(0.17)	6.62
	Obsolescence of fixed assets	1.13	0.04
	Net loss on fair value changes on investments	0.09	-
	Miscellaneous expenses	12.19	21.85
	Total	**180.07**	**403.72**

32A	**Details of payments to auditors**		
	As auditor :		
	Audit fee	0.43	0.41
	In other capacities		
	Certification fees	0.07	0.06
	Re-imbursement of expenses	*	0.01
	Total payment to auditors	**0.50**	**0.48**

The above fee includes the fees of statutory auditors of subsidiary companies who are different from auditors of the holding company.

*Amount is below the rounding off norm adopted by the group.

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
32B	**Corporate social responsibility expenditure**		
	Amount required to be spent as per section 135 of the Act	3.48	3.28
	Amount spent during the year on		
	(i) Construction/ acquisition of an asset	-	-
	(ii) on purpose other than (i) above	3.48	3.31
		3.48	**3.31**
	Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects		
	Balance unspent as at April 01, 2020	(0.16)	(0.13)
	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
	Amount required to be spent during the year	3.48	3.28
	Amount spent during the year	3.48	3.31
	Balance unspent as at March 31, 2021	**(0.16)**	**(0.16)**

For promotion of education for girl child, support for running schools in tribal villages, Rural Development, Women Empowerment, restoration and redevelopment of schools, Medical camps, providing medical facility and education to students.

33 Closing stock of inventory of subsidiaries, included in the statement of profit and loss and balance sheet has been translated at average rate of exchange and closing rate of exchange respectively. Consequently, loss of ₹ 1.30 crores (previous year Gain of ₹ 4.50 crores) has been debited to foreign currency translation reserve. Opening stock of Inventory of the subsidiaries has been translated at an average rate of exchange prevailing during the year. Consequently, Loss of ₹ 3.21 crores (Previous year Loss of ₹ 0.35) has been debited to the statement of profit and loss.

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
34	**Income tax expense**		
	a) Income tax expense		
	Current tax		
	Current tax on profits for the year	0.43	38.41
	Adjustments for current tax of prior periods	(0.17)	-
	Total current tax expense	**0.26**	**38.41**
	Deferred tax		
	Decrease /(increase) in deferred tax assets	(27.38)	(1.73)
	Total Deferred tax expense/(benefit)	**(27.38)**	**(1.73)**
	Total income tax expense	**(27.12)**	**36.68**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit/(loss) before tax	(124.61)	148.41
	Enacted Income tax rate in India applicable to the Company	25.17%	25.63%
	Tax expenses on profit/(loss) before tax calculated at the rate above	(31.36)	38.03
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	0.01	-
	Difference in overseas tax rate	1.51	(3.26)
	Tax adjustment on account of consolidation and elimination	2.67	-
	Expenses disallowed	0.89	0.74
	Adjustments for tax of prior periods	0.17	-
	Change in tax rate	-	1.36
	Adjustments for indexation on capital gain	(1.38)	-
	Others	0.37	(0.19)
	Total income tax expense	**(27.12)**	**36.68**
	c) Tax on items of OCI		
	Deffered Tax on fair valuation of equity instruments	(0.12)	0.08
	Current Tax on remeasurement of defined benefit plans	(1.05)	1.14
	Deferred Tax exchange difference arising on translation of foreign operations	-	-
		(1.17)	**1.22**

(₹ in Crores)

		Year ended	
		March 31, 2021	March 31, 2020
35	**Basic earnings/(loss) per share**		
	Profit/(loss) after tax attributable to equity shareholders	(97.49)	111.73
	Weighted average number of shares outstanding during the year (numbers)	141,317,315	141,317,315
	Earnings/(loss) per share (Basic) (₹)	(6.90)	7.91
	Nominal value per share (₹)	2	2
	Diluted earnings/(loss) per share		
	Profit/(loss) after tax attributable to equity shareholders	(97.49)	111.73
	Effect of dilution due to issue of Employee stock appreciation rights	-	-
	Profit/(loss) after tax attributable to equity shareholders after dilution impact	(97.49)	111.73
	Weighted average number of shares outstanding during the year (numbers)	141,865,077	141,317,315
	Earnings/(loss) per share (Diluted) (₹) #		7.91
	Nominal value per share (₹)	2	2

Note: Since the Employee Stock Appreciation Rights are anti-dilutive, the basic earnigs per share are shown as diluted earnigs per share.

36	**Provision for warranty and sales tax dispute**		
	A) Warranty provision		
	Balance as at the beginning of the year	7.30	5.47
	Additions	3.23	6.60
	Amounts used	2.40	4.44
	Amounts reversed	-	0.33
	Balance as at the end of the year	**8.13**	**7.30**
	Classified as non-current	5.42	4.87
	Classified as current	2.71	2.43

Warranty: A provision for warranty has been recognised for the expected warranty claims on product sold based on past experience. It is expected that the majority of this expenditure will be incurred in the next 2-5 years.

B) Provision for Sales Tax dispute		
Balance as at the beginning of the year	0.37	2.27
Addition	0.02	0.01
Amounts used	0.10	1.91
Unused amounts reversed	-	-
Balance as at the end of the year	**0.29**	**0.37**
Classified as Non-Current	0.29	0.37
Classified as Current	-	-

Sales Tax Provision: The amounts in respect of sales tax represent the best possible estimates arrived on the available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of the future cash flows will be determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The said provisions primarily relate to subjudice matters under the erstwhile local sales tax acts, value added tax acts of respective states and the central sales tax act 1961.

37 COVID-19 - Impact assessment

The group's operations and financial results for the period ended March 31, 2021 have been adversely impacted by the outbreak of COVID-19 pandemic, as the travel industry has been amongst the most affected segments in the economy. The group has been closely monitoring the changes in the economic conditions and its possible impact on its business. The group had seen signs of recovery across all market of operations after the initial impact due to the onset of COVID19 at the beginning of the year. The group has resumed operations across all locations including manufacturing plants. Currently the group is experiencing a temporary slowdown in its operations due to fresh restrictions imposed due to surge in COVID-19. Though the Supply chain of the group is temporarily affected due to the restrictions imposed across the country due to the COVID outbreak, it is well aligned and equipped to cater to the market demand as soon as the external economic environment is favourable and restrictions are eased out. The group has taken into account external and internal information for assessing possible impact of COVID-19 on various elements of its financial results and its liquidity, including assessment of recoverable value of its assets comprising trade receivables and others.

As per our current assessment no significant impact on the financial position of the group is expected. The actual impact may differ from that estimated as at the date of approval of these financial results. The group will continue to monitor any changes in the future economic conditions.

38 Leases

i) The group's major leasing arrangements are in respect of commercial / residential premises (including furniture and fittings therein wherever applicable taken on leave and license basis)

ii) Amounts recognised in balance sheet **(₹ in Crores)**

Particulars	As at	
	March 31, 2021	March 31, 2020
Right-of-use assets		
Leasehold Land	0.31	4.88
Buildings	188.61	231.82
Total	**188.92**	**236.70**

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities		
Current	38.68	57.30
Non-current	161.06	179.88
Total	**199.74**	**237.18**

iii) Additions to the right-of-use assets during the year were ₹ 60.93 Crores (March,31, 2020: ₹ 332.01 Crores), which includes right-of-use assets building of Rs 58.07 Crores (March,31, 2020: ₹ 322.47 Crores) and right-of-use assets deposit of Rs 2.86 Crores (March,31, 2020: ₹ 9.54 Crores)

iv) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases: **(₹ in Crores)**

Particulars	Note	As at	
		March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets			
Leasehold Land	4A	0.03	-
Buildings	4A	51.79	64.14
Total		**51.82**	**64.14**

Particulars	Note	As at	
		March 31, 2021	March 31, 2020
Income due to rent concession & modification	26	17.79	1.38
Interest expense	29	16.23	20.29
Expense relating to short-term leases	31	5.91	4.17

v) The total cash outflow for leases for the year ₹ 42.93 Crores (March 31, 2020: ₹ 68.18 Crores)

vi) Income due to rent concession & modification

As part of its strategy to counter the impact of Covid 19 pandemic, the group has continued to take various measures including changes in Lease payments in the form of Lease concessions and Lease terminations.

The group continues to apply the practical expedient as per paragraph 46A of the Indian Accounting standard on Leases 'Ind AS 116' , for accounting changes in leases, in the form of Lease concessions that meet the conditions prescribed in paragraph 46B of Ind AS 116. The group has consequently recognised an income of ₹ 0.57 Crores and ₹ 11.97 Crores for the quarter and Year ended March 31, 2021 respectively, under the head 'Other Income'. For changes in leases in the form of terminations, the group continues to account for such terminations in accordance with Ind AS 116 and has consequently recognised a net gain of ₹ 0.19 Crores and ₹ 5.82 Crores for the Quarter and Year ended March 31, 2021, under the head 'Other Income'. Therefore the aggregate impact of lease concessions and terminations for the Year ended March 31, 2021, recognised under the head Other Income is ₹ 17.79 Crores.

39 Contingent Liabilities

(₹ in Crores)

	Year ended	
	March 31, 2021	**March 31, 2020**
Claims against the group not acknowledged as debts	-	0.04
Income tax matters	2.82	1.83
Sales tax matters	319.04	245.41
Excise and customs matters	0.55	0.55

The group has implemented the decision given in the Supreme Court Judgement in case of "The Regional Provident Fund Commissioner (II) West Bengal Vs Vivekananda Vidyamandir & Ors, Civil Appeal Number 6221 of 2011" dated February 28, 2019 for inclusion of certain allowances within the scope of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. March 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

40 Interests in other entities

Subsidiaries

The group's subsidiaries at March 31, 2021 are set out below. They have share capital consisting of equity shares and Preference shares that are held directly by the parent company, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
		%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Industries BD Manufacturing Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Luggage BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
VIP Accessories BD Private Limited	Bangladesh	100	100	-	-	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	-	-	Marketing of Luggage

41 Capital and other commitments

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Crores)

	Year ended	
	March 31, 2021	March 31, 2020
Property, plant and equipment	0.63	4.47
Other intangible assets	0.20	-

ii) Other commitments

For lease commitments, refer note 38

42 Segment reporting

In accordance with Accounting Standard Ind AS- 108 “Segmental Reporting”, the group has determined its business segment as manufacturing and marketing of luggage, bags and accessories. Since more than 99% of business is from manufacturing and marketing of luggage, bags and accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2021

(₹ in Crores)

Revenue from external customer	Year ended	
	March 31, 2021	March 31, 2020
India	606.24	1,663.58
Outside India	12.32	50.77
Total Revenue	**618.56**	**1,714.35**

(₹ in Crores)

Non Current Assets	As at	
	March 31, 2021	March 31, 2020
India	253.77	333.18
Outside India	58.17	66.16
Total Non Current Assets	**311.94**	**399.34**

There are transactions with two external customers which amount to 10% or more of the Company’s revenue each.

43-a Movement in deferred tax assets (Net)

(₹ in Crores)

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVOCI	IND AS 116	Taxes on losses*	Others	Total
At March 31, 2019	**0.20**	**0.36**	**3.49**	**(0.19)**	**-**	**-**	**1.07**	**4.93**
(charged)/credited:								
- to profit or loss	1.02	2.02	(1.13)	-	2.91	-	(2.34)	2.49
- to other comprehensive income	-	-	-	0.08	-	-		0.08
At March 31, 2020	**1.22**	**2.38**	**2.36**	**(0.11)**	**2.91**	**-**	**(1.26)**	**7.50**
(charged)/credited:								
- to profit or loss	2.10	2.61	(0.38)	-	1.14	20.95	1.23	27.65
- to other comprehensive income	-	-	-	(0.10)	-	-	(1.07)	(1.17)
At March 31, 2021	**3.32**	**4.99**	**1.98**	**(0.21)**	**4.05**	**20.95**	**(1.10)**	**33.98**

*Deferred tax assets has been recognised on losses for the year ended March 31, 2021, based on estimates and reasonable certainty of future projections. The group shall continue to monitor the operations closely and shall reassess the estimates.

43-b Movement in deferred tax Liabilities (Net)

(₹ in Crores)

	Depreciation	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVOCI	IND AS 116	Taxes on losses	Others	Total
At March 31, 2019	-	-	-	-	-	-	-	-
(charged)/credited:								-
- to profit or loss	(0.78)	-	-	-	0.02	-	-	(0.76)
- to other comprehensive income	-	-	-	-	-	-	-	-
At March 31, 2020	**(0.78)**	**-**	**-**	**-**	**0.02**	**-**	**-**	**(0.76)**
(charged)/credited:								
- to profit or loss	(0.30)	-	-	-	0.02	-	-	(0.28)
- to other comprehensive income	-	-	-	-	-	-	-	-
At March 31, 2021	**(1.08)**	**-**	**-**	**-**	**0.04**	**-**	**-**	**(1.04)**

44 Fair value measurements

(₹ in Crores)

Financial instruments by category	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments[#]	-	0.94	-	-	0.42	-
- Mutual Funds	21.76	-	-	40.35	-	-
- Bonds	-	-	45.39	-	-	-
- Commercial Paper	-	-	72.89	-	-	-
Trade receivables	-	-	148.47	-	-	267.44
Cash and cash equivalents	-	-	20.38	-	-	6.85
Bank balances other than cash and cash equivalents	-	-	70.12	-	-	3.91
Loans	-	-	23.98	-	-	29.34
Other financial assets	-	-	6.81	-	-	2.18
Total Financial assets	**21.76**	**0.94**	**388.04**	**40.35**	**0.42**	**309.72**
Financial Liabilities						
Borrowings	-	-	153.70	-	-	32.19
Trade payables	-	-	154.03	-	-	291.25
Other financial liabilities	-	-	13.46	-	-	7.68
Total Financial liabilities	**-**	**-**	**321.19**	**-**	**-**	**331.12**

[#]The group has made an irrevocable election at initial recognition, to recognise changes in fair value of equity securities which are not held for trading, through OCI, rather than profit and loss as these are strategic investments and the group considered this to be more relevant.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Mutual funds - Dividend plan	7B	-	21.76	-	21.76
Financial investments at FVOCI					
-Listed equity investments - steel sector	7A	0.86	-	-	0.86
-Listed equity investments - others	7A	0.08	-	-	0.08
-Unquoted equity investments	7A	-	-	-	*
Total financial assets		**0.94**	**21.76**	*	**22.70**

*Amount is below the rounding off norm adopted by the group

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment-Bonds	7B	-	10.02	35.37	45.39
Investment-Commercial Paper	7B	-	-	72.89	72.89
Trade receivables	14	-	-	148.47	148.47
Cash and cash equivalents	15	-	-	20.38	20.38
Bank balances other than cash and cash equivalents	16	-	-	70.12	70.12
Loans	8A,8B	-	-	23.98	23.98
Other financial assets	9A,9B	-	-	6.81	6.81
Total financial assets		**-**	**10.02**	**378.02**	**388.04**
Financial liabilities					
Borrowings	22	-	-	153.70	153.70
Trade payables	23	-	-	154.03	154.03
Other financial liabilities	19A,19B	-	-	13.46	13.46
Total financial liabilities		**-**	**-**	**321.19**	**321.19**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Mutual funds - Dividend plan	7B	-	40.35	-	40.35
Financial investments at FVOCI					
-Listed equity investments - steel sector	7A	0.32	-	-	0.32
-Listed equity investments - others	7A	0.10	-	-	0.10
-Unquoted equity investments	7A	-	-	*	*
Total Financial assets		**0.42**	**40.35**	*	**40.77**

*Amount is below the rounding off norm adopted by the group

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	267.44	267.44
Cash and cash equivalents	15	-	-	6.85	6.85
Bank balances other than cash and cash equivalents	16	-	-	3.91	3.91
Loans	8A,8B	-	-	29.34	29.34
Other financial assets	9A,9B	-	-	2.18	2.18
Total Financial assets		**-**	**-**	**309.72**	**309.72**
Financial liabilities					
Borrowing	22	-	-	32.19	32.19
Trade Payables	23	-	-	291.25	291.25
Other financial liabilities	19A,19B	-	-	7.68	7.68
Total Financial liabilities		**-**	**-**	**331.12**	**331.12**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares are included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

· Investments in quoted equity instruments are valued using the closing price at Bombay Stock Exchange (BSE) at the reporting period.

· the use of Net Assets Value (‘NAV’) for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

(₹ in Crores)

Particulars	Unquoted equity share
As at April 1, 2019	*
Acquisitions	*
Gain recognised in Profit and loss	-
As at March 31, 2020	*
Acquisitions	-
Gain recognised in Profit and loss	-
As at March 31, 2021	*
Unrealised gain recognised in profit and loss related to assets held	
Year ended March 31, 2021	*
Year ended March 31, 2020	*

*Amount is below the rounding off norm adopted by the group

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation technique adopted.

	Fair Value		Significant unobservable inputs	Probability weighted range		Sensitivity
	As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020	
Unquoted equity shares	*	*	Risk adjusted discount rate	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

*Amount is below the rounding off norm adopted by the group

(v) Valuation process

The fair value of unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Crores)

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment-Bonds	45.39	45.39	-	-
Investment-Commercial Paper	72.89	72.89	-	-
Trade receivables	148.47	148.47	267.44	267.44
Cash and cash equivalents	20.38	20.38	6.85	6.85
Bank balances other than cash and cash equivalents	70.12	70.12	3.91	3.91
Loans	23.98	23.98	29.34	29.34
Other financial assets	6.81	6.81	2.18	2.18
Total financial assets	**388.04**	**388.04**	**309.72**	**309.72**
Financial liabilities				
Borrowings	153.70	153.70	32.19	32.19
Trade payables	154.03	154.03	291.25	291.25
Other financial liabilities	13.46	13.46	7.68	7.68
Total financial liabilities	**321.19**	**321.19**	**331.12**	**331.12**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings, investments (bonds) and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) The fair values and carrying value for security deposits, other financial assets and other financial liabilities are materially the same.

45A Financial risk management

The group's activities expose it to market risk, liquidity risk, credit risk and interest risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

The group has a robust risk management framework comprising risk governance structure and defined risk management processes. The risk governance structure of the group is a formal organisation structure with defined roles and responsibilities for risk management.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Sensitivity analysis	Availability of committed credit lines and borrowing facilities
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward foreign exchange contracts
Market risk - Interest rate risk	Borrowings	Sensitivity analysis	Monitoring the movement in market interest rates closely
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The group's risk management is carried out by a central treasury department under the guidance from the board of directors. group's treasury identifies, evaluates and hedges financial risks in close co-ordination with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. There is no change in objectives and process for managing the risk and methods used to measure the risk as compared to previous year.

1) Credit risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Credit risk mainly arises receivables from customers, investments securities, cash and cash equivalents, and deposits with banks and financial institutions.

a) Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 148.47 Crores as at March 31, 2021 (March 31, 2020– ₹ 267.44 Crores). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses.Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:

Movement in expected credit loss allowance on trade receivables

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Opening provision	9.24	1.02
Add: Additional provision made	8.58	8.71
Less: Provision write off (including exchange rate translation)	0.04	0.49
Less: Provision reversed	-	-
Closing provision	17.78	9.24

The average credit period on sales of products is less than 120 days. Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. For trade receivables, as a practical expedient, the group computes credit loss allowance based on a provision table as above.

b) Cash and cash equivalents:

As at the year end, the group held cash and cash equivalents of ₹20.38 crores (March 31, 2020: ₹6.85 crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating. 12-months expected credit losses is used as basis for recognition of loss provision

d) Investment in mutual funds:

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counter-parties. 12-months expected credit losses is used as basis for recognition of loss provision.

e) Other financial assets:

Other financial assets are neither past due nor impaired. 12-months expected credit losses is used as basis for recognition of loss provision

f) Investments in debt instruments:

Investments in debt instruments are neither past due nor impaired. Majority of the debt instruments are held within the group i.e. in subsidiaries of the group.

2) Liquidity risk :

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Floating Rate		
Expiring within one year (bank overdraft and other facilities)	199.72	101.81

(ii) Maturity pattern of financial liabilities

The amounts of trade payables and Payables related to capital goods disclosed in the table are undiscounted contractual cash flows, where as other financial liabilities are at discounted cash flows.

(₹ in Crores)

As at March 31, 2021	0-6 months	6 - 12 months	More than 12 months
Borrowings	5.22	148.48	-
Trade Payable	154.03	-	-
Payable related to Capital goods	0.05	-	-
Leases	19.53	19.15	161.06
Other financial liabilities (current and non-current)	11.50	0.03	1.88

(₹ in Crores)

As at March 31, 2020	0-6 months	6 - 12 months	More than 12 months
Borrowings	32.19	-	-
Trade Payable	291.25	-	-
Payable related to Capital goods	0.61	-	-
Lease	30.86	26.44	179.88
Other financial liabilities (current and non-current)	4.07	0.12	2.88

3) 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 of risks namely interest rate risk, currency risk and other price risk, such as commodity risk.

A) Market Risk- Foreign currency risk.

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The group also uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the group's risk management policy and procedures.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

The group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

(₹ in Crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	Others	USD	Others
Financial assets				
Trade receivables	4.16		10.94	-
Other financial assets	2.68	0.25	2.31	0.39
Cash and Cash equivalents	9.31	0.69	4.44	0.26
Net exposure to foreign currency risk (assets)	**16.15**	**0.94**	**17.69**	**0.65**
Financial liabilities				
Trade payables	35.84	0.22	127.03	0.23
Net exposure to foreign currency risk (liabilities)	**35.84**	**0.22**	**127.03**	**0.23**
Net unhedge foreign currency exposure	**19.69**		**109.34**	

(b) As at balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise

(₹ in Crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	Others	USD	Others
Financial assets				
Trade receivables	4.16	-	10.94	-
Other financial assets	2.68	0.25	2.31	0.39
Cash and Cash equivalents	9.31	0.69	4.44	0.26
Net exposure to foreign currency risk (assets)	**16.15**	**0.94**	**17.69**	**0.65**
Financial liabilities				
Trade payables	35.84	0.22	127.03	0.23
Net exposure to foreign currency risk (liabilities)	**35.84**	**0.22**	**127.03**	**0.23**
Net unhedge foreign currency exposure	**19.69**		**109.34**	

The group is mainly exposed to USD. The below table demonstrates the sensitivity to 1% increase or decrease in the USD against INR with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the group as at the reporting date.

	Effect on Profit after Tax	
	For year ended March 31, 2021	
	1% increase	1% decrease
USD	(0.15)	0.15
Increase / (decrease) in profit or loss	**(0.15)**	**0.15**

B) Market Risk- Other price risk.

(a) Exposure

The group is mainly exposed to the price risk due to its investment in mutual funds and investment in equity instruments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio The majority of the group's equity investments are publicly traded.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the group's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the group's equity instruments moved in line with the index.

	Impact on other components of equity	
	For year ended March 31, 2021	For year ended March 31, 2020
BSE Index - Increase 5%	0.05	0.02
BSE Index - Decrease 5%	(0.05)	(0.02)

C) Market Risk- Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. The group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for debt obligations at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is based on the currently observable market environment.

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
50 bps increase - effect on profit before taxes	(0.03)	(0.16)
50 bps decrease - effect on profit before taxes	0.03	0.16

45B Capital management

(a) Risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio: (₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
Net debt (total borrowings including lease liabilites net of cash and cash equivalents)	333.06	262.52
Total equity	517.18	610.11
Net debt equity ratio	64.40%	43.03%

The net debt to equity ratio includes impact of Ind AS 116.

(b) Dividends

(₹ in Crores)

	As at	
	March 31, 2021	March 31, 2020
i) Equity Share		
Final dividend	-	28.26
Interim dividend	-	45.25
Dividend distribution tax on above dividend	-	13.08
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	-	-
Dividend distribution tax on proposed dividend	-	-

46 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2021	March 31, 2020
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund & Inspection Charges (including foreign employees)	4.33	6.05
(ii) Employer Contribution to Provident Fund (under Pension Plan)	2.17	3.07
(iii) EDLI Charges & Admin Charges	0.13	0.14
(iv) Employer Contribution to ESIC	0.37	0.70
Total	**7.00**	**9.96**

B) Defined benefit plan

a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the "VIP Industries Limited Employees Gratuity Fund Trust". The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

i) The amounts recognised in the balance sheet and the movement of net defined benefit obligation over the years are as follows

Parent company Plan (Funded) (₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2019	19.51	**(18.17)**	1.34
Current service cost	1.64	-	1.64
Interest expense/(income)	1.46	(1.36)	0.10
Past Service Cost	-	-	-
Total amount recognised in profit or loss	**3.10**	**(1.36)**	**1.74**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	1.29	1.29
Experience losses	2.05	-	2.05
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	0.85	-	0.85
Total amount recognised in other comprehensive income	**2.90**	**1.29**	**4.19**
Employer’s contribution	-	(4.72)	(4.72)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.40)	3.40	-
March 31, 2020	**22.11**	**(19.56)**	**(2.55)**
	Present value of obligations	**Fair value of plan assets**	**Net amount**
April 1, 2020	**22.11**	**(19.56)**	**2.55**
Current service cost	2.10	-	2.10
Interest expense/(income)	1.46	(1.29)	0.17
Past service costs	-	-	-
Total amount recognised in profit or loss	**3.56**	**(1.29)**	**2.27**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	(2.67)	(2.67)
Experience losses	(0.84)	-	(0.84)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	(0.59)	-	(0.59)
Total amount recognised in other comprehensive income	**(1.43)**	**(2.67)**	**(4.10)**
Employer's contribution	-	(6.73)	(6.73)
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(6.73)	6.73	-
March 31, 2021	**17.51**	**(23.52)**	**(6.01)**
Subsidiary Plan (Unfunded)			
	Present value of obligations	**Fair value of plan assets**	**Net amount**
April 1, 2019	**-**	**-**	**-**
Current service cost	0.45	-	0.45
Interest expense/(income)	0.05	-	0.05
Past service costs	1.47	-	1.47
Total amount recognised in profit or loss	**1.97**	**-**	**1.97**

(₹ in Crores)

Remeasurements			
Return on plan assets excluding amount included in interest expense	-	-	-
Experience losses	0.43	-	0.43
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	-	-	-
Total amount recognised in other comprehensive income	**0.43**	**-**	**0.43**
Employer's contribution	-	-	-
Benefits paid directly by the employer	-	-	-
Exchange difference on Foreign Plans	0.13	-	0.13
Benefits paid from the fund	-	-	-
March 31, 2020	**2.53**	**-**	**2.53**
April 1, 2020	**2.53**	**-**	**2.53**
Current service cost	1.52	-	1.52
Interest expense/(income)	0.09	-	0.09
Past service costs	-	-	-
Total amount recognised in profit or loss	**1.61**	**-**	**1.61**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	-	-
Experience losses	(1.15)	-	(1.15)
Loss from change in demographic assumptions	-	-	-
Gain from change in financial assumptions	0.42	-	0.42
Total amount recognised in other comprehensive income	**(0.73)**	**-**	**(0.73)**
Employer's contribution			-
Benefits paid directly by the employer	(0.04)	-	(0.04)
Exchange difference on Foreign Plans	(0.09)	-	(0.09)
Benefits paid from the fund	-	-	-
March 31, 2021	**3.28**	**-**	**3.28**

ii) The net liabilities disclosed above relating to funded plans are as follows: **(₹ in Crores)**

Parent Company Plan	**As at**	
	March 31, 2021	**March 31, 2020**
Present value of funded obligations	17.51	22.11
Fair value of plan assets	(23.52)	(19.56)
Deficit/ (surplus) of gratuity plan	**(6.01)**	**2.55**

The net liabilities disclosed above relating to unfunded plans are as follows:

Subsidiary Plan	**As at**	
	March 31, 2021	**March 31, 2020**
Present value of unfunded obligations	3.28	2.53
Fair value of plan assets	-	-
Deficit/ (surplus) of gratuity plan	**3.28**	**2.53**

iii) The principal assumptions used in determining gratuity benefit obligations are shown below:

(₹ in Crores)

Parent Company Plan	As at	
	March 31, 2021	March 31, 2020
Discount rate	6.49%	6.59%
Expected return on plan assets	6.49%	6.59%
Salary escalation rate	8% for the next 2 Years, 5% thereafter starting from the 3rd year	11% for next 1 Year, 8% for next 2 Year, 5% thereafter starting from the 4th year
Employee Turnover Rate	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.	For Service 2 years and below 20% p.a., For Service 3 years to 4 years 15% p.a., For Service 5 years and above 10% p.a.
Subsidiary Plan		
Discount rate	7.00%	7.50%
Salary escalation rate	10.00%	10.00%

iv) **Sensitivity analysis**

The sensitivity analysis below have been determined based on reasonably possbile changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Domestic Plan (₹ in Crores)

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)							
	March 31, 2021	March 31, 2020	Increase in Assumption	March 31, 2021	March 31, 2020	Decrease in Assumption	March 31, 2021	March 31, 2020
Discount Rate	1%	1%	Decreased by	0.69	0.95	Increased by	0.76	1.05
Salary Increase	1%	1%	Increased by	0.74	1.01	Decreased by	0.68	0.93
Employee Turnover	1%	1%	Increased by	0.03	0.03	Decreased by	0.04	0.04

Foreign Plan

Assumption	Impact on defined benefit obligation							
	Changes in Assumption (%)							
	March 31, 2021	March 31, 2020	Increase in Assumption	March 31, 2021	March 31, 2020	Decrease in Assumption	March 31, 2021	March 31, 2020
Discount Rate	1%	1%	Decreased by	0.79	0.77	Increased by	1.06	0.57
Salary Increase	1%	1%	Increased by	1.02	0.75	Decreased by	0.77	0.56

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset/(liability) recognised in the Balance Sheet.

v) The Major category of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	As at			
	March 31, 2021		March 31, 2020	
	Amount	in %	Amount	in %
Government securities (Central and State)	-	-	0.12	1%
Special deposit scheme	0.38	2%	0.38	2%
Cash and cash equivalents	0.47	2%	0.30	1%
Insurer managed fund	22.64	96%	18.69	96%
Others	0.01	0%	0.05	0%
Total	**23.50**	**100%**	**19.54**	**100%**

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the group to acturial risks such as: Investment risk, interest rate risk, and salary risk.

Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in india, it has a relatively balanced mix of investments in govenment securities, and other debt instruments.
Interest risk:	A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.
Salary risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in salary of the members more than assumed level will increase the plan's liability.

vii) Defined benefit liability and employer contributions

The company expects to make a contribution for the year ending March 31, 2022 is ₹ NIL Crores (March 31, 2021 is ₹ 4.65 Crores) to the defined benefit plans during the next financial year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

(₹ in Crores)

	Less than a year	Between 1-2 Years	Between 2-5 Years	Over 5 Years	Total
March 31, 2021					
Defined benefit obligations - Gratuity	3.31	3.05	6.61	11.47	24.44
March 31, 2020					
Defined benefit obligations - Gratuity	3.46	2.63	9.28	16.60	31.97

b) Provident fund for parent company:

Provident fund for eligible employees is managed by the Company through the “VIP Industries Limited Employees Provident Fund Trust”, in line with the Provident fund and Miscellaneous Provisions Act 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement whichever is earlier. The benefits vest immediately on rendering the services by the employee. The Company does not currently have any unfunded plans.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2021. The Company has contributed ₹ 3.35 Crores (March 31,2020: ₹ 4.18 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2021.

i) Amount recognised in the Balance Sheet **(₹ in Crores)**

	As at	
	March 31, 2021	**March 31, 2020**
Present value of benefit obligation	82.82	81.50
Plan assets at period end, at fair value, restricted to present value of benefit obligation	82.82	81.50
Asset recognised in Balance Sheet	-	-

ii) Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Discounting Rate	6.49%	6.59%
Expected Guaranteed interest rate	8.50%	8.50%

* Rate mandated by EPFO for there FY 2020-21 and the same is used for valuation purpose.

c) Other long term employee benefits:

Leave obligation

The leave obligation cover the group's liability for privilege leave and sick leave.

Based on the past experience, the group does not expect all employees to avail full amount of accrured leave or require payment for such leave within the next 12 months.

(₹ in Crores)

	As at	
	March 31, 2021	**March 31, 2020**
Leave obligations expected to be settled within the next 12 months	2.81	3.25
Leave obligations not expected to be settled within the next 12 months	6.04	7.21

47 Related party disclosures as per Ind AS 24:

a) Key management personnel

Name	**Nature of relationship**
Mr. Dilip G. Piramal	Chairman
Ms. Radhika Piramal	Executive Vice Chairperson
Mr. Sudip Ghose	Managing Director (upto January 31, 2021)
Mr. Anindya Dutta	Managing Director (w.e.f. February 1, 2021)
Mr. Ashish Saha	Director works (upto June 30, 2019)

b) List of entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year:

Name

(i) Kemp & Company Limited

(ii) Vibhuti Investments Company Limited

c) Trust

(i) VIP Industries Limited Employees Gratuity Fund Trust

(ii) VIP Industries Limited Employees Provident Fund Trust

d) Disclosure in respect of transactions with related parties during the year:

(₹ in Crores

	Year ended	
	March 31, 2021	**March 31, 2020**
Transaction		
1) Sale of product**		
1. Kemp & Company Limited	0.32	1.34
Total sale of product	**0.32**	**1.34**
2) Rent paid		
1. Vibhuti Investments company limited	2.45	4.02
Total rent paid	**2.45**	**4.02**
3) Deposit paid		
1. Vibhuti Investments company limited	-	1.96
Total deposit paid	**-**	**1.96**
4) Key management personnel compensation		
Remuneration***		
1. Mr. Dilip G. Piramal	-	0.37
2. Ms.Radhika Piramal	1.76	2.56
3. Mr. Anindya Dutta	0.39	-
4. Mr. Sudip Ghose	3.00	2.95
5. Mr. Ashish Saha	-	1.66
Total key management personnel compensation	**5.15**	**7.54**
5) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	6.73	4.72
2. VIP Industries Limited Employees Provident Fund Trust (includes employees share and contribution)	9.98	12.48
Total contribution to trust	**16.71**	**17.20**

**** Including applicable taxes**

***** Key Management personnel who are the under the employment of the group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.**

e) Disclosure of closing balances:

(₹ in Crores

	Year ended	
	March 31, 2021	**March 31, 2020**
1) Trade receivables		
1. Kemp & Company Limited	0.05	0.27
Total trade receivables	**0.05**	**0.27**
2) Non Current Investment		
1. Kemp & Co Limited	0.07	0.09
Total Non Current Investment	**0.07**	**0.09**
3) Loans-Securtiy Deposit		
1. Vibhuti Investments company limited	1.96	1.96
Total Loans- Security Deposit	**1.96**	**1.96**

f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

48 Employee Stock Appreciation Rights

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meetings held on Aug 07, 2020, Nov 09, 2020 and Feb 03, 2021, approved to grant new stock appreciation rights to eligible employees of the Company, in accordance with the terms and conditions of the VIP Employees Stock Appreciation Rights plan 2018 named 'ESARP 2018' as approved by the shareholders of the Company on July 17. 2018. Accordingly, during the year the Company has granted 13,80,000 stock appreciation rights to eligible employees resulting in a net expense of ₹ 4.86 for the year ended March 31, 2021. Correspondingly, the eligible employees of the Company surrendered the stock appreciation rights issued to them earlier. The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on July 09, 2020 approved the surrender of the said rights. Consequently the Company has recognised a reversal of ₹ 2.31 Crores under 'Employee Benefit expenses' and transferred ₹ 0.62 Crores to the General Reserve during the year ended March 31, 2021 respectively. Accordingly, a net expense of ₹ 2.55 Crores has been recognised for the year ended March 31, 2021.

The fair value of the ESAR's (Grant date Aug 07, 2020) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**261.70**	**261.70**	**261.70**
Expected Life	3.51	4.51	5.51
Expected volatility (%)	44.05	42.26	41.51
Risk-free interest rate (%)	4.84	5.18	5.46
Exercise Price	160	160	160
Dividend Yield (%)	1.22	1.22	1.22

The fair value of the ESAR's (Grant date Nov 09, 2020) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**286.25**	**286.25**	**286.25**
Expected Life	3.50	4.50	5.51
Expected volatility (%)	43.83	42.36	41.72
Risk-free interest rate (%)	4.79	5.15	5.45
Exercise Price	172	172	172
Dividend Yield (%)	1.10	1.10	1.10

The fair value of the ESAR's (Grant date Feb 03, 2021) was determined using the Black Scholes model using the following inputs at the grant date.

Particulars	**Vesting Period**		
	Year 1	**Year 2**	**Year 3**
Market Price	**348.35**	**348.35**	**348.35**
Expected Life	3.50	4.50	5.51
Expected volatility (%)	44.50	42.96	42.35
Risk-free interest rate (%)	5.08	5.43	5.72
Exercise Price	211	211	211
Dividend Yield (%)	0.91	0.91	0.91

Particulars	Number of Grant
Outstanding at the beginning of the period	**335,000**
Granted During the year	1,380,000
Forfeited / Surrendered during the period	650,000
Exercised during the period	-
Expired during the period	-
Outstanding at the end of the period	**1,065,000**

`Expense arising from Employee stock appreciation rights

Total expenses arising from stock based payment transactions recognised in Profit and Loss as part of employee benefit expense were as follows :

(₹ in Crores

Particulars	Year ended	
	March 31, 2021	**March 31, 2020**
Employee stock appreciation rights	2.55	1.62

Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve (Refer note 18)

49 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(₹ in Crores

	As at	
	March 31, 2021	**March 31, 2020**
Cash and cash equivalents	20.38	6.85
Liquid investments	140.04	40.35
Current borrowings	(161.07)	(32.19)
Lease Liabilities	(199.74)	(237.18)
Net debt	**(200.39)**	**(222.17)**

	Other Assets		Liabilities from financing activities		Total
	Cash and Bank overdraft	Liquid Investments	Current Borrowings	Lease Liabilities	
Net debt as at 31 March 2019	**10.81**	**-**	**(86.15)**	**-**	**(75.34)**
Recognised on adoption of Ind AS 116	-	-	-	(252.33)	(252.33)
Acquisitions – leases	-	-	-	(70.14)	(70.14)
Disposals	-	-	-	37.40	37.40
Interest expense- Leases	-	-	-	(20.29)	(20.29)
Repayment- Borrowings	-	-	86.15	-	86.15
Interest expense- Borrowings	-	-	(2.51)	-	(2.51)
Interest paid- Borrowings	-	-	2.51	-	2.51
Proceeds- Borrowings	-	-	(32.19)	-	(32.19)
Cash flows (Net)	(3.96)	40.35	-	68.18	104.57
Net debt as at 31 March 2020	**6.85**	**40.35**	**(32.19)**	**(237.18)**	**(222.17)**
Acquisitions – Leases	-	-	-	(58.07)	(58.07)
Disposals/Adjustment- Leases	-	-	-	54.92	54.92
Modification- Leases	-	-	-	13.89	13.89
Interest expense- Leases	-	-	-	(16.23)	(16.23)
Repayment- Borrowings	-	-	32.19	-	32.19
Interest expense- Borrowings	-	-	(12.37)	-	(12.37)
Interest paid- Borrowings	-	-	5.00	-	5.00
Proceeds- Borrowings	-	-	(153.70)	-	(153.70)
Cash flows (Net)	13.53	99.69	-	42.93	156.15
Net debt as at 31 March 2021	**20.38**	**140.04**	**(161.07)**	**(199.74)**	**(200.39)**

50 The Exceptional Item disclosed in Statement of profit and loss of ₹ 48.50 Crores relates to loss of property, plant and equipment and inventories that were destroyed due to a fire at the company's regional warehouse at Ghaziabad on April 03, 2019. The company has initiated its insurance claim process and considering the company's insurance policy, it expects the loss to be adequately covered.

51 The Company has decided to consolidate its India manufacturing operations by transferring the capacities at its plant at Hardwar to its plants at Nasik with a view to optimise costs and enhance control while maintaining its capacities. This is part of the several measures taken by the Company to optimise operations in the current covid environment. Consequently, the Board of Directors have passed a resolution dated August 24, 2020 according their approval for the disposal of the immovable property at its plant at Hardwar (Land and Building). The Company has disposed off the said immovable property during the year and recognised the gain of ₹ 13.29 Crores for the year ended March 31, 2021. The same has been disclosed under 'Other Income'.

52 Listed Redeemable Non- Convertible Debentures

The Company has issued Listed Redeemable 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores on July 30, 2020 and Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores on September 07, 2020.

A Additional disclosures are as follows-

a)

Particulars	Maturity Date	
	Principal	Principal Amount in Crores
1000 (March 31.2020 Nil) 7.45% Listed Redeemable Non- Convertible Debentures of ₹ 10 Lacs each	7/29/2022	100.00
500 (March 31.2020 Nil) 7.25% Listed Redeemable Non- Convertible Debentures of ₹ 10 Lacs each	9/6/2022	50.00

b) Credit Rating and change in credit rating (if any)- The Non Convertible Debentures issued by the Company are rated "CRISIL AA/STABLE"

c) **Security cover** : The Company has maintained the requisite asset cover as per the terms of the Debenture Trust Deed.

The Listed, secured Redeemable, 7.45% Non- Convertible Debentures (NCDs) aggregating to ₹ 100 Crores are secured by a first pari passu charge on the current assets of the company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at the Sinnar in District Nashik, Maharashtra by way of mortgage.

The Listed Redeemable 7.25% Non- Convertible Debentures (NCDs) aggregating to ₹ 50 Crores are secured by a first pari passu charge on the current assets of the company by way of Hypothecation and first exclusive charge on the Fixed Assets (including movables comprising of Plant and Machineries) and immovable properties comprising of Industrial land and building situated at Plot No 78/78A, MIDC Estate, Satpur, Nashik, Maharashtra by way of mortgage.

d) **Other Information** **(₹ in Crores**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Debt Equity Ratio	0.30	0.05
Debt Service Coverage Ratio	(3.19)	7.45
Interest Service Coverage Ratio	(3.19)	7.45
Capital Redemption Reserve (Rs in Crores)	0.15	0.15
Debenture Redemption Reserve	NA	NA
Net Worth (Rs in Crores)	517.18	610.11

Formula used for computation of ratios are as follows:

Debt Equity Ratio	Debts / (paid up equity Capital + Other equity) Debt includes long Term borrowings + Short Term Borrowings + current maturities of long-Term borrowings.
Debt Service Coverage Ratio	Earning before Interest and Tax / (Interest Expenses + Principal payment due on long term borrowing during the period)
Interest Service Coverage Ratio	Earning before interest and Tax / Interest Expenses

B Disclosure as per SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Large Corporates

a) Initial Disclosure to be made by an entity identified as a Large Corporate

Particulars	Details
Name of Company	V.I.P Industries Limited
CIN	L25200MH1968PLC013914
Outstanding borrowing of company as on March 31, 2021	₹ 150 Crores*
Highest credit rating during the pervious financial year along with name of the credit rating agency	CRISIL AA/Stable
Name of Stock Exchange in which the fine shall be paid in case of short fall in the required borrowing under frame work	BSE Limited

* Outstanding borrowing excludes interest accrued and effective interest rate calculation

b) Annual Disclosure to be made by an entity identified as a Large Corporate

1. Name of Company : V.I.P Industries Limited
2. CIN : L25200MH1968PLC013914
3. Report filed for FY: 2020-21
4. Details of the borrowings (all figures in ₹ crore):

Particulars	Details
Incremental borrowing*done in Financial Year (a)	NIL
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	Not Applicable
Actual borrowings done through debt securities in Financial Year (c)	NIL
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Not Applicable
Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

*Incremental borrowings mean any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is for refinancing/repayment of existing debt or otherwise and shall exclude external commercial borrowings and intercorporate borrowings between a parent and subsidiary(ies).

Note 53: Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
VIP Industries Limited								
31 March 2021	91	468.49	87	(84.53)	171	3.45	85	(81.08)
31 March 2020	90	547.02	79	88.73	(166)	(3.33)	75	85.40
Subsidiaries (group's share)								
Foreign								
VIP Industries Bangladesh Private Limited								
31 March 2021	5	24.29	(1)	0.43	1	0.01	(1)	0.44
31 March 2020	5	33.46	6	6.43	154	3.09	8	9.52
VIP Industries BD Manufacturing Private Limited								
31 March 2021	6	31.85	4	(3.83)	16	0.32	4	(3.51)
31 March 2020	6	36.39	21	23.19	107	2.15	22	25.34
VIP Luggage BD Private Limited								
31 March 2021	-	1.28	2	(1.67)	16	0.31	1	(1.36)
31 March 2020	1	2.72	3	3.46	3	0.05	3	3.51
VIP Accessories BD Private Limited								
31 March 2021	-	1.31	-	0.22	1	0.03	(1)	0.25
31 March 2020	-	1.09	1	1.33	2	0.05	1	1.38
Blow Plast Retail Limited								
31 March 2021	-	0.02	-	*	-	-	-	*
31 March 2020	-	0.02	-	*	-	-	-	*
Inter-company eliminations and consolidation adjustments								
31 March 2021	(2)	(10.06)	8	(8.11)	(105)	(2.10)	12	(10.21)
31 March 2020	(2)	(10.59)	(10)	(11.41)	-	-	(9)	(11.41)
Total- March 2021	100	517.18	100	(97.49)	100	2.02	100	(95.47)
Total- March 2020	100	610.11	100	111.73	100	2.01	100	113.74

*Amount is below the rounding off norm adopted by the group.

54 The Indian Parliament has approved the code on Social security, 2020 ('the code') which, inter alia, deals with employee benefits during employment and post- employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

55 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Alpa Kedia
Partner
Membership Number: 100681

Place: Mumbai
Date: May 25, 2021

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN: 00032012)

Anindya Dutta
Managing Director
(DIN: 08256456)

Neetu Kashiramka
Chief Financial Officer

Anand Daga
Company Secretary
FCS: F5141

Place: Mumbai
Date: May 25, 2021

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(₹ in Crores)

1	Name of the subsidiary	VIP Industries Bangladesh Private Limited	VIP Industries BD Manufacturing Private Limited	VIP Luggage BD Private Limited	VIP Accessories BD Private Limited	Blow Plast Retail Limited
2	The date since when subsidiary was acquired/incorporated	05-04-2012	28-09-2017	21-03-2018	05-08-2018	23-03-2007
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021
4	Reporting currency	BDT	BDT	BDT	BDT	INR
	Exchange Rate	0.8599 (BDT/INR)	0.8599 (BDT/INR)	0.8599 (BDT/INR)	0.8599 (BDT/INR)	1.00
5	Share capital	7.80	0.01	0.01	0.01	0.05
6	Reserves and surplus	16.49	31.84	1.27	1.30	(0.03)
7	Total Liabilities	27.74	23.14	67.37	3.71	*
8	Total assets	52.03	54.99	68.65	5.02	0.02
9	Investments	-	-	-	-	-
10	Turnover	30.86	39.01	47.68	5.22	-
11	Profit/(Loss) before taxation	1.17	(4.06)	(1.67)	0.22	*
12	Provision for taxation	0.74	(0.17)	-	-	-
13	Profit/(Loss) after taxation	0.43	(3.89)	(1.67)	0.22	*
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

*Amount is below the rounding off norm adopted by the Company

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates or Joint Ventures	NA
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
	i. Numbers	NA
	ii. Amount of Investment in Associates or Joint Venture	
	iii. Extent of Holding (in percentage)	
5	Description of how there is significant influence	NA
6	Reason why the associate/joint venture is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8	Profit or Loss for the year	NA
9	Considered in Consolidation	NA
10	Not Considered in Consolidation	NA

Note: During the year 2014 - 2015, an application had been filed for voluntary winding up of VIP Nitol Industries Limited and an application for disinvestment in joint venture had been filed with the Reserve Bank of India. Consequently, disinvestment in joint venture has been taken on record by the Reserve Bank of India on May 28, 2019.Hence the above disclosure is not applicable.

For and on behalf of the Board of Directors

Dilip G. Piramal
Chairman
(DIN : 00032012)

Anindya Dutta
Managing Director
(DIN : 08256456)

Neetu Kashiramka
Chief Financial Officer

Place: Mumbai
Date: May 25, 2021

Anand Daga
Company Secretary
FCS: F5141

Notes

Notes

CONSOLIDATED FINANCIALS - 5 YEAR HIGHLIGHTS

(₹ in Crores)

	Description	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017
A.	**STATEMENT OF PROFIT & LOSS**					
	Revenue from operations	**618.56**	1,714.35	1,784.66	1,416.34	1,282.57
	Earning Before Interest, Depreciation & Tax (EBIDTA)	**(16.92)**	306.72	233.04	202.68	139.89
	Depreciation and amortisation expense	**77.94**	86.81	16.61	12.85	13.61
	Interest and Finance Cost	**29.75**	23.00	1.49	0.30	0.68
	Profit / (Loss) before tax and Exceptional/ Extraordinary Items	**(124.61)**	196.91	214.94	189.53	125.60
	Exceptional/Extraordinary Items- Expense	**-**	48.50	-	-	-
	Tax Expense	**(27.12)**	36.68	69.67	62.78	40.39
	Profit / (Loss) After Tax (PAT)	**(97.49)**	111.73	145.27	126.75	85.21
	*Dividend (Including Proposed dividend and dividend distribution tax)	**-**	54.49	54.30	50.80	40.45
B.	**BALANCE SHEET**					
	Assets Employed:					
	Fixed Assets (Net)	**290.48**	373.35	122.49	80.24	61.63
	Investments	**0.94**	0.42	0.77	71.87	68.27
	Net assets (Current and Non Current)	**345.48**	261.03	539.34	331.58	272.75
	Deferred Tax Assets/(Liabilities) (Net)	**33.98**	7.50	4.93	5.40	5.25
		670.88	642.30	667.53	489.09	407.90
	Financed by:					
	Net Worth	**517.18**	610.11	581.38	489.09	407.90
	Loan Funds	**153.70**	32.19	86.15	-	-
		670.88	642.30	667.53	489.09	407.90
C.	**KEY RATIOS / PERCENTAGES**					
	EBIDTA/Revenue from operations%	**(2.74)**	17.89	13.06	14.31	10.91
	Profit before Tax and Exceptional Items / Revenue from operations %	**(20.15)**	11.49	12.04	13.38	9.79
	Profit after Tax/Net Worth (RONW) %	**(18.85)**	18.31	24.99	25.92	20.89
	Return on Capital Employed (ROCE) %	**(11.30)**	19.70	25.29	28.31	22.50
	Earnings per Equity share (Rs) (EPS)	**(6.90)**	7.91	10.28	8.97	6.03
	Book Value per share (`)	**36.60**	43.17	41.14	34.61	28.86
	Revenue from operations/ Fixed assets (Net)	**2.13**	4.59	14.57	17.65	20.81
	Current Ratio %	**1.84**	1.89	1.91	2.42	2.71
	Receivables (Days)	**123**	60	49	38	38
	Inventory (Days)	**375**	222	170	156	154
	*Dividend including Proposed dividend and dividend distribution tax as % of PAT	**-**	49	37	40	48
	Dividend including Proposed dividend %	**-**	160	160*	150*	120*

Note: * Includes proposed final dividend and dividend distribution tax thereon and will be accounted for as and when declared by the Company.

VIP INDUSTRIES LIMITED