VIP INDUSTRIES LIMITED

51ST ANNUAL REPORT 2017-18

CONTENTS

BOARD OF DIRECTORS

Mr. Dilip G. Piramal (Chairman & Managing Director)

Ms. Radhika Piramal (Vice Chairperson & Executive Director)

Mr. Ashish K. Saha (Director – Works)

Mr. D. K. Poddar

Mr. G. L. Mirchandani

Mr. Nabankur Gupta

Mr. Amit Jatia

Mr. Rajeev Gupta

CHIEF EXECUTIVE OFFICER

Mr. Sudip Ghose

CHIEF FINANCIAL OFFICER

Mr. Jogendra Sethi

COMPANY SECRETARY

Mr. Anand Daga

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

M/s. Suresh Surana & Associates LLP

BANKERS

State Bank of India

Central Bank of India

Axis Bank Limited

Kotak Mahindra Bank Limited

IDBI Bank Limited

The Hongkong and Shanghai Banking Corporation Ltd.

YES Bank Limited

REGISTERED OFFICE

DGP House, 5th Floor, 88-C,

Old Prabhadevi Road, Mumbai - 400 025

Tel: +91 (22) 66539000

Fax: +91 (22) 66539089

CIN : L25200MH1968PLC013914

Website : www.vipindustries.co.in

FACTORIES

Nashik - 78 - A, MIDC Estate, Satpur, Nashik - 422 007, Maharashtra

Haridwar - Plot No. 7 to 11, Sector 12, SIDCUL Area, Haridwar - 249 403, Uttarakhand

INVESTORS' SERVICE 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

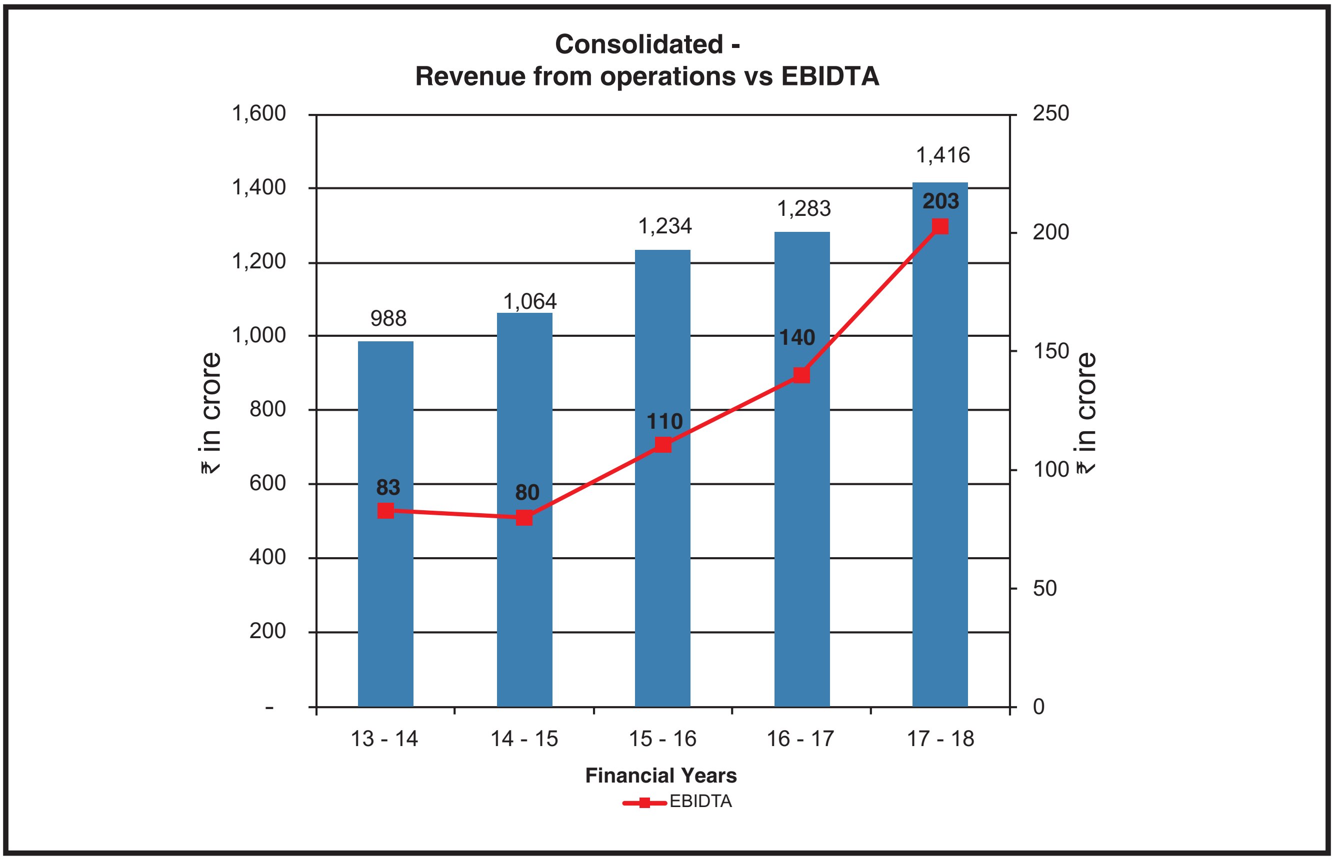
REGISTRAR & SHARE TRANSFER AGENT

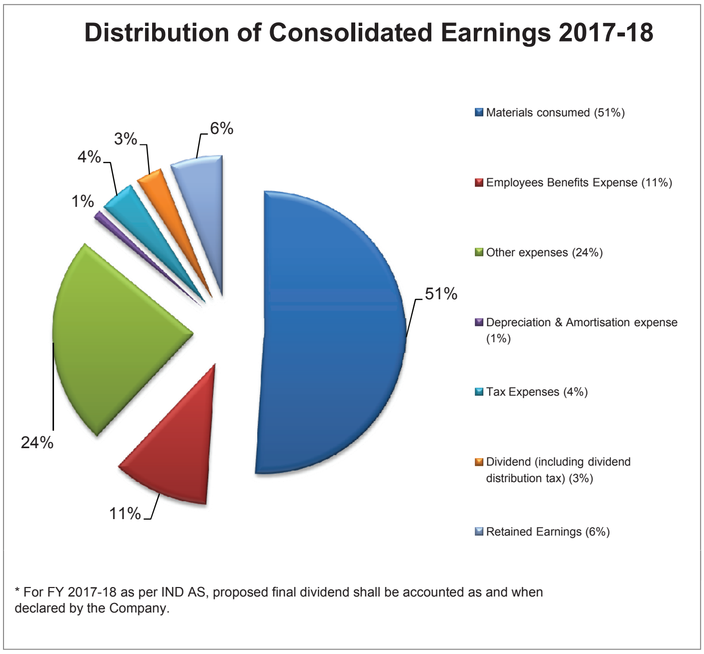
Link Intime India Private Limited

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
1,600
1,400
1,200
1,000
800
600
400
200
-
250
200
150
100
50
0
₹ in crore
₹ in crore
988
1,064
1,234
1,283
1,416
83
80
110
140
203
13 - 14
14 - 15
15 - 16
16 - 17
17 - 18
Financial Years
EBIDTA


Distribution of Consolidated Earnings 2017-18
51%
11%
24%
1%
4%
3%
6%
Materials consumed (51%)
Employees Benefits Expense (11%)
Other expenses (24%)
Depreciation & Amortisation expense (1%)
Tax Expenses (4%)
Dividend (including dividend distribution tax) (3%)
Retained Earnings (6%)
* For FY 2017-18 as per IND AS, proposed final dividend shall be accounted as and when declared by the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty First Annual General Meeting (AGM) of the Members of V.I.P. INDUSTRIES LIMITED will be held at "Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai- 400 018, Maharashtra on Tuesday, 17th July, 2018, at 3:30 p.m to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.

2. To confirm the payment of interim dividend on equity shares for the financial year 2017-18.

3. To declare final dividend on equity shares for the financial year 2017-18.

4. To appoint a Director in place of Mr. Dilip G. Piramal (DIN-00032012), who retires by rotation and being eligible, seeks re-appointment.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act 2017 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and in partial modification of resolution passed by the Members of the Company at the 49th Annual General Meeting (AGM) of the Company held on 28th July, 2016, the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company for a period of five years commencing from the conclusion of 49th AGM till the conclusion of 54th AGM of the Company be and hereby continues for the said term, without seeking any further ratification from the shareholders of the Company for their appointment as statutory auditors till the conclusion of their tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to decide and finalize the terms and remuneration plus taxes at the applicable rates and reimbursement of out of pocket expenses and travelling expenses etc. on progressive billing basis as may be mutually agreed between Statutory Auditors and the Company based on recommendation of Audit Committee."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members' of the Company be and is hereby accorded for re-appointment of Mr. Ashish K. Saha as Director – Works of the Company for a period of 3 (three) years with effect from 1st February, 2018 up to 31st January, 2021, liable to retire by rotation, on the following terms and conditions including remuneration:

SALARY

Basic Salary of ₹ 2,69,167/- per month in the scale of ₹ 2,40,000/- - ₹ 4,50,000/-.

Increments within the salary scale will be decided by the Board of Directors from time to time as it may deem fit.

PERQUISITES

Following perquisites on a monthly basis in addition to salary not exceeding three times the monthly basic salary shall be allowed as per the rules of the Company within the overall ceiling fixed by the Company. For the purpose of calculating the ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

i. Housing

Residential accommodation with furnishings or house rent allowance in lieu thereof as per the policy of the Company.

ii. Medical Reimbursement

Reimbursement of actual medical expenses incurred for self and family as per the rules of the Company

iii. Leave Travel Allowance

For self and family once in a year as per the rules of the Company

iv. Performance Linked Incentive

As per the rules of the Company

v. Other Allowances

As per the policy of the Company

vi. Personal Accident and Mediclaim Insurance

As per the policy of the Company

vii. Provident Fund

The Company's contribution not to exceed 12% of basic salary

viii. Pension / Superannuation fund

As per the policy of the Company

ix. Gratuity

As per the rules of the Company

x. Earned / Privilege leave

On full pay and allowance as per the policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company.

The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity payable as per the rules of the Company and encashment of leave, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

For the purpose of Superannuation / Pension / Provident Fund / Gratuity and Privilege leave, the service of the Director - Works will be considered from the original date of his joining the services and termination / renewal of agreement will not be considered as a break of service.

xi. Car & Telephones

As per the policy of the Company.

xii. Sitting Fees

The Director - Works shall not be paid any sitting fees for attending any meetings of the Board / Committee(s) /General Meeting(s) etc.

xiii. General

The Director - Works shall be subject to the other service conditions, rules and regulations of the Company from time to time.

Notwithstanding anything mentioned herein, where in any financial year during the currency of tenure of Director - Works, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in partial modification to earlier resolution passed by the Members at the 50th Annual General Meeting held on 28th July, 2017 appointing Mr. Dilip G. Piramal [DIN – 00032012] as the Chairman and Managing Director of the Company for a period of 2 (two) years with effect from 25th March, 2017 to 24th March, 2019, consent of the members' of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Dilip G. Piramal [DIN – 00032012] as the Chairman and Managing Director of the Company with effect from 1st April, 2018 to 24th March, 2019 as per details given hereunder:

SALARY

Total Salary of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lacs only) per annum.

COMMISSION

Such amount by way of commission, as may be decided by the Board for each financial year up to a maximum of 2% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES/ALLOWANCES

Following perquisites/allowances shall be allowed as per rules of the Company. For the purpose of calculating the ceiling, the perquisites and allowances (including performance pay) shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, the same shall be evaluated at actual cost.

i. Medical Reimbursement

Reimbursement of actual medical expenses for self and family as per the rules of the Company.

ii. Leave Travel Allowance

For self and family once in a year as per the rules of the Company.

iii. Club Fees

Club Fees to be paid by the Company subject to maximum of two clubs. This will not include admission and life membership fees.

iv. Personal Accident Insurance

As per policy of the Company.

v. Gratuity

As per rules of the Company.

vi. Earned / Privilege leave

As per policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company. Encashment of accumulated leave shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

For the purpose of Superannuation/Pension/Provident Fund/Gratuity/Commission and Privilege leave, the service of the Chairman & Managing Director will be considered from the original date of his joining the services and change of role/termination/renewal of service agreement will not be considered as a break of service.

vii. Car, Telephone and Mobile

As per policy of the Company.

viii. Sitting Fees

The Chairman & Managing Director shall not be paid any sitting fees for attending any meetings of the Board, Committee(s) or General Meeting(s).

ix. General

The Chairman and Managing Director shall be eligible for financial assistance for housing etc. as per the rules of the Company from time to time.

Notwithstanding anything mentioned herein, where in any financial year during the currency of tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"**RESOLVED THAT** in partial modification to earlier resolution passed by the Members at the 50th Annual General Meeting held on 28th July, 2017 appointing Ms. Radhika Piramal [DIN – 02105221] as Vice Chairperson & Executive Director of the Company for a period of 2 (two) years with effect from 7th April, 2017 to 6th April, 2019, consent of the members' of the Company be and is hereby accorded for revision in the remuneration payable to Ms. Radhika Piramal [DIN – 02105221] as Vice Chairperson & Executive Director of the Company from 1st April, 2018 to 6th April, 2019 as per details given hereunder:

SALARY

Annual pre-tax salary of £ 240,000 (Great Britain Pound Two Hundred Forty Thousand only).

COMMISSION

Such amount by way of commission, as may be decided by the Board for each financial year up to a maximum of 2% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES/ALLOWANCES

Following perquisites/allowances shall be allowed as per the rules of the Company within the overall ceiling fixed by the Company.

i. Housing

Residential accommodation with furnishings or house rent allowance in lieu thereof as per policy of the Company.

ii. Medical Reimbursement

Reimbursement of actual medical expenses incurred for self and family as per the rules of the Company.

iii. Medical Insurance

The Company will take medical insurance to cover medical requirement of Vice Chairperson & Executive Director and her family members.

iv. Relocation Expenses

The Company will reimburse actual relocation expenses towards the cost of relocation to London, United Kingdom.

v. Personal Accident Insurance

As per policy of the Company.

vi. Retirement benefits

As per policy of the Company.

vii. Earned / Privilege leave

On full pay and allowance as per the policy of the Company. Encashment of leave accumulated but not availed during the tenure or at the end of tenure of office, as the case may be, in accordance with the policy of the Company.

viii. Car, Telephone and Mobile

As per policy of the Company.

ix. Sitting Fees

The Vice Chairperson & Executive Director shall not be paid any sitting fees for attending any meetings of the Board/ Committee(s)/General Meeting(s) etc. It is expected that the Vice Chairperson & Executive Director has to travel to India for attending Board meetings in person for making presentation to the Board for their consideration.

x. General

The Vice Chairperson & Executive Director shall operate from London and shall be eligible for financial assistance for housing etc. as per the rules of the Company from time to time.

Notwithstanding anything mentioned herein, where in any financial year during the currency of tenure of the Vice Chairperson & Executive Director, the Company has no profits or its profits are inadequate, the Company will pay her remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/ POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and are hereby accorded respectively to the introduction and implementation of "VIP Employees Stock Appreciation Rights Plan 2018" ("ESARP 2018"/ "Plan") and authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to create and grant from time to time, in one or more tranches, employee stock appreciation rights ("ESARs"), to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of ESARP 2018, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESARP 2018, exercisable into not more than 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares of face value of ₹2/- (Rupees Two) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued on such terms and conditions, as may be determined in accordance with the provisions of the ESARP 2018 and in due compliance with the applicable laws and regulations including SEBI SBEB Regulations.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the ESAR Grantees for the purpose of making a fair and reasonable adjustment to the ESARs granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR Grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESARP 2018 on the stock exchanges, where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESARP 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESARP 2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESARP 2018 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESARP 2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and are hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations), to create, offer and grant from time to time, in one or more tranches, such number of employee stock appreciation rights ("ESARs") under 'VIP Employees Stock Appreciation Rights Plan 2018' ("ESARP 2018"/ "Plan") within the limit prescribed therein to or for the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary company(ies) of the Company whether in or outside India as may be decided under ESARP 2018, exercisable into corresponding number of equity shares of face value of ₹2/- (Rupees Two) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued, on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.**"**

By Order of the Board of Directors

Anand Daga
Company Secretary & Head- Legal

Place: Mumbai

Dated: May 22, 2018

Registered Office:

DGP House, 5th Floor, 88 - C, Old Prabhadevi Road, Mumbai – 400025

CIN: L25200MH1968PLC013914

NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours (i.e. by 3:30 p.m. on 15th July, 2018) before the commencement of the meeting. A Proxy form is annexed to this report.

(b) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on behalf of the Company.

(c) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from 10th July, 2018 to 17th July, 2018 (both days inclusive) for the purpose of payment of final dividend.

(d) The dividend as recommended by the Board of Directors, if approved by the Members at the ensuing AGM will be paid on or after 19th July, 2018 as under to:

i) members holding shares in physical form, whose names appear in the Company's Register of Members as on 17th July, 2018.

ii) beneficial owners, whose names appear in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 9th July, 2018.

(e) Members desirous of obtaining any information in respect of Annual Financial Statements and operations of the Company are requested to write to the Company at least one week before the Meeting, to enable the Company to make available the required information at the Meeting.

(f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

SEBI has also directed all listed Companies to record PAN and Bank account details of shareholders holding shares in physical mode. Members are therefore requested to update their PAN and Bank account details at the earliest.

(g) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA) has allowed companies to send official documents to their shareholders electronically. Accordingly, Annual Report for the financial year 2017-18 along with Notice of the 51st AGM of the Company, inter-alia indicating the process and manner of e-voting, Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Annual Report for the year 2017-18 are being sent through the permitted mode. However, the Company requests the members to expeditiously update their email id by writing to the Company at DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai-400 025, Tel.: +91-22-6653 9000 Fax: +91-22- 6653 9089 Email: investor-help@vipbags.com or the Company's RTA.

(h) Members may also note that the Notice of the 51st AGM and the Annual Report for financial year 2017-18, in Portable Document Format (PDF), will also be available on the Company's website www.vipindustries.co.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (9.00 a.m. to 5.00 p.m.) on any working day except Saturdays, Sundays and Public Holidays, upto the date of the 51st AGM of the Company.

(i) In case of joint shareholders attending the meeting, only such joint shareholder whose name appears higher in order of names as mentioned in the Register of Members of the Company will be entitled to vote.

(j) Members are requested to notify immediately, any change in their address registered with the Company or to the RTA for equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.

(k) Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their share(s) in the Company, shall vest after his/her/their lifetime. Members who are holding share(s) in physical form and are interested in availing this nomination facility are requested to write to the Company or the Company's RTA and those Members who are holding share(s) in electronic form, are requested to write to their respective Depository Participants (DPs).

(l) Transfer of Unpaid Dividend:

In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In view of the above, during the year under review the Company has transferred the unclaimed/ unpaid dividend for the Financial year 2009-10 (Final Dividend) and 2010-11 (Interim Dividend) which remained unpaid and unclaimed for a period of 7 years to IEPF.

Unclaimed Final dividend in respect of Financial Year 2010-11 (Final Dividend) is due for transfer to IEPF on 4th October, 2018. Members who have not yet encashed or claimed their dividend warrant(s) pertaining to the dividend for the Financial Year 2010-11 onwards, are requested to lodge their claims with the Company for the same.

Transfer of Equity Shares:

Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules) amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to the Demat account of the Investor Education and Protection Fund Authority. The said Shares, once transferred to the said Demat account of the IEPF Authority can be claimed only after following due procedure prescribed under the said IEPF rules.

In view of the above, during the year under review, the Company has transferred 11,72,510 shares pertaining to 2290 Shareholders of the Company to the Demat Account of the IEPF Authority. The voting right on such unclaimed shares,which were transferred to the Demat Account of IEPF Auhority shall remain frozen until the rightful owner claims the same.

Members are therefore requested to approach the Company's RTA to claim their unpaid shares and dividend, if any.

(m) In order to render better and efficient services, Members are requested to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable for the same. In case any Member(s) decide to consolidate his/her/their folios, he/she/they is/are requested to forward his/her/their share certificates, along with a request letter, to the Company or the Company's RTA.

(n) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to its Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited (CDSL). The facility for voting through ballot paper will be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given below.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 14th July, 2018 at 9:00 a.m. and ends on 16th July, 2018 at 5:00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 11th July, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii)) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(o) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 11th July, 2018.

(p) Those shareholders who have become the shareholders after 15th June, 2018 the cut-off date for sending the Annual Report may refer to the Notice which is available on the Company's website www.vipindustries.co.in and also on the website of CDSL e-Voting i.e. www.evotingindia.com.

(q) Ms. Ragini Chokshi, Practicing Company Secretary (Membership No. FCS 2390) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(r) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman & Managing Director of the Company.

(s) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vipindustries.co.in and on the website of CDSL e-voting within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

(t) As an austerity measure, copies of Annual Report will not be distributed at the AGM. Members are requested to bring their own copies to the Meeting.

(u) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, Sundays and Public Holidays up to and including the date of the Annual General Meeting of the Company

ANNEXURE TO THE NOTICE

THE FOLLOWING STATEMENT SETS OUT THE MATERIAL FACTS RELATING TO ORDINARY BUSINESS UNDER ITEM NO. 5 IN THE ACCOMPANYING NOTICE

At the 49th Annual General Meeting (AGM) of the Company, the shareholders had approved appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016), as Statutory Auditors of the Company from conclusion of 49th AGM till the conclusion of 54th AGM, subject to ratification by the shareholders at every AGM.

The Companies (Amendment) Act, 2017 published in the Gazette of India on January 3, 2018, amended few sections of Companies Act, 2013 including omission of first proviso to Section 139(1) of Companies Act 2013 which provided for ratification of appointment of Statutory Auditors by members at every AGM. The amendment to said section is already effective from May 7, 2018.

In view of the above, the Board of Directors of Company have proposed partial modification of previous resolution of the members passed at the 49th AGM of the Company on appointment of Statutory Auditors and recommended to continue appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016), as Statutory Auditors of the Company for the period of five years commencing from the conclusion of 49th AGM till the conclusion of 54th AGM of the Company, without seeking any further ratification of their appointment from members at this AGM and ensuing AGMs till the tenure of the Statutory Auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the ordinary resolution at Item No. 5 for approval of the Members of the Company.

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. 6 in the accompanying Notice:

ITEM NO. 6

Mr. Ashish K . Saha was appointed as Director-works for a term of 3 years with effect from 1st February, 2015 to 31st January, 2018.

The Board of Directors of the Company (the ‘Board’), at its meeting held on 7th November, 2017 has, subject to approval of members, re-appointed Mr. Ashish K. Saha as Whole- time Director designated as Director- Works, for a period of 3 (Three) years with effect from 1st February, 2018 to 31st January, 2021 (both days inclusive) on such terms & conditions and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

The terms of appointment and remuneration payable to Mr. Saha are enumerated in the resolution at Item No. 6 of the accompanying Notice.

Other than Mr. Ashish K. Saha, who is Director of the Company, no other Directors, Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested in the resolutions mentioned at item no. 6 of the notice.

The agreement dated 25th January, 2018, entered into between the Company and Mr. Ashish K. Saha as Director- Works of the company is open for inspection by the members during the normal working hours of the Company i.e. 9:00 a.m. to 5:00 p.m. on all working days except Saturdays, Sundays and Public Holidays at its Registered Office up to the date of the Annual General Meeting.

The Board of Directors recommends passing of the Resolution as set out as Item No. 6 of the accompanying Notice.

ITEM NO. 7 & 8

Mr. Dilip G. Piramal [DIN – 00032012] was appointed as the Chairman and Managing Director of the Company for a period of 2 (two) years with effect from 25th March, 2017 to 24th March, 2019. Mr. Piramal is an experienced industrialist, who has pioneered luggage industry in India. He has an experience of more than 45 years in the luggage industry. He oversees the overall management and functioning of the Company. He supervises the functioning of various departments in the Company such as Production, Sales & Marketing, Human Resources, Finance and Accounts, etc. In his terms of office, Mr. Dilip G. Piramal has contributed extensively towards the overall growth of the Company.

Ms. Radhika Piramal [DIN – 02105221] was appointed as Vice Chairperson & Executive Director of the Company for a period of 2 (two) years with effect from w.e.f 7th April, 2017 to 6th April, 2019. Ms. Piramal is looking after innovation and technology development happening globally in luggage industry. She is also responsible for assessing international trends and developing world class products. During her tenure, the delivery and execution strength of the Company have displayed a manifold increase.

In view of the same and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 22nd May, 2018 has approved revision in remuneration payable to Mr. Dilip G. Piramal and Ms. Radhika Piramal with effect from 1st April, 2018 for remaining duration of their appointment.

Such revision of the remuneration payable to Mr. Dilip G. Piramal and Ms. Radhika Piramal requires approval of the Members in General Meeting and accordingly Board recommends passing of Ordinary resolutions as set out in item nos. 7 and 8 of the accompanying Notice for your approval.

Other than Mr. Dilip G. Piramal and Ms. Radhika Piramal, who are the Directors of the Company and their relatives Mrs. Shalini D. Piramal and Ms. Aparna Piramal Raje, no other Director, Key Managerial Personnel or their respective relatives is in any way concerned or interested in the resolutions mentioned at item nos. 7 and 8 of the Notice.

The agreement dated 22nd May, 2018 entered into between the Company and Mr. Dilip G. Piramal as the Chairman & Managing Director of the Company and agreement dated 22nd May, 2018 entered into between the Company and Ms. Radhika Piramal as the Vice Chairperson & Executive Director of the Company is open for inspection by the members during the normal working hours of the Company i.e. 9 a.m. to 5 p.m. on all working days except Saturdays, Sundays and Public Holidays at its Registered Office upto the date of the Annual General Meeting.

ITEM NO. 9 & 10

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your the Company and its subsidiaries. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock appreciation rights ("ESARs") plan namely 'VIP Employees Stock Appreciation Rights Plan 2018' ("ESARP 2018"/ "Plan") seeking to cover eligible employees of the Company and of its subsidiaries.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company at their respective meetings held on 22nd May, 2018 had approved the introduction of ESARP 2018, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the Plan and grant of ESARs thereunder to the eligible employees of the Company and of its subsidiaries as decided from time to time as per provisions of the Plan read with provisions of SEBI SBEB Regulations.

The main features of the ESARP 2018 are as under:

1. **Brief Description of the ESARP 2018:**

   Keeping view the aforesaid objectives, the ESARP 2018 contemplates grant of ESARs to the eligible employees of the Company and of its subsidiaries. The SEBI SBEB Regulations permit granting ESARs to employees which entitle them to receive appreciation in the value of 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 Committee shall act as Compensation Committee for the administration of ESARP 2018. All questions of interpretation of the ESARP 2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESARP 2018.

2. **Total number of ESARs to be granted/ equity shares to be issued:**

   The total number of ESARs to be granted shall be such which upon exercise shall not exceed 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares in aggregate in the Company of face value of ₹2/- each fully paid-up unless otherwise intended to be settled by way of cash at the discretion of the Board, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

   Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the ESARs granted. In this regard, the Committee shall adjust the number and price of the ESARs granted in such a manner that the total value of the ESARs granted under the ESARP 2018 remain the same after any such corporate action. Accordingly, if any additional ESARs are issued by the Company to the ESARs grantees for making such fair and reasonable adjustment, the ceiling of 7,06,587 (Seven Lacs Six Thousand Five Hundred and Eighty Seven) equity shares, shall be deemed to be increased to the extent of such additional ESARs issued.

   If the settlement results in fraction of an equity share, then the consideration for such fraction of a share shall be settled in cash as per requirements of SEBI SBEB Regulations

3. **Identification of classes of employees entitled to participate in ESARP 2018**

   Following classes of employees are entitled to participate in ESARP 2018:

   a) Permanent employees and of the Company working in India or out of India;

b) a director of the Company, whether a whole time director or not but excluding an Independent director; or

c) an employee as defined in clause (i) or (ii) of a subsidiary in or outside India.

but does not include-

a) an employee who is a Promoter or belongs to the Promoter Group;

b) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;

4. **Requirements of vesting and period of vesting:**

All the ESARs granted on any date shall vest not earlier than minimum of **1 (One) year** and not later than a maximum of **7 (Seven) years** from the date of grant of ESARs as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.

The vesting dates in respect of the ESARs granted under the ESARP 2018 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of ESARs to be vested.

ESARs shall vest essentially based on continuation of employment/ service as per requirements of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

5. **Maximum period within which the ESARs shall be vested:**

All the ESARs granted on any date shall vest not later than a maximum of **7 (Seven)** years from the date of grant of ESARs as stated above.

6. **ESAR price or pricing formula:**

The ESAR Price per ESAR shall be maximum upto 40% (forty percent) discount on the Market Price per Share as on the grant date of such ESARs as determined by the Committee from time to time.

7. **Exercise period and the process of Exercise:**

The exercise period would commence from the date of vesting and will expire on completion **5 (Five)** years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested ESARs shall be exercisable by the ESAR Grantees by a written application to the Company expressing his/ her desire to exercise such ESARs in such manner and on such format as may be prescribed by the Committee from time to time. The ESARs shall lapse if not exercised within the specified exercise period.

8. **Appraisal process for determining the eligibility of employees under ESARP 2018:**

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

9. **Maximum number of ESARs to be issued per employee and in aggregate:**

The maximum number of ESARs that may be granted to any specific employee of the Company per employee and in aggregate under the ESARP 2018 shall not exceed 0.5% of the Issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of such ESARs.

10. **Maximum Quantum of benefits to be provided per employee under the ESARP 2018**

Apart from grant of ESARs as stated above, no monetary benefits are contemplated under the ESARP 2018.

11. **Route of ESARP 2018**

The ESARP 2018 shall be implemented and administered directly by the Company and not through the Trust route.

12. **Source of acquisition of shares under ESARP 2018**

The ESARP 2018 contemplates issue of new fresh/ primary shares by the Company and not involves any secondary acquisition.

13. **The amount of loan to be provided for implementation of the ESARP 2018 by the Company to the Trust, its tenure, utilisation, repayment terms etc.**

This is currently not contemplated under the present ESARP 2018.

14. **Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme**

This is not relevant under the present ESARP 2018.

15. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing rules, Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

16. Method of ESARs Valuation:

The Company shall adopt 'fair value method' for valuation of ESARs as prescribed under Guidance Note or under the Accounting Standard, as applicable, notified by appropriate authorities from time to time.

17. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the ESARs and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESARP 2018 is available for inspection at the Company's Registered Office / Corporate Office during official hours on all working days till the date of the Annual General Meeting.

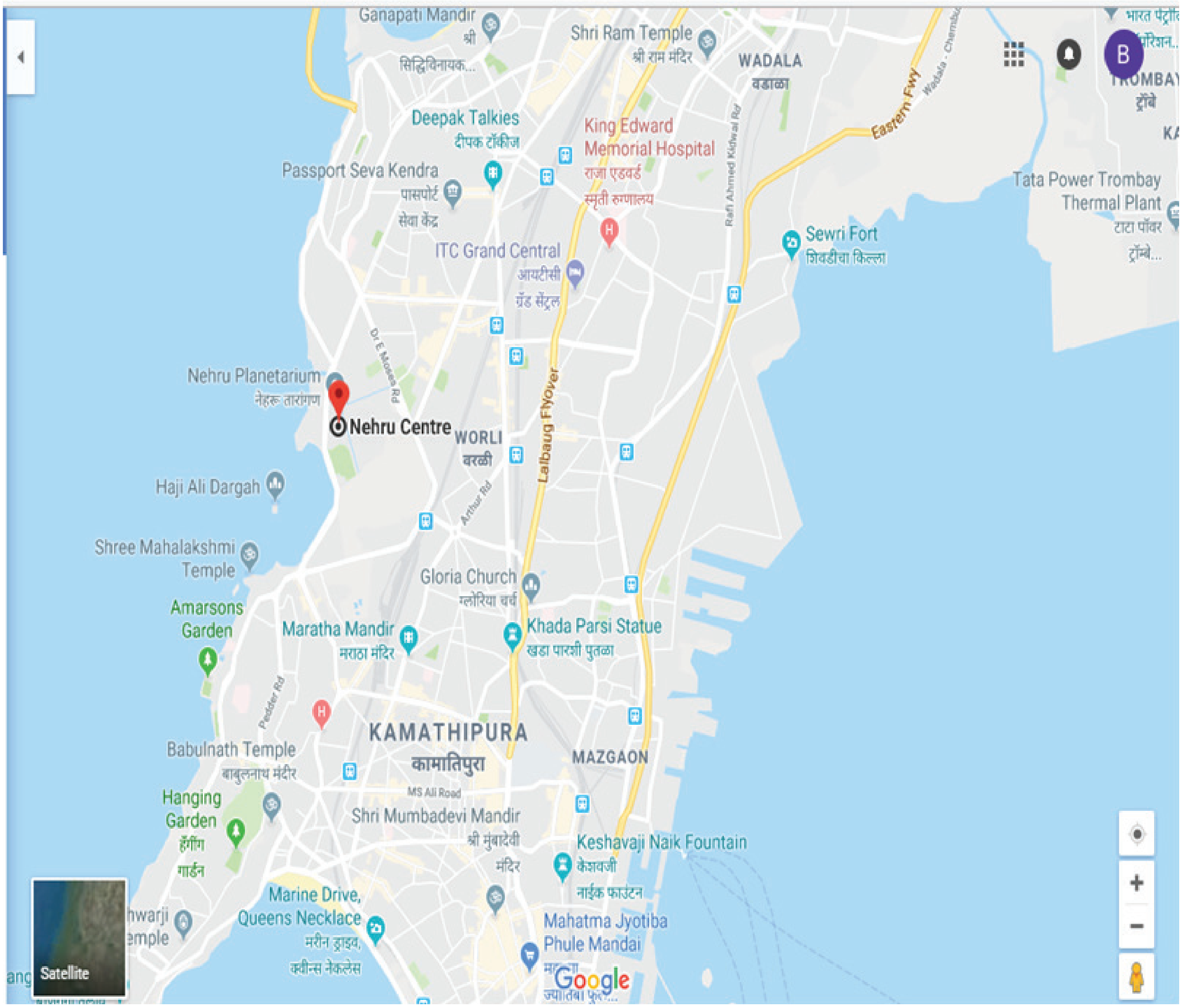
None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item Nos. 9 & 10 of the accompanying notice.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Director seeking appointment/ re-appointment			
Name of the Director	**Mr. Dilip G. Piramal**	**Ms. Radhika Piramal**	**Mr. Ashish Saha**
Date of Birth	02/11/1949	27/05/1978	25/11/1958
Date of Appointment	04/06/1979	30/06/2009	01/02/2012
Qualification	Bachelor of Commerce	Graduate from Oxford University, with an MBA from the Harvard Business School	- Diploma in Instrument Technology from INDO-SWISS Training Centre. - Post Graduate Diploma in Dye and Mould making from Central Scientific Instruments Organization
Experience in special functional area	Corporate Management	Corporate Management	Tooling, design & manufacturing of luggage.
Chairman / Director of other companies	1. DGP Securities Ltd. 2. Kiddy Plast Ltd. 3. Gazelle Travels Pvt. Ltd. 4. DGP Enterprises Pvt. Ltd. 5. DGP Capital Management Ltd. 6. KEC International Ltd. 7. Alkyl Amines Chemicals Ltd. 8. Association for Development of Luggage and Accessories 9. Association for Development of Handbags and Small Bags Industry	1. DGP Securities Limited 2. Blow Plast Retail Limited 3. Kiddy Plast Limited	1. Trimuriti Glass Containers Ltd. 2. Blow Plast Retail Limited 3. V.I.P. Industries Bangladesh Pvt. Ltd. 4. V.I.P. Industries BD Manufacturing Pvt. Ltd. 5. V.I.P. Luggage BD Pvt. Ltd..
Chairman/ Member of Committee of other Companies	NIL	NIL	NIL
No. of shares held in the Company	3,50,616 shares	2,22,487 shares	1 share

Route Map to venue of AGM as per the requirements of Secretarial Standards (SS-2)



Landmark: Opposite Nehru Planetarium

By Order of the Board of Directors

Anand Daga
Company Secretary & Head- Legal

Place: Mumbai
Dated: May 22, 2018

Registered Office:
DGP House, 5th Floor, 88 C, Old Prabhadevi Road, Mumbai– 400 025
CIN:L25200MH1968PLC013914

Your Directors are pleased to present the 51st Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2018.

FINANCIAL RESULTS (Consolidated) (₹ in Crores)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue from Operations	**1416.34**	1282.57
Profit before depreciation, Interest and Tax	**202.68**	139.89
Finance cost	**0.30**	0.68
Depreciation and Amortisation expenses	**12.85**	13.61
Profit before tax	**189.53**	125.60
Tax expenses	**62.78**	40.39
Profit for the year	**126.75**	85.21

OVERALL PERFORMANCE AND OUTLOOK

During the financial year ended 31st March, 2018, revenue from Operations was ₹ 1416.34 crores as against ₹ 1282.57 crores during previous year, registering a growth of 10.43%. Profit before exceptional items and tax was at ₹ 189.53 crores as against ₹ 125.60 crores in the previous year. Profit after Tax for the year under review was at ₹ 126.75 crores against ₹ 85.21 crores in the previous year.

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

EXPORTS AND INTERNATIONAL OPERATIONS

Due to subdued market conditions in UK, Europe and Asia Pacific, the International Business of the Company declined during the year.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed herewith as **Annexure "A"**.

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

Your Company's Board of Directors met five times during the financial year under review. The details of which are given in the Corporate Governance 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, 2018, 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, 2018 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, 2018, 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

At the 49th Annual General Meeting held on 28th July, 2016, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No.012754N/N500016) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years commencing from the conclusion of 49th Annual General Meeting till the conclusion of 54th Annual General Meeting, subject to ratification of appointment by the Members of the Company in each Annual General Meeting.

The Companies (Amendment) Act, 2017 published in the Gazette of India on January 3, 2018, amended few sections of Companies Act, 2013 including omission of first proviso to Section 139(1) of Companies Act 2013 which provided for ratification of appointment of Statutory Auditors by members at every AGM. The amendment to said section is already effective from May 7, 2018.

In view of the above, the Board of Directors of Company have proposed partial modification of previous resolution of the members passed at the 49th AGM of the Company on appointment of Statutory Auditors and recommended to continue appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016), as Statutory Auditors of the Company for the period of five years commencing from the conclusion of 49th AGM till the conclusion of 54th AGM of the Company, without seeking any further ratification of their appointment from members at this AGM and ensuing AGMs till the tenure of the Statutory Auditors.

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.

Secretarial Auditors

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., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company for the financial year 2018-19. The Secretarial Audit Report for the financial year 2017-18 forms part of this Annual Report and is appended as **Annexure "B"** 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, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

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 – www.vipindustries.co.in

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 "C"** to this report. Related Party disclosures as per IndAS have been provided in Note No. 46 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, is presented in a separate section forming part of this Annual Report.

RESERVES & DIVIDEND

During the year under review, as well as during the previous year, the Company has not transferred any amount to the General Reserves. As on 31st March, 2018, Reserves and Surplus of the Company were at ₹ 443.68 crores. An amount of 200.71 crores is proposed to be retained as surplus in the statement of Profit & Loss.

Your Directors are pleased to recommend for your consideration, a final dividend of ₹ 2/- (Rupee Two only) per equity share of ₹ 2 each (previous year ₹ 1.60 per equity share of ₹ 2 each) for the financial year 2017-18. Your Company had paid in February, 2018, an interim dividend of ₹ 1.00 (Rupee One only) per equity share of ₹ 2 each for the financial year 2017-18. Accordingly, the total dividend declared/recommended by your Company for the financial year 2017-18 is ₹ 3/- (Rupees Three only) per equity share of ₹ 2 each (previous year ₹ 2.40 per equity share of ₹ 2 each). Your Company proposes a higher dividend compared to previous year as your Company has earned good profit during the financial year 2017-18.

The Board has approved and adopted the Dividend Distribution Policy and the same is annexed herewith as **Annexure "D"** to this report.

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, 2018 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 "E"** 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.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) expenditure incurred by your Company during the financial year 2017-18 was ₹ 1.82 crores which was equal to the statutory requirement of 2% 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 2017-18 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 "F"** to this Report.

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 performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination & Remuneration Policy of the Company.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018.

Mr. Dilip G. Piramal, Chairman and Managing Director of your Company retires by rotation and being eligible offers himself for re-appointment.

DETAILS OF APPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONNEL

Mr. Sudip Ghose was appointed as Chief Executive Officer of the Company with effect from 1st April, 2018.

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

VIP Industries Bangladesh Private Limited and Blow Plast Retail Limited continued to be the wholly owned subsidiary companies of the Company.

During the year under review, VIP Industries BD Manufacturing Private Limited and VIP Luggage BD Private Limited have been incorporated as wholly owned subsidiaries of the Company.

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 the financial of the financial statement of our subsidiaries in the prescribed format AOC-1 is presented in separate section forming part of the financial statement.

The Policy for determining "Material" subsidiaries has been displayed on the Company's website at the link – www.vipindustries.co.in

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, 2018.

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 Board 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 www.vipindustries.co.in.

Every new Independent Director of the Board attends 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

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has formulated a Policy to prevent Sexual Harassment of Women at workplace and constituted Internal Complaints Committees (ICC). During the year, no cases alleging sexual harassment of Women at workplace has been received by ICC.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2018 stood at ₹ 28.26 crores. During the year under review, the Company has not issued shares with differential voting rights not has granted any stock options or sweat equity. As on 31st March, 2018, 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, Mr. G. L. Mirchandani and Mr. Rajeev Gupta. All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

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 at the registered office of your Company during working hours 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:

Sr. No.	Name	Designation	Remuneration paid for the Financial Year 2017-18 (₹ in Crores)
1	Mr. Dilip G. Piramal	Chairman and Managing Director	3.70
2	Ms. Radhika Piramal	Vice Chairperson and Executive Director	3.80
3	Mr. Ashish K. Saha	Director - Works	0.88
4.	Mr. Jogendra Sethi	Chief Financial Officer	1.50
5.	Mr. Anand Daga	Company Secretary & Head - Legal	0.45

1. Your Directors' Remuneration (including commission and variable pay) to the median remuneration of the employees of your Company for the year 2017-18 was as under:

Director's Name	Ratio of remuneration of each Director to the median employees' remuneration
Mr. Dilip G. Piramal	114X
Ms. Radhika Piramal	119X
Mr. Ashish K. Saha	27X

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

Name	Designation	Increase
Mr. Dilip G. Piramal	Chairman and Managing Director	67%
Ms. Radhika Piramal	Vice Chairperson and Executive Director	7%
Mr. Ashish K. Saha	Director – Works	15.95%
Mr. Jogendra Sethi	Chief Financial Officer	15.00%
Mr. Anand Daga	Company Secretary & Head - Legal	12.00%

3. The percentage increase in the median remuneration of employees for the financial year 2017–18 is around 14.07%. The percentage increase 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 – 2099
5. The Percentage increase in salaries of the managerial personnel at 50th percentile is 6.81 %. The Percentage increase in salaries of the non-managerial personnel at 50th percentile is 13.61%. The increase/decrease in remuneration is not solely based on the Company's performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.
6. The remuneration paid to the Directors is as per the Remuneration Policy of the Company.

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 & Managing Director
(DIN No. 00032012)

Place: Mumbai
Dated: May 22, 2018

ANNEXURE – A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. **REGISTRATION & OTHER DETAILS:**

CIN	L25200MH1968PLC013914
Registration Date	27.1.1968
Name of the Company	V.I.P. INDUSTRIES LIMITED
Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
Address of the Registered office & contact details	DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai- 400 025 TEL: + 91-(22) 66539000 FAX: + 91-(22) 66539089 Email: investor-help@vipbags.com
Whether listed company	YES- (BSE Limited and The National Stock Exchange of India Limited)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. C-101, 247 Park, LBS Marg, Vikroli(W), Mumbai-400 083 TEL: +91-22-49186000 FAX: +91-22-49186060 EMAIL: rnt.helpdesk@linkintime.co.in

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hard Luggages	22205	24%
2	Soft Luggages	15121	76%

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	**Name-** Blow Plast Retail Limited **Add-** 88-C, DGP House, Old Prabhadevi Road, Mumbai - 400 025	U74999MH2007PLC169105	Subsidiary	100	2(87)
2	**Name-** VIP Industries Bangladesh Private Limited **Add-** Plot No: 74-83, EPZ - Mongla, Bagerhat - 9351, Bangladesh.	N.A.	Subsidiary	100	2(87)
3.	**Name-** VIP Industries BD Manufacturing Private Limited **Add-** Plot No. 99 -102, EPZ Mongla, Bagerhat - 9351, Bangladesh.	N.A.	Subsidiary	100	2(87)
4.	**Name-** VIP Luggage BD Private Limited **Add-** D1/4, EPZ-Mongla, Bagerhat - 9351, Bangladesh.	N.A.	Subsidiary	100	2(87)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

A) **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	803270	0	803270	0.56	803270	0	803270	0.56	No Change
b) Central Govt	0	0	0	0	0	0	0	0	No Change
c) State Govt(s)	0	0	0	0	0	0	0	0	No Change
d) Bodies Corp.	73393250	0	73393250	51.94	73393250	0	73393250	51.94	No Change
e) Banks / FI	0	0	0	0	0	0	0	0	No Change
f) Any other	0	0	0	0	0	0	0	0	No Change
Total shareholding of Promoter (A)	74196520	0	74196520	52.50	74196520	0	74196520	52.50	No Change
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	23648498	21750	23670248	16.75	13333385	9750	13343135	9.44	(7.31)
b) Banks / FI	49935	3500	53435	0.04	58631	250	58881	0.04	No Change
c) Central Govt	0	0	0	0	0	0	0	0	No Change
d) State Govt(s)	0	0	0	0	0	0	0	0	No Change
e) Venture Capital Funds	0	0	0	0	0	0	0	0	No Change
f) Insurance Companies	0	500	500	0	0	500	500	0	No Change
g) FIIs	201000	34000	235000	0.16	0	25000	25000	0.01	(0.15)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	No Change
i) Foreign Portfolio Investor (Corporate)	5683510	0	5683510	4.02	14554908	0	14554908	10.30	6.28
Others									
- AIF	0	0	0	0	1665774	0	1665774	1.18	1.18
Sub-total (B)(1):-	29582943	59750	29642693	20.97	29612698	35500	29648198	20.97	No Change
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3881118	15250	3896368	2.76	5336280	6500	5342780	3.78	1.02
ii) Overseas	0	35000	35000	0.02	0	35000	35000	0.02	No Change
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	14114672	4508564	18623236	13.18	14043240	3217184	17260424	12.21	(0.97)
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	12398577	0	12398577	8.78	11292891	0	11292891	7.99	(0.79)
c) Others (specify)									
Non Resident Indians (Repat)	593317	675125	1268442	0.90	698844	591750	1290594	0.92	0.02
Non Resident Indians (Non Repat)	253947	1000	254947	0.18	285312	1000	286312	0.20	0.02
Market Maker	15082	0	15082	0.01	4683	0	4683	0.01	No Change
Foreign Nationals	500	0	500	0	500	0	500	0.00	No Change
Clearing Members	562038	0	562038	0.40	419927	0	419927	0.31	(0.09)
Trusts	160	0	160	0	1510	0	1510	0	No Change
Hindu Undivided Family	422252	1500	423752	0.30	363966	1500	365466	0.26	(0.04)
Foreign Bodies - D R	0	0	0	0	0	0	0	0	No Change
IEPF	0	0	0	0	1172510		1172510	0.83	0.83
Sub-total (B)(2):-	32241663	5236439	37478102	26.53	33619663	3852934	37472597	26.53	No Change
Total Public Shareholding (B)=(B)(1)+ (B)(2)	61824606	5296189	67120795	47.50	63232361	3888434	67120795	47.50	No Change
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	136021126	5296189	141317315	100	137428881	3888434	141317315	100	No Change

B) **Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	DGP Securities Ltd	36581765	25.89	NIL	36581765	25.89	NIL	No Change
2	Vibhuti Investments Company Ltd	21862645	15.47	NIL	21862645	15.47	NIL	No Change
3	Kiddy Plast Ltd	4804340	3.40	NIL	4804340	3.40	NIL	No Change
4	Kemp and Company Ltd	3299980	2.33	NIL	3299980	2.33	NIL	No Change
5	Alcon Finance and Investments Ltd	2768355	1.96	NIL	2768355	1.96	NIL	No Change
6	DGP Enterprises Pvt Ltd	2388500	1.69	NIL	2388500	1.69	NIL	No Change
7	DGP Capital Management Ltd	1687665	1.19	NIL	1687665	1.19	NIL	No Change
8	Shalini Dilip Piramal	233500	0.17	NIL	233500	0.17	NIL	No Change
9	Radhika D Piramal	222000	0.16	NIL	222000	0.16	NIL	No Change
10	Dilip G Piramal	203020	0.14	NIL	203020	0.14	NIL	No Change
11	Aparna D Piramal	144750	0.10	NIL	144750	0.10	NIL	No Change

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in promoter shareholding during the year under review.

D) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAKESH JHUNJHUNWALA	5215000	3.6903			5215000	3.6903
	AT THE END OF THE YEAR					5215000	3.6903
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND	4287467	3.0339			4287467	3.0339
	AT THE END OF THE YEAR					4287467	3.0339
3	FRANKLIN INDIA SMALLER COMPANIES FUND	3322736	2.3513			3322736	2.3513
	Sale			22 Sep 2017	(100000)	3222736	2.2805
	Sale			10 Nov 2017	(100000)	3122736	2.2097
	Sale			01 Dec 2017	(50000)	3072736	2.1744
	Sale			15 Dec 2017	(24825)	3047911	2.1568
	Sale			22 Dec 2017	(25175)	3022736	2.1390
	AT THE END OF THE YEAR					3022736	2.1390
4	TATA AIA LIFE INSURANCE CO LTD-SUPER SELECT EQUITY FUND-ULIF	0	0.00			0	0.00
	Purchase			10 Nov 2017	769189	769189	0.5443
	Purchase			17 Nov 2017	158645	927834	0.6566
	Purchase			24 Nov 2017	243907	1171741	0.8292
	Purchase			22 Dec 2017	500	1172241	0.8295
	Purchase			05 Jan 2018	550	1172791	0.8299
	Purchase			12 Jan 2018	150841	1323632	0.9366
	Purchase			19 Jan 2018	160000	1483632	1.0499
	Purchase			26 Jan 2018	286667	1770299	1.2527

	Purchase			02 Feb 2018	700	1770999	1.2532
	Purchase			02 Mar 2018	600	1771599	1.2536
	Purchase			23 Mar 2018	256338	2027937	1.4350
	Purchase			31 Mar 2018	64122	2092059	1.4804
	AT THE END OF THE YEAR					2092059	1.4804
5	SUDHIR MOHANLAL JATIA	2675000	1.8929			2675000	1.8929
	Sale			07 Apr 2017	(125000)	2550000	1.8044
	Sale			14 Apr 2017	(50000)	2500000	1.7691
	Sale			21 Apr 2017	(100000)	2400000	1.6983
	Sale			28 Apr 2017	(50000)	2350000	1.6629
	Sale			19 May 2017	(12000)	2338000	1.6544
	Sale			16 Jun 2017	(23000)	2315000	1.6382
	Sale			21 Jul 2017	(15000)	2300000	1.6275
	Sale			01 Sep 2017	(50000)	2250000	1.5922
	Sale			08 Sep 2017	(50000)	2200000	1.5568
	Sale			03 Nov 2017	(100000)	2100000	1.4860
	Sale			10 Nov 2017	(90000)	2010000	1.4223
	Sale			17 Nov 2017	(10000)	2000000	1.4153
	Sale			29 Dec 2017	(10000)	1990000	1.4082
	Sale			02 Feb 2018	(30000)	1960000	1.3869
	Sale			23 Feb 2018	(15000)	1945000	1.3763
	Sale			02 Mar 2018	(15000)	1930000	1.3657
	AT THE END OF THE YEAR					1930000	1.3657
6	RAMGOPAL TEXTILES LTD	1700000	1.2030			1700000	1.2030
	AT THE END OF THE YEAR					1700000	1.2030
7	ITPL - INVESCO INDIA CONTRA FUND	1955486	1.3838			1955486	1.3838
	Purchase			21 Apr 2017	23553	1979039	1.4004
	Sale			12 May 2017	(26121)	1952918	1.3819
	Purchase			02 Jun 2017	67178	2020096	1.4295
	Purchase			09 Jun 2017	217	2020313	1.4296
	Purchase			07 Jul 2017	97871	2118184	1.4989
	Sale			29 Sep 2017	(425486)	1692698	1.1978
	Purchase			10 Nov 2017	61990	1754688	1.2417
	Sale			01 Dec 2017	(46430)	1708258	1.2088
	Sale			08 Dec 2017	(101490)	1606768	1.1370
	Sale			09 Feb 2018	(11181)	1595587	1.1291
	AT THE END OF THE YEAR					1595587	1.1291
8	MALABAR INDIA FUND LIMITED	0	0.0000			0	0.0000
	Purchase			19 Jan 2018	298652	298652	0.2113
	Purchase			26 Jan 2018	243348	542000	0.3835
	Purchase			02 Feb 2018	858000	1400000	0.9907
	AT THE END OF THE YEAR					1400000	0.9907
9	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	1409000	0.9970			1409000	0.9970
	Purchase			07 Apr 2017	613000	2022000	1.4308
	Purchase			14 Apr 2017	124000	2146000	1.5186
	Purchase			21 Apr 2017	425000	2571000	1.8193
	Purchase			28 Apr 2017	30000	2601000	1.8405
	Purchase			05 May 2017	84000	2685000	1.9000

	Purchase			26 May 2017	111562	2796562	1.9789
	Purchase			09 Jun 2017	175000	2971562	2.1028
	Sale			07 Jul 2017	(100000)	2871562	2.0320
	Purchase			14 Jul 2017	100000	2971562	2.1028
	Sale			01 Sep 2017	(30000)	2941562	2.0815
	Sale			22 Sep 2017	(65000)	2876562	2.0355
	Sale			29 Sep 2017	(35000)	2841562	2.0108
	Purchase			13 Oct 2017	137000	2978562	2.1077
	Sale			20 Oct 2017	(30000)	2948562	2.0865
	Purchase			10 Nov 2017	9000	2957562	2.0929
	Sale			24 Nov 2017	(230000)	2727562	1.9301
	Sale			01 Dec 2017	(110000)	2617562	1.8523
	Sale			08 Dec 2017	(130000)	2487562	1.7603
	Sale			15 Dec 2017	(16000)	2471562	1.7489
	Sale			22 Dec 2017	(115000)	2356562	1.6676
	Sale			29 Dec 2017	(26000)	2330562	1.6492
	Sale			05 Jan 2018	(32100)	2298462	1.6265
	Sale			12 Jan 2018	(115745)	2182717	1.5446
	Sale			19 Jan 2018	(514300)	1668417	1.1806
	Sale			26 Jan 2018	(305000)	1363417	0.9648
	Sale			02 Feb 2018	(478700)	884717	0.6260
	Purchase			09 Feb 2018	150000	1034717	0.7322
	Sale			02 Mar 2018	(7900)	1026817	0.7266
	Purchase			23 Mar 2018	186500	1213317	0.8586
	Purchase			31 Mar 2018	147000	1360317	0.9626
	AT THE END OF THE YEAR					1360317	0.9626
10	JHUNJHUNWALA RAKESH RADHESHYAM	1117900	0.7911			1117900	0.7911
	Purchase			23 Jun 2017	148250	1266150	0.8960
	Sale			08 Sep 2017	(12500)	1253650	0.8871
	AT THE END OF THE YEAR					1253650	0.8871

Note: The details of holding has been clubbed based on PAN

E) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Ms. Radhika Piramal	222000	0.16	222000	0.16
2	Mr. Dilip G. Piramal	203020	0.14	203020	0.14
3	Mr. Ashish K. Saha	1	0.00	1	0.00
4	Mr. D. K. Poddar	Nil	Nil	Nil	Nil
5	Mr. G. L. Mirchandani	Nil	Nil	Nil	Nil
6	Mr. Vijay Kalantri	Nil	Nil	Nil	Nil
7	Mr. Nabankur Gupta	Nil	Nil	Nil	Nil
8	Mr. Rajeev Gupta	Nil	Nil	Nil	Nil
9	Mr. Jogendra Sethi	1	0.00	1	0.00
10	Mr. Anand Daga	Nil	Nil	Nil	Nil

V) **INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. **Remuneration to Managing Director/Whole-time Directors:**

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Managing Director/Whole-time Director			Total Amount
		Mr. Dilip G. Piramal	Ms. Radhika Piramal	Mr. Ashish K. Saha	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.81	1.91	0.84	4.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify…	1.89	1.89	NIL	3.78
5	Others, please specify (Company Contribution to PF)	NIL	NIL	0.04	0.04
	Total (A)	3.70	3.80	0.88	8.38
	Ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)	-	-	-	18.91

B. **Remuneration to other directors**

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Mr. Vijay Kalantri	Mr. D. K. Poddar	Mr. G. L. Mirchandani	Mr. Nabankur Gupta	Mr. Rajeev Gupta	Mr. Amit Jatia	
	Fee for attending Board, Committee and Independent Directors' meetings	0.04	0.04	0.02	0.03	0.03	0.02	0.18
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	0.04	0.04	0.02	0.03	0.03	0.02	**0.18**
2	Other Non-Executive Directors/ Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	0.04	0.04	0.02	0.03	0.03	0.02	**0.18**
	Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)	-	-	-	-	-	-	1.89

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/WHOLE-TIME DIRECTOR**

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Mr. Jogendra Sethi, Chief Financial Officer	Mr. Anand Daga, Company Secretary & Head - Legal	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	1.44	0.43	1.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify (Company Contribution to PF)	0.06	0.02	0.08
	Total	1.50	0.45	1.95

VII. **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE – B

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01st April, 2017 TO 31st March, 2018

[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
5th Floor, DGP House,
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, 2017 to 31st March, 2018, 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 period 1st April, 2017 to 31st March, 2018 according to the provisions of:

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

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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE DURING THE PERIOD OF AUDIT)

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 (Not applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

   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.

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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 Disputes Act, 1947
11. Employees' Provident Funds and Miscellaneous Provisions Act, 1974
12. Minimum Wages Act, 1948
13. Employees' Sate 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. Hazardeous and other wastes (Management and Transboundary Movement) Rules, 2016

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.

For Ragini Chokshi & Co.

Mrs. Ragini Chokshi
(Partner)
C.P.NO. 1436
FCS NO. 2390

Place: Mumbai
Date: May 22, 2018

ANNEXURE – C

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

By Order of the Board of Directors

DILIP G. PIRAMAL
Chairman & Managing Director
(DIN No 00032012)

Place: Mumbai
Dated: May 22, 2018

ANNEXURE – D

DIVIDEND DISTRIBUTION POLICY

1. **Objective**

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

2. **Philosophy**

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. **Regulatory Framework**

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

V.I.P. Industries Limited being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. **Definitions**

4.1 Unless repugnant to the context:

4.1.1 "**Act**" shall mean the Companies Act, 2013 including the Rules made there under, as amended from time to time.

4.1.2 "**Applicable Laws**" shall mean the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

4.1.3 "**Company**" shall mean V.I.P. Industries Limited.

4.1.4 "**Chairman**" shall mean the Chairman of the Board of Directors of the Company.

4.1.5 "**Compliance Officer**" shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.1.6 "**Board**" or "**Board of Directors**" shall mean Board of Directors of the Company.

4.1.7 "**Dividend**" shall mean Dividend as defined under Companies Act, 2013.

4.1.8 "**MD**" shall mean Managing Director of the Company.

4.1.9 "**Policy or this Policy**" shall mean the Dividend Distribution Policy.

4.1.10 "**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.1.11 "**Subsidiary**" shall mean Subsidiary of the Company as defined under the Companies Act, 2013.

4.2 **Interpretation**

In this Policy, unless the contrary intention appears:

4.2.1 the clause headings are for ease of reference only and shall not be relevant to interpretation;

4.2.2 a reference to a clause number includes a reference to its sub-clauses;

4.2.3 words in singular number include the plural and vice versa;

4.2.4 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made there under or Securities and Exchange Board of India Act, 1992 or regulations made there under or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. **Parameters for declaration of Dividend**

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 **Financial Parameters / Internal Factors:**

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

5.1.1.1 Consolidated net operating profit after tax;

5.1.1.2 Working capital requirements;

5.1.1.3 Capital expenditure requirements;

5.1.1.4 Resources required to fund acquisitions and / or new businesses

5.1.1.5 Cash flow required to meet contingencies;

5.1.1.6 Outstanding borrowings;

5.1.1.7 Past Dividend Trends

5.1.2 **External Factors:**

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

5.1.2.1 Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

5.1.2.2 Dividend pay-out ratios of companies in the same industry.

5.2 **Circumstances under which the shareholders may or may not expect Dividend:**

5.2.1 The shareholders of the Company may not expect Dividend under the following circumstances:

5.2.1.1 Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

5.2.1.2 Significantly higher working capital requirements adversely impacting free cash flow;

5.2.1.3 Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

5.2.1.4 Whenever it proposes to utilise surplus cash for buy-back of securities; or

5.2.1.5 In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 **Utilization of retained earnings:**

5.3.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5.4 **Parameters adopted with regard to various classes of shares:**

5.4.1 Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 2/- each and Preference shares of ₹ 1,000/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

5.4.2 The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

5.4.3 As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

6. Procedure

6.1 The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

6.2 The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.

6.3 Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

6.4 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

7. Disclosure:

7.1 The Company shall make appropriate disclosures as required under the SEBI Regulations.

8. General

8.1 This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

8.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE – E

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) Energy conservation measures taken:

- Replaced old cooling towers with old technology with latest technology and efficient cooling towers for PC Extrusion lines
- Replaced old utility equipment with efficient ULM utility equipment.
- Replaced the old machine controller program with new PLC program on double station vacuum forming machine.

(B) TECHNOLOGY ABSORPTION:

a) Research and Development (R&D):

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

- Indigenization of PC Film printing.
- Development of variety of Duplex wheels.
- Development of variety of Color schemes for PC and PP zippered products.

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

- World Class products offered to consumers at low price considering durability & reliability.
- We have launched products in Super premium range
- Increased potential for OEM orders.

iii) Future plan of action:

- Research on polymeric materials, blends and finishes.

iv) Expenditure on R&D: (Amount Rs in Crores)

Recurring 0.79

R & D expenditure as a percentage of total turnover is 0.05%

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.

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

- Enhancement of value to customer.
- Effective utilization of polymers.
- Reduction 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 taken place and the reasons thereof
1	Fourier transform infrared spectrometry	2017	Yes	-
2	X-rite color spectrometer	2017	Yes	-

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used in terms of actual outflow during the year - ₹ 459.72 Crores.

Total foreign exchange earned in terms of actual inflow during the year - ₹ 62.08 Crores.

ANNEXURE – F

ANNUAL REPORT ON CSR ACTIVITIES

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

VIP 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. VIP endeavors to make CSR a key business process for sustainable development. VIP undertakes various activities relating to:

(i) eradicating hunger, poverty and malnutrition, promoting healthcare;

(ii) promotion of education;

(iii) promoting gender equality and empowering women;

(iv) ensuring environmental sustainability;

(v) protection of national heritage, art and culture;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports;

(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) technology incubators located within academic institutions which are approved by Central Government;;

(x) rural development projects;

(xi) slum area development

1. The CSR Committee consists of the following Members:
   - Mr. D. K. Poddar
   - Mr. Dilip G. Piramal
   - Ms. Radhika Piramal
2. Average net profit of the Company for last three financial years :

Year	Net Profit as per Section 198 of the Companies Act, 2013 (₹ in crores)
2014-15	64.60
2015-16	92.15
2016-17	115.67
Average net profits of last three years	90.81
2% of the average net profits of last three years	1.82

3. Prescribed CSR Expenditure: The Company spent ₹ 1.82 Crores as against prescribed 2% of the average net profit of last three years of ₹ 1.82 Crores.

4. Details of CSR spent during the financial year: ₹ 1.82 Crores
   (a) Total amount to be spent for the financial year: ₹ 1.82 Crores
   (b) Amount unspent, if any: Nil
   (c) Reason for not spending: N.A.
   (d) Manner in which the amount spent during the financial year is detailed below:

Manner in which the amount spent during the financial year is detailed below.							
Sr. No.	**CSR projects or activities identified**	**Sector in which the project is covered**	**Projects or programs 1)Local areas or other 2) Specify the State and district where projects or programs was undertaken**	**Amount Outlay (Budget) project or programs wise (₹)**	**Amount spent on the projects or programs (₹) Sub-heads 1) District expenditure on projects or programs. 2) Overheads**	**Cumulative Expenditure upto reporting period (₹)**	**Amount Spent: Direct or through implementing agency**
1	Supporting Girls Education, Medical camps	- Promotion of education among women - Promoting gender equality and empowering women	Maharashtra, Pune	10,00,000	10,00,000	10,00,000	Implementing Agency
2	Running schools in tribal villages	Rural development projects	Madhya Pradesh, Chambal & Rewanchal	40,00,000	40,00,000	40,00,000	Implementing Agency
3	Implementation of life skills and dropout prevention activities for girls	- Promoting gender equality - Empowering women	Jharkhand, Deoghar	40,00,000	40,00,000	40,00,000	Implementing Agency
4	Creating a more equitable environment for young girl child and empower them to create a place for themselves in the society through – educating them, their parents and the larger community.	- Promoting gender equality, - Empowering women, promoting education,	Jharkhand, Pakur	60,00,000	60,00,000	60,00,000	Implementing Agency
5	Rural Development	Rural development projects	Maharashtra, Mumbai	2,00,000	2,00,000	2,00,000	Implementing Agency
6	Promoting and Preventive health care	Promoting health care including preventive health care	Maharashtra & other states Pune & other cities	10,00,000	10,00,000	10,00,000	Implementing Agency
7	Promoting of education	Education	Maharashtra, Mumbai	20,00,000	20,00,000	20,00,000	Implementing Agency
			Total	1,82,00,000	1,82,00,000	1,82,00,000	Implementing Agency

We hereby confirm that the CSR policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives.

Dilip G. Piramal
Chairman & Managing Director

D. K. Poddar
Chairman, CSR Committee

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:

The Board of Directors of the Company (the Board) consists of nine Directors as on 31st March, 2018 out of which Mr. Dilip G. Piramal and Ms. Radhika Piramal are the Promoters of the Company. Mr. Dilip G. Piramal is Chairman & Managing Director of the Company. Ms. Radhika Piramal is Vice Chairperson & Executive Director of the Company. Mr. Ashish Saha is Executive Director of the Company.

All the other six Directors are Non-executive Independent in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the None of the Directors on the Board are a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors as per the requirement of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2017-18, the Board met five times. The meetings were held on:

- 18th May, 2017;
- 3rd August, 2017;
- 7th November, 2017;
- 25th January, 2018; and
- 30th March, 2018.

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

The details of the Directors on the Board of the Company as on 31st March, 2018 are given below:

Name	Category/ Designation	No. of shares held as on 31st March, 2018	Attendance Particulars		No. of Outside Directorships *	No. of outside Committee positions held @	
			Board Meetings	Last AGM		Chairperson	Member
Mr. Dilip G. Piramal	Chairman & Managing Director	2,03,020	5	Yes	9	-	-
Ms. Radhika Piramal	Vice Chairperson & Executive Director	2,22,000	5	No	3	-	-
Mr. Ashish K. Saha	Director - Works	1	4	Yes	2	-	-
Mr. D. K. Poddar	Independent, Non-Executive Director	-	5	Yes	12	1	3
Mr. Vijay Kalantri #	Independent, Non-Executive Director	-	5	Yes	14	-	1
Mr. G. L. Mirchandani	Independent, Non-Executive Director	-	3	No	7	-	1
Mr. Nabankur Gupta	Independent, Non-Executive Director	-	4	No	9	2	5
Mr. Rajeev Gupta	Independent, Non-Executive Director	-	5	No	11	-	5
Mr. Amit Jatia	Independent, Non-Executive Director	-	3	No	12	-	3

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.

Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018.

As on 31st March, 2018, none of the Directors are related to each other except Ms. Radhika Piramal, who is related to Mr. Dilip G. Piramal, Chairman & Managing Director, being his daughter.

None of the Non-executive Independent Director 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.

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 under the Companies Act, 2013.

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 letters of Independent Directors as placed on the Company's website at www.vipindustries.co.in under investor relations/corporate governance/terms & conditions of appointment of Independent Directors are also 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 25th January, 2018, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors except Mr. G. L. Mirchandani, who had asked for Leave of absence, were present at the meeting wherein, inter-alia, the following items were discussed in detail:

- To review and rate the performance of the Board as a whole.
- To review and rate the performance of Non-Independent Directors.
- To review the performance of the Chairman of the Company taking into account the views of Executive Directors and Non- executive Directors.
- To assess 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.

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.

AUDIT COMMITTEE

Composition and Attendance at Meetings:

The Audit Committee comprises of four members all of whom are financially literate as prescribed under the Listing Regulations. Other than Mr. Dilip G. Piramal, Chairman & Managing Director, all the Committee Members are Non-Executive Independent Directors.

Mr. D. K. Poddar, Independent Director is the Chairman of the Committee. The Vice Chairperson & Executive 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 2017-18 and are re-appointed for the financial year 2018-19. 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 four times during the year i.e. on 18th May, 2017, 3rd August, 2017, 7th November, 2017 and 25th January, 2018. 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 Member	Position	No. of Meetings held	No. of meetings Attended
Mr. D. K. Poddar	Chairman	4	4
Mr. Dilip G. Piramal	Member	4	4
Mr. Vijay Kalantri*	Member	4	4
Mr. G. L. Mirchandani	Member	4	3

Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018. Mr. Rajeev Gupta has been appointed as member of the Audit Committee in place of Mr. Vijay Kalantri with effect from 22nd May, 2018.

Mr. D. K. Poddar, Chairman of the Committee, authorized by the Committee was present at the 50th Annual General Meeting of the Company held on 28th July, 2017 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 met three times during financial year 2017-18 i.e. on 18th May, 2017, 7th November, 2017 and 30th March, 2018.

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

Name of the Member	Position	No. of Meetings held	No. of meetings Attended
Mr. D. K. Poddar	Chairman	3	3
Mr. Dilip G. Piramal	Member	3	3
Mr. Nabankur Gupta	Member	3	3
Mr. G. L. Mirchandani	Member	3	2

Mr. D. K. Poddar, Chairman of the Committee was present at the Annual General Meeting of the Shareholders to address the queries of the Members.

Other than Mr. Dilip G. Piramal, all the Committee Members are Non-Executive 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 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. All the Independent Directors are Non-executive of the Company and 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 Committee 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 ₹ 25,000/- for attending each meeting of the Audit Committee, ₹ 20,000/- for attending each meeting of the Nomination and Remuneration Committee, ₹ 20,000/- for attending Independent Directors Meeting and ₹ 50,000/- for attending each Board Meeting. 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.

   Details of remuneration paid to the Non-Executive Independent Directors for the year ended 31st March, 2018 are as follows:

(Rs in Crore)

Name	Sitting Fees	Commission	Total	Shareholding
Mr. D. K. Poddar	0.04	-	0.04	Nil
Mr. Vijay Kalantri*	0.04	-	0.04	Nil
Mr. G. L. Mirchandani	0.02	-	0.02	Nil
Mr. Nabankur Gupta	0.03	-	0.03	Nil
Mr. Rajeev Gupta	0.03	-	0.03	Nil
Mr. Amit Jatia	0.02	-	0.02	Nil

   *Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018.

   There was no pecuniary relationship or transactions of the Non-executive Director's vis-à-vis the listed entity which needs to be disclosed in the Annual Report.

2. **Executive Directors' Remuneration:**

   - Chairman & Managing Director

     Mr. Dilip G. Piramal has been appointed as the Chairman & Managing Director of the Company for a period of 2 years effective from 25th March, 2017. The contract for such appointment between the Company and the Chairman & 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 Chairman & Managing Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

     The Company pays remuneration by way of salary, perquisites, allowances and commission to the Chairman & Managing Director. Salary is paid within the limits approved by the Members.

Details of remuneration paid to Mr. Dilip G. Piramal for financial year ended 31st March, 2018 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Mr. Dilip G. Piramal	-	1.81	1.89	-	3.70

- Vice Chairperson & Executive Director

Ms. Radhika Piramal has been appointed as the Vice Chairperson & Executive Director of the Company for a period of 2 years effective from 7th April, 2017. The contract for such appointment between the Company and the Vice Chairperson & Executive 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 Vice Chairperson & Executive Director on account of salary and perquisites for such notice period. There is no separate provision for payment of severance fees.

The Company had paid remuneration by way of salary, perquisites, allowances and commission to the Vice Chairperson & Executive Director. Salary is paid within the limits approved by the Members.

Details of remuneration paid to Ms. Radhika Piramal for the financial year ended on 31st March, 2018 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Ms. Radhika Piramal	-	1.91	1.89	-	3.80

- Director - Works

Mr. Ashish K. Saha was re-appointed as a Director in the whole-time employment of the Company designated as Director - Works for a period of three years with effect from 1st February, 2018 to 31st January, 2021 (both days inclusive). The contract for such appointment between the Company and the Director - Works 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 Director- Works on account of salary for such notice period. There is no separate provision for payment of severance fees.

The Company had paid remuneration by way of salary, perquisites and allowances to the Director-Works. Salary is paid within the limits approved by the members.

Details of remuneration paid to Mr. Ashish K. Saha for the financial year ended on 31st March, 2018 are as follows:

(₹ in Crore)

Name	Sitting Fees	Gross Remuneration	Commission	Stock Option (Number of Shares)	Total
Mr. Ashish K. Saha	-	0.88	-	-	0.88

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Company as on 31st March, 2018 had the following Key Managerial Personnel viz., Mr. Dilip G. Piramal as the Chairman & Managing Director, Mr. Jogendra Sethi as Chief Financial Officer and Mr. Anand Daga as Company Secretary.

Details of remuneration of Key Managerial Personnel for the year ended on 31st March, 2018 are as follows:

(₹ in Crore)

Name	Gross Remuneration	Stock Option (Number of Shares)	Total
Mr. Dilip G. Piramal, Chairman & Managing Director	Details given in Point 2 above		
Mr. Jogendra Sethi, Chief Financial Officer	1.50	-	1.50
Mr. Anand Daga, Company Secretary & Head- Legal	0.45	-	0.45

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition:

As at 31st March, 2018, the Stakeholders' Relationship Committee comprises of following three members:

1. Mr. Vijay Kalantri*
2. Mr. Dilip G. Piramal
3. Mr. Ashish K. Saha

* Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018. Mr. G. L. Mirchandani has been appointed as the Chairman of the Committee in place of Mr. Vijay Kalantri with effect from 22nd May, 2018.

Mr. Anand Daga, Company Secretary & Head- Legal is acting as the Compliance Officer of the Committee.

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 47,900 shareholders as on 31st March, 2018. During the year under review, the Company processed 55 share transfers in the physical form comprising of 53,620 equity shares. The Company received 36 investor's complaints during the year, all of which have been attended satisfactorily within time, except two (2) complaint which was pending unresolved as on 31st March, 2018.

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 relevant certificate obtained from M/s. Ragini Chokshi & Associates on half yearly basis, as stipulated by Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are submitted to the Stock Exchanges regularly 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 as on 31st March, 2018 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. Vijay Kalantri*	Chairman	1	1
Mr. Dilip G. Piramal	Member	1	1
Ms. Radhika Piramal	Member	1	1

* Mr. Vijay Kalantri has resigned from the Directorship of the Company vide resignation letter dated 10th April, 2018, which was received by the Company on 13th April, 2018. Mr. D. K. Poddar has been appointed as the Chairman of the Committee in place of Mr. Vijay Kalantri with effect from 22nd May, 2018.

The CSR Committee met one time during the year under review i.e. on 18th May, 2017.

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.

GENERAL BODY MEETINGS

Particulars of General Meetings held during last three years:

Annual General Meeting (AGM)	Date	Venue	Time
48th AGM (2014-15)	24th July, 2015	"NIWEC", Satpur, Nashik – 422 007	3:30 p.m.
49th AGM (2015-16)	28th July, 2016	"NIWEC", Satpur, Nashik – 422 007	3:00 p.m.
50th AGM (2016-17)	28th July, 2017	"NIWEC", Satpur, Nashik – 422 007	2:30 p.m.

There was one Special Resolution pertaining to keeping of Statutory Records at corporate office, which was passed by the members at the 49th AGM of the Company.

Postal Ballot

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year under review, the Company sought the approval of the shareholders by way of a Special Resolution through postal ballot, notice dated 3rd August, 2017 for Shifting of Registered Office of the Company from '78 A, MIDC Estate, Satpur, Nashik - 422 007, Maharashtra' to DGP House, 5th Floor, 88 C, Old Prabhadevi Road, Mumbai - 400 025, Maharashtra, the results of which were announced on 19th September, 2017. Ms. Ragini Chokshi (Membership No. FCS 2390) Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e - voting process in a fair and transparent manner.

Details of Voting Pattern were as under:

Details of Postal Ballots received for the Special Resolution for shifting of registered office:

Summary of Postal Ballot and E-Voting

Particulars	Number of members voted	No. of Equity Shares	% of total number of valid votes casted
Total Valid Votes Cast (Physical and E-voting)	141	99350377	100.00
Assented to Resolution (Physical and E-voting)	140	99350372	100.00
Dissented to Resolution (Physical and E-voting)	01	05	0.00

Procedure for postal ballot:

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated 3rd August, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on 18th August, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from Sunday, 20th August, 2017 (9.00 a.m.) and ended on Monday, 18th September, 2017 (5.30 p.m.). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Ms. Ragini Chokshi submitted his report to the Company and the results of the postal ballot were announced by the Company on 19th September, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.vipindustries.co.in and on the website of CDSL - www.cdslindia.com

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 17th July, 2018.

MEANS OF COMMUNICATION

- Quarterly/half-yearly/annually financial results are published in widely circulating national and local daily newspapers, such as Economic Times, Free Press Journal 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 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), Directors' 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
- CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS): The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by Listed Companies. All disclosures and communications to BSE and NSE are filed by the Company electronically through the CFDS portal, and no hard copies of the said disclosures and correspondence are filed with stock exchanges.
- 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/ANALYSTS: Detailed presentations are made to Institutional Investors and Financial Analysts on the unaudited quarterly financial results as well as the annual audited financial results of the Company.

GENERAL SHAREHOLDER INFORMATION

1.Annual General Meeting:

-	Day, Date and Time	:	Tuesday, 17th July, 2018, at 3:30 p.m.
-	Venue	:	"Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018
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.	Dividend Payment Date (2017-18)	:	On or after 19th July, 2018
4.	Date of Book Closure	:	10th July, 2018 to 17th July, 2018 (both days inclusive)
5.	Cut-off date for e-voting/ballot	:	11th July, 2018
6.	Listing on Stock Exchange	:	1. BSE Limited (BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 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

7. Listing Fees: Listing fees of both the stock exchanges for the financial year 2018-19 have been paid.

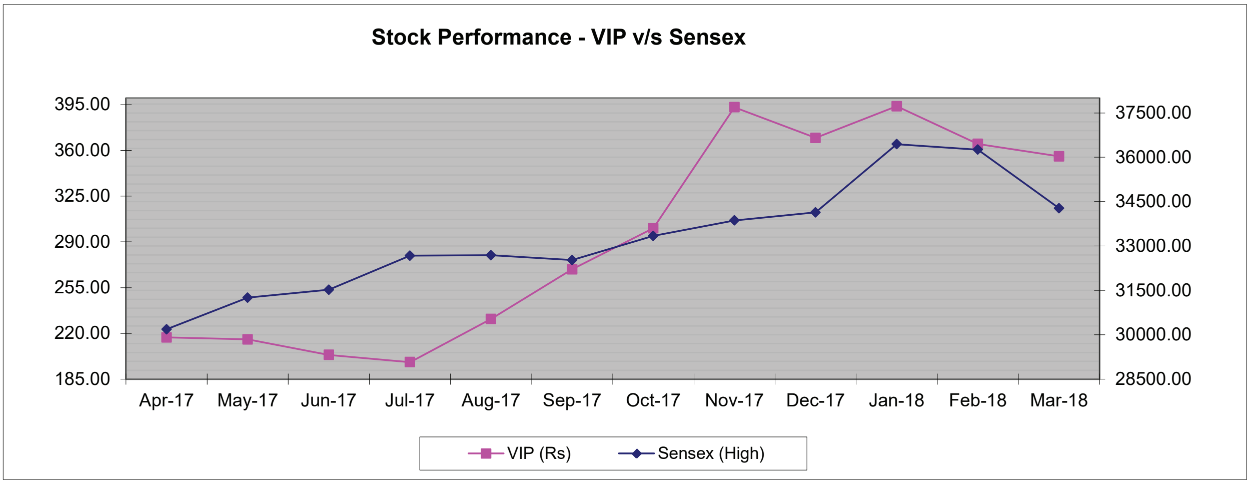
8. Stock Code

•	BSE	:	507880
•	NSE	:	VIPIND
•	International Securities Identification Number (ISIN)	:	INE054A01027

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 2017- 18)	(₹)	(₹)	(High)	(₹)	(₹)	(High)
April 2017	216.90	182.30	30,184.22	217.00	182.20	9,367.15
May 2017	215.40	178.85	31,255.28	215.40	178.95	9,649.60
June 2017	203.50	178.65	31,522.87	203.40	176.35	9,709.30
July 2017	198.00	170.50	32,672.66	198.00	171.05	10,114.85
August 2017	231.00	172.75	32,686.48	231.00	173.00	10,137.85
September 2017	269.00	223.00	32,524.11	269.00	222.80	10,178.95
October 2017	300.50	252.00	33,340.17	301.00	252.00	10,384.50
November 2017	393.00	276.35	33,865.95	393.00	276.00	10,490.45
December 2017	369.60	332.45	34,137.97	369.45	332.00	10,552.40
January 2018	393.80	333.65	36,443.98	393.95	332.75	11,171.55
February 2018	364.90	308.00	36,256.83	362.95	317.85	11,117.35
March 2018	355.40	287.30	34,278.63	356.00	287.10	10,525.50

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, 2018.

DISTRIBUTION SCHEDULE		
Category Number of Shares	No. of Shareholders	No. of Shares
Up to 1000	43,932	8,617,438
1001 – 2000	2,124	3,266,185
2001- 4000	1,092	3,065,860
4001- 6000	274	1,371,748
6001- 8000	113	800,469
8001- 10000	74	691,403
10001-20000	105	1,481,310
20001 and Above	186	122,022,902
TOTAL	**47,900**	**141,317,315**

SHAREHOLDING PATTERN		
Category of Shareholders	No. of Shares	%
Promoter	74,196,520	52.50
Mutual Funds and UTI	13,343,135	9.44
Banks, Financial Institution and Insurance Companies	59,381	0.04
Foreign Financial Investors & Foreign Nationals	14,580,408	10.32
Bodies Corporate	5,342,780	3.78
Indian Public/Trust/HUF	28,920,291	20.47
Non Resident Individuals/ Overseas Corporate Bodies	1,611,906	1.14
Alternate Investment Fund	1,665,774	1.18
Market Marker/Clearing members	424,610	0.30
Any other (IEPF)	1,172,510	0.83
TOTAL	**141,317,315**	**100.00**

14. Dematerialization of shares and liquidity : 97.25% of the paid-up capital of the Company has been dematerialized as on 31st March, 2018. The equity shares of the Company are actively traded on the BSE and the NSE in the dematerialized form.

15. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments : NIL

16. Commodity price risk or foreign exchange risk and hedging activities : The Company is exposed to a Commodity Price Risk in relation 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) Nashik- 78 A, MIDC Estate, Satpur, Nashik– 422 007.
(ii) Haridwar - Plot No 8, Sector 12, SIDCUL Area, Haridwar – 249 403

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 2017-18. The details of transaction between the Company and the related parties are given for information under Note No. 46 of the Notes to Accounts to the Balance Sheet as at 31st March, 2018.

- **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 20% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.

  However, as stipulated under erstwhile clause 49 of the Listing Agreement, the Company has formulated a policy on material subsidiaries. A copy of the 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.

- **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 Non-executive Directors including Independent Directors to such extent as may be applicable to them depending upon their roles and responsibilities. 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.

  A copy of the Code has been uploaded on the website of the Company www.vipindustries.co.in. 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.

- **Secretarial Audit for Reconciliation of Capital**

  M/s. Ragini Chokshi & Associates, Practicing Company Secretary firm 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 Accounting Standards as prescribed under 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 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 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 Directors and the designated employees 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, Dilip G. Piramal, Chairman & 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, 2018.

For V.I.P. INDUSTRIES LIMITED

Dilip G. Piramal
Chairman & Managing Director
(DIN– 00032012)

Place: Mumbai
Date: May 22, 2018

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, Dilip G. Piramal, Chairman & Managing Director and Jogendra Sethi, 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, 2018 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**

DILIP G. PIRAMAL
Chairman & Managing Director
(DIN – 00032012)

JOGENDRA SETHI
Chief Financial Officer

Place: Mumbai
Date: May 22, 2018

ANNEXURE TO THE DIRECTOR'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 conditions of Corporate Governance by **V.I.P. INDUSTRIES LIMITED** for the financial year ended 31st March, 2018, as stipulated in Regulations 17 to 27 read with relevant Schedules and clauses thereto of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations, 2015").

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, 2015.

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)
C.P. No. 1436/FCS No.2390

Place: Mumbai
Date:May 22, 2018

BUSINESS RESPONSIBILITY REPORT

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, 2017 to 31st March, 2018
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 details of major 5)** **b) Number of National Locations**	a) The Company has exported to 31 international locations including UAE, Qatar, Kuwait, Mauritania (USA) and Sweden. b) VIP has its primary presence in the State of Maharashtra with its registered office located at Mumbai and factories at Nashik and Haridwar. The Company has presence at major Tier-I and Tier-II cities across India.
10.	**Markets served by the Company**	Local ✓ / State ✓ / National ✓ / International ✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31st MARCH, 2018

1.	Paid up Capital (INR)	₹ 28.26 Crore
2.	Total Revenue from operations (INR)	₹1,416.34 Crore
3.	Total profit after taxes (INR)	₹ 126.75 Crore
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	Refer Annual Report on CSR activities

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, Company has 4 (Four) Wholly Owned Subsidiaries viz.: a. Blow Plast Retail Limited, b. VIP Industries Bangladesh Private Limited, c. VIP Industries BD Manufacturing Private Limited, and d. VIP Luggage BD Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the 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 Number	05173103
2.	Name	Mr. Ashish Kumar Saha
3.	Designation	Director - Works

   (b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	05173103
2.	Name	Mr. Ashish Kumar Saha
3.	Designation	Director - Works
4.	Telephone number	0253-2406700
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 briefl 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.

(a) Details of compliance (Reply in Y/N)

		Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
Sr. No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
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/Managing Director/Executive Director. Other operational internal policies are approved by management and signed by the Executive Director/Senior executives.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to ensure implementation of various policies. We review the implementation of polices through our internal audit, risk management process, monitoring of KPI's in-line with established Policies.								
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Nomination and Remunaration Insider Trading Policy, Code of Conduct are available at http://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 have 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 1 year	-	-	-	-	-	-	-	-	-
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 – www.vipindustries.co.in/investor-information.

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 VIP, 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 VIP, 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 26,614 complaints from its stakeholders out of which 26,570 complaints (being 99.83% 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) Mint

   (b) Marshal

   (c) Aston

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 endeavours 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.

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.**

   The Company has no mechanism to recycle products. Around 90% of the waste which gets generated during the 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 2099 employees as on 31st March, 2018.

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

   The Company has 2970 employees as on 31st March, 2018.

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

   Out of the total employees indicated above, the Company is having 139 permanent women employees.

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

   The Company does not have any employee who suffers with any sort of 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 management.

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

   Out of 2099 employees, 115 employees are members of recognized employee association which constitutes to around 5.48% 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: 1551 (73.89%)

   (b) Permanent Women Employees: 75 (3.57%)

   (c) Casual/Temporary/Contractual Employees/Apprentices: 1889 (63.60%)

   (d) Employees with Disabilities: N.A. (N.A.)

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 stakeholde**rs.

   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 stakeholde**rs. **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 26,614 complaints from its stakeholders out of which 26,570 complaints (being 99.83% 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**

   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 tube lights with LED bulbs. 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.**

   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.

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 are 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.**

   During the financial year under review, the Company has not received any show cause/ legal notices from CPCB/SPCB or are pending as on end of Financial Year.

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;

   c) Indo-German Chamber of Commerce; and

   d) Bombay Chambers of Commerce and Industry.

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 – F'** of Directors' 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 ₹ 1,82,00,000/- (Rupees One Crore and Eighty Two Lacs only) towards various CSR activities. The project wise details are provided in 'Annexure – F' of Directors' 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 worldclass 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, there was negligible percentage of unresolved complaints.

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.

A. INDUSTRY STRUCTURE AND DEVELOPMENT

LUGGAGE

There was a good growth in the luggage and bags industry during the year 2017-18 due to strong consumer demand but there were lot of uncertainties due to implementation of Goods and Service Tax (GST) with effect from 1st July, 2017. While the first half of the financial year was a bit subdued due to 28% GST rate, the second half saw a good revival with the government reducing GST rate to 18%. GST is good for the organized luggage and bag industry and long-term growth of the industry as GST's effective implementation will bring unorganized players under the tax net and reduces the gap between prices of organized and unorganized players.

Domestic Luggage and bag industry grew on the back of strong consumer demand. Increased consumer demand for luggage was due to increase in travel, demand for short haul bags, growth in personal disposable incomes and increasing fashion consciousness and aspiration levels. Bags and luggage are becoming status symbols as they are considered lifestyle products helping wider acceptance of fashionable and high-end luggage.

There is also a shift of consumers from unbranded luggage to branded luggage. The reasons for shifting to branded luggage is due to reduction in the price difference between branded and unbranded luggage and consumers are willing to spend a bit extra to carry a brand as well as get peace of mind with the warranty the branded luggage offer.

There is one more interesting development towards preference of each member of the family to carry her/his own luggage. This is in contrast to yester years when entire family used to travel using just a single bag. Children also like to use their own piece of luggage/bag. This is also helping to fuel the growth of the industry.

Categories

New luggage categories like Polycarbonate uprights and backpacks have registered very good growth whereas traditional categories like PP hard luggage suitcases continue to decline. This is happening across all geographies including the country's heartland, which used to be the stronghold for traditional luggage.The shift is due to change in consumer preferences towards the convenience of light and wheeled travel products as compared to heavier luggage.

Backpacks and handbags both registered the fastest retail growth during the year. Backpacks are mainly targeted at students who carry textbooks and stationery with a casual look. Backpacks are also used by people who travel frequently/ daily to office. This category saw tremendous growth as the Company further increased its focus with new launches and advertisment.

Our traditionally strong categories like Soft uprights and Duffle also registered a very good growth.

Channels

The Hypermarket channel continues to witness the strongest growth amongst all channels suggesting that Indian consumers are showing preference towards affordable luggage and convenience of modern shopping formats which are clean and air conditioned. As we understand, we enjoy market leadership in modern trade channel, which is expected to increase further.

E-commerce is another channel to look for in the near future as it rapidly expands with Indian consumers and not only in metros but also in tier 2 and 3 towns.

General Trade channel has registered very good sales growth during the year due to focused efforts on each segment including distribution and direct dealers.

The Company-owned stores and exclusive franchise stores also continue to do well.

Brands

Skybags continues to do very well and is now the largest luggage and backpack brand in the country.

VIP continues to enjoy a heady market share and is on top of the mind brand when it comes to family travel.

Aristocrat, the value brand of the Company, saw an extremely good year and was the fastest growing brand. There is huge scope in the value segment of the market and we are well poised to grow our business in value segment.

With Carlton, the brand for the new-age business traveler, we are tapping the high-end market where customers are discerning and willing to pay a premium for good bags. This segment is growing well and with Carlton we are poised to do very well in this segment. With Lifetime warranty for Carlton Edge ranges, we expect further good growth in the premium segment.

LADIES HAND BAGS

Caprese, the ladies handbags brand, has registered extremely good growth. Robust advertising campaigns, along with differentiated and relevantly priced products tailored for each distribution channel have fueled the growth during the year. Product segmentations across value and premium lines for Caprese helped in driving growth for the brand. Caprese is now available at more than 1000 points of sale across the country across all meaningful distribution channels including select Company run stores, franchisee stores, multi brand dealers and leading Department store chains like Shoppers Stop, Lifestyle, Central and Pantaloons, as well as all leading e-commerce platforms like Myntra, Flipkart, Amazon, Jabong, ABOF and TataCliq. Focus is continuing to expand distribution in meaningful locations and channels.

The E-commerce channel contributed significantly towards the growth of Caprese brand. It is the highest searched ladies handbags brand on top portals of the country.

Caprese has successfully established itself as a purveyor of international fashion and witnessed heightened brand awareness by delivering successful advertising campaigns with **Alia Bhatt**, the brand ambassador, that have resonated with Indian consumers. Occasion specific campaigns on digital media with Alia Bhatt have yielded rich dividends on brand imagery. The brand will continue to introduce latest international fashion trends and to live up to the promise of delivering high quality and affordable fashion catering to the discerning Indian woman.Caprese is planning to substantially increase its offering going ahead to further strengthen its leadership position.

Carlton & Caprese exclusive brand stores have added to the respective brands' growth.

SUPPLY OF PRODUCTS

The Company is successfully using the replenishment model of supply chain which has significantly improved the availability of products across the sales channels to minimize sales loss, as well as helping the Company to increase overall stock turns.

The Company has plans to expand capacities for hard luggage in India facilities and for Soft luggage in Bangladesh facilties.

EXPORTS AND INTERNATIONAL OPERATIONS

Due to subdued market conditions in UK, Europe and Asia Pacific, the International Business of the Company declined during the year.

B. OPPORTUNITIES AND THREATS

VIP Industries Ltd has a very well differentiated offering for consumers belonging to different strata and regions of the country. This is possible because of sharp and distinctive brand positioning of all 6 brands. With Carlton, we appeal to the young business travelers. Skybags today is fast becoming an iconic youth brand. Brand VIP remains the first choice of Indian family travel, while Aristocrat and Alfa are providing value to consumers. Caprese caters to fast growing ladies handbags category. Hence, VIP Industries Ltd is a true luggage company of the country.

We are very well poised to keep growing in the future since we have strong brands with which we can weather external factors.We have very strong design and sourcing functions through which we churn out new and innovative products every year and keep consumers coming back for more.

C. OUTLOOK

Though there was a bit of uncertainty due to GST during last year, the government has heeded the concerns of the industry and settled the GST rate at 18%. It will benefit entire luggage and bags industry and consumers.

D. RISKS AND CONCERNS

Rupee has weaken against USD in last few months which is expected to create pressure on sourcing costs for handbags and soft luggage including uprights, duffels and backpacks.Soft luggage contributes around 76% of sales of the Company. Strengthening of metal and crude prices will also have a negative impact on the luggage industry.

The strength of the Company's brands and its dominant market share in the Indian luggage industry will help the Company to take price increase to offset increase in inputs costs. The Company's ability to negotiate with suppliers will also help the Company during cost pressure.

E. INTERNAL CONTROLSYSTEMS

M/s. Suresh Surana & Associates LLP, Chartered Accountants, were appointed as the Internal Auditors of the Company for checking internal controls to safeguard Company's assets against losses from unauthorized use, to check the proper authorization of financial transactions, to evaluate the current state and identify performance gaps, to recommend prioritization in improvement opportunities, to assess the reliability of financial controls and compliance with laws and regulations. The Company has a budgetary control system to monitor all expenditures against approved budgets on an on going basis.

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 the Company.

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

F. FINANCIAL PERFORMANCE (Consolidated)

SALES

The sales of the Company for the year ended 31st March, 2018 was at ₹ 1416.34 Crores (Previous Year ₹ 1282.19 Crores), a growth of around 10%. Consequent to introduction of Goods and Service Tax (GST), several indirect taxes including Central Excise and VAT have been subsumed into GST. As per new Accounting standards (Ind AS), revenue has to be reported net of GST/VAT and inclusive of Excise duty. Hence, sales for the current year and previous year are not comparable.

EXPENDITURE:

The Company continued its focus on cost management initiatives.

PROFIT:

Profit after Tax for the year under review amounted to ₹ 126.75 Crores (Previous Year ₹ 85.21 Crores), a growth of around 49%.

G. HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The Human Resources department of your Company has continued to partner effectively with business in the year under review. Through structured Human Resource processes, your Company has been able to attract and retain the right talent at all levels.

The Company strongly believes that an engaged workforce is critical in achieving its business goals and building a sustainable organization. With this intent, the Company partnered Great Place to Work Institute in 2015 and since has made remarkable progress in the direction of building a great work place. In last few years, your Company has done considerable work on revamping the Employee Policies, Employee Engagement Initiatives, Rewards & Recognition Programs, Learning & Development Modules,Total Rewards Approach and Career Growth Opportunities. Owing to these efforts and a healthy jump in the engagement survey scores, your Company has been certified as ‘Great Place to Work’ by the GPTW Institute, India.

A positive work environment, employee driven initiatives and exciting career prospects have helped keep attrition under control, despite aggressive external market factors.

The employee strength in India as on 31st March, 2018 is 2099.

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

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 included in these standalone Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 18, 2017. The transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide report dated May 25, 2016. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 40;

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (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, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of V.I.P. Industries Limited ("the Company") as of March 31, 2018 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2018

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 fixed assets to the 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	3.29	1.92	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 norm adopted by the Company.

ii. Except for inventory lying with third parties, the other inventory has been physically verified by the Management during the year. 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 products 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 service tax and income tax though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(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 as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

₹ in Crores

Name of the statute	Nature of dues	Amount**	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax	Central Sales Tax, Local Sales Tax, Purchase Tax, Entry Tax, Value Added Tax	0.07	1996-97, 2002-03	Assistant Commissioner of Sales Tax
		0.03	1992-93, 1994-95	Sales Tax Officer
		2.25	2011-12	Deputy Commissioner of Sales Tax (Audit)
		0.58	Various Years from 1990-91 to 2015-16	Deputy Commissioner of Sales Tax (Appeals)
		0.04	2014-15, 2000-01	Commissioner of Sales Tax(Appeals)
		0.88	Various Years from 1993-94 to 2013-14	Joint Commissioner (Appeals)
		1.29	Various Years from 2000-01 to 2005-06	Honorable High Court
		0.18	2010-11	Appellate and Revisional Board
		136.97	Various Years from 1983-84 to 2013-14	Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	0.17	2000-01	Supreme Court
		0.01	2000-2002	Assistant Commissioner, CGST and Central Excise.
Income Tax Act, 1961	Income Tax	0.68	F.Y. 2004-05, F.Y. 2005-06	Honorable High Court
		*	F.Y. 2010-11	Commissioner of Income Tax (Appeals)
		0.02	F.Y. 2005-06	Assessing Officer

*Amount is below the rounding off norm adopted by the Company

** Net of amounts paid under protest.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

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 paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	59.87	46.21	49.40
Capital work-in-progress	4	0.23	0.32	0.89
Investment properties	5	0.99	1.47	1.50
Other intangible assets	6	1.08	1.04	0.78
Intangible assets under development	6	0.54	0.26	0.13
Equity investments in subsidiaries and joint ventures	7	9.78	6.49	6.49
Financial assets				
Investments	8A	19.81	13.55	14.64
Loans	9A	14.04	11.37	12.10
Other financial assets	10A	2.68	2.91	3.13
Deferred tax assets (net)	11	5.22	5.50	4.32
Other non-current assets	12A	7.44	6.75	7.50
Total non-current assets		**121.68**	**95.87**	**100.88**
Current assets				
Inventories	13	303.44	273.19	278.11
Financial assets				
Investments	8B	71.37	67.87	-
Trade receivables	14	176.57	120.60	149.33
Cash and cash equivalents	15	17.05	6.81	4.39
Bank balances other than cash and cash equivalents	16	3.27	2.95	2.53
Loans	9B	4.13	6.67	4.57
Other financial assets	10B	0.75	0.60	1.49
Current tax assets (net)	17	1.48	-	1.00
Other current assets	12B	66.14	30.48	37.38
Total current assets		**644.20**	**509.17**	**478.80**
Total assets		**765.88**	**605.04**	**579.68**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	28.26	28.26	28.26
Other equity	19	443.68	370.05	331.85
Total equity		**471.94**	**398.31**	**360.11**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	20A	0.55	0.49	1.26
Provisions	21A	9.25	8.42	5.42
Other non-current liabilities	22A	0.14	0.14	0.18
Total non-current liabilities		**9.94**	**9.05**	**6.86**
Current liabilities				
Financial liabilities				
Borrowings	23	-	-	14.28
Trade payables	24	224.39	151.96	158.69
Other financial liabilities	20B	5.18	3.99	2.71
Provisions	21B	3.77	2.07	1.28
Current tax liabilities (net)	25	-	0.50	-
Other current liabilities	22B	50.66	39.16	35.75
Total current liabilities		**284.00**	**197.68**	**212.71**
Total liabilities		**293.94**	**206.73**	**219.57**
Total equity and liabilities		**765.88**	**605.04**	**579.68**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	26	1,416.34	1,282.19
Other income	27	10.43	9.39
Total income		**1,426.77**	**1,291.58**
Expenses:			
Cost of materials consumed	28A	145.43	128.04
Purchases of stock-in-trade	28B	611.90	564.32
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28C	(22.47)	4.34
Excise duty		6.75	31.03
Employee benefits expense	29	153.23	134.19
Finance costs	30	0.30	0.68
Depreciation and amortisation expense	31	10.85	11.45
Other expenses	32	341.29	301.36
Total expenses		**1,247.28**	**1,175.41**
Profit before tax		**179.49**	**116.17**
Tax expense	35		
Current tax		60.23	40.85
Deferred tax		0.26	(1.20)
Short provision for tax relating to prior years		0.43	0.13
Total tax expense		**60.92**	**39.78**
Profit for the year		**118.57**	**76.39**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.11	0.06
Remeasurement benefit of defined benefit plans		(1.53)	(1.83)
Income tax relating to above items		0.49	0.62
Other comprehensive income for the year, net of tax		**(0.93)**	**(1.15)**
Total comprehensive income for the year		**117.64**	**75.24**
Earnings per equity share			
Basic and diluted earnings per share (in ₹)	36	8.39	5.41

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

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Chairman and Managing Director

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(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flow from operating activities		
Profit before tax	179.49	116.17
Adjustments for:		
Depreciation and amortisation expense	10.85	11.45
Dividend income classified as investing cash flows	(6.21)	(4.75)
Interest income classified as investing cash flows	(0.19)	(0.29)
Unwinding of interest on security deposits paid	(1.67)	(1.25)
Interest income from financial assets at amortised cost	(0.26)	(0.28)
Amortisation of prepaid rent on discounting of security deposits paid	1.67	1.26
Finance costs	0.24	0.57
Unwinding of interest on security deposits received	0.06	0.11
Changes in fair value of financial assets at fair value through profit or loss	0.14	1.27
Amortisation of unearned income on discounting of security deposits received	(0.05)	(0.11)
Obsolescence of fixed assets	0.01	0.01
(Profit)/Loss on Sale of Investment (net)	0.25	0.06
Provision for doubtful debts	0.75	(0.01)
Bad Debts written off during the year	0.21	0.54
(Gain)/Loss on disposal of property, plant and equipment (net)	(0.17)	0.06
Liabilities written back to the extent no longer required	(0.12)	(0.37)
Net exchange differences (unrealised)	1.26	0.39
Operating profit before change in operating assets and liabilities	**186.26**	**124.83**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	71.10	(6.94)
Increase in other liabilities	11.30	3.68
Increase in provisions	1.01	1.95
(Increase)/Decrease in other assets	(36.12)	7.82
(Increase)/Decrease in inventories	(30.25)	4.92
(Increase)/Decrease in trade receivables	(56.73)	28.17
Cash generated from operations	146.57	164.43
Direct taxes paid (Net of refund received)	(62.64)	(38.85)
Net cash inflow from operating activities	**83.93**	**125.58**
Cash flow from investing activities		
Payments for property, plant and equipment	(23.96)	(8.95)
Payments for purchase of investments	(13.18)	(68.05)
Proceeds from sale of property, plant and equipment	0.96	0.28
Interest received	0.19	0.29
Dividend received	6.21	4.75
Net cash outflow from investing activities	**(29.78)**	**(71.68)**

(₹ in Crores)

	Year ended	
	March 31, 2018	March 31, 2017
Cash flow from financing activities		
Interest paid	(0.24)	(0.57)
Repayment of short term borrowings	-	(14.28)
Dividend paid	(36.40)	(30.69)
Dividend distribution tax paid	(7.27)	(5.94)
Net cash outflow from financing activities	**(43.91)**	**(51.48)**
Net changes in cash and cash equivalents	10.24	2.42
Cash and cash equivalents at the beginning of the year (refer note 15)	6.81	4.39
Cash and cash equivalents at the end of the year (refer note 15)	17.05	6.81
Cash and cash equivalents comprise of :		
Cash on hand	0.43	0.48
Balances with banks	16.62	6.33
Total	17.05	6.81

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 1, 2016	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2017	**18**	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2018	**18**	**28.26**

B. Other equity

Particulars	Notes	Reserves and Surplus					Other reserves	Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
Balance as at April 1, 2016	**19**	**0.15**	**0.15**	**33.53**	**208.76**	**89.01**	**0.25**	**331.85**
Profit for the year		-	-	-	-	76.39	-	76.39
Other comprehensive income for the year		-	-	-	-	(1.19)	0.04	(1.15)
Total comprehensive income for the year,net of tax		-	-	-	-	**75.20**	**0.04**	**75.24**
Dividend paid on equity shares	19	-	-	-	-	(31.10)	-	(31.10)
Dividend distribution tax paid	19	-	-	-	-	(5.94)	-	(5.94)
Balance as at March 31, 2017		**0.15**	**0.15**	**33.53**	**208.76**	**127.17**	**0.29**	**370.05**
Profit for the year		-	-	-	-	118.57	-	118.57
Other comprehensive income for the year		-	-	-	-	(1.02)	0.09	(0.93)
Total comprehensive income for the year,net of tax		-	-	-	-	**117.55**	**0.09**	**117.64**
Dividend paid on equity shares	19	-	-	-	-	(36.74)	-	(36.74)
Dividend distribution tax paid	19	-	-	-	-	(7.27)	-	(7.27)
Balance as at March 31, 2018		**0.15**	**0.15**	**33.53**	**208.76**	**200.71**	**0.38**	**443.68**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

1. General information

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

These financial statements were approved for issue by the board of directors on May 22, 2018.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these 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 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.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2014 and other relevant provisions of the Act ("Previous GAAP").

These financial statements are the first financial statements of the Company under Ind AS. Refer note 48 related to First-time Adoption of Ind AS for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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

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.

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 or other income as may be applicable.

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise duty, net of returns, trade allowances, rebates, value added tax, Goods and Service Tax and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i) Sale of goods

Timing of recognition: The company manufactures and sells a range of luggage and bags in the wholesale and retail market. In case of domestic customers, generally sale takes place when goods are dispatched or at the time of completion of delivery and in case of export customers, generally sale takes place when goods are shipped onboard based on bill of lading.

Measurement of revenue: The luggage and bags are often sold with discounts and customers have a right to return faulty products. Revenue from sales is based on the price specified in the sales contracts, net of the estimated discounts and returns at the time of sale.

ii) Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

iii) 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 on shipment of direct exports. Premium on sale of import licences, if any, is recognised on an accrual basis.

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 Chairman and Managing director of the Company.

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.

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.

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 tax is charged to Statement of Profit and Loss, if the dividend itself is charged to the statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

f Leases

i) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in 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. The respective leased assets are included in the balance sheet based on their nature.

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 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.

Transition to Ind AS

On transition to Ind AS, the Company has opted to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment on the transition date.

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**
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

Leasehold land is amortised over the remaining economic useful life of lease or lease term whichever is shorter. Leasehold improvements are amortised over the economic useful life of lease or lease term whichever is shorter

Tangible assets which are not ready for their intended use on the reporting date are carried as capital work-in-progress.

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 within other expenses or other income, as applicable.

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
Buildings	
- Factory building	30 years
- Others	60 years

Transition to Ind AS

On transition to Ind AS, the Company has opted to continue with the carrying value of all of its investment properties recognised as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties on the transition date.

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
Patents, copyrights and other rights	10 years
Computer Software	3 years

Transition to Ind AS

On transition to Ind AS, the Company has opted to continue with the carrying value of all intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets on the transition date.

j Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment 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 assets'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, components, stores and spares, work in progress, traded goods and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials, components, stores and spares and traded goods 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 deduting 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. Other Investments in subsidiaries are carried at Fair Value and gain/loss on fair valuation are recognised through the statement of profit and loss.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has opted to continue with the carrying value of all of its investments in subsidiaries and joint ventures recognised as at April 1, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries and joint ventures on the transition date.

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 asssets 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.

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

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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 and is not part of a hedging relationship 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 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). Interest income from these financial assets is included in other income using the effective interest rate method.

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 and is not part of a hedging relationship is recognised in the statement of profit and loss and within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

b) **Equity instruments**

The Company measures all equity investments (except Equity investment in subsidiaries and joint ventures) at fair value. The Company's management has opted to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit and loss. 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.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in other income or other expenses, as applicable 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.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime 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.

vii) Trade Receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

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) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial Instruments and the amount initially recognised less cumulative amortization, where appropriate.

v) Derivatives and hedging activities

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. Resulting gains/(Losses) are recorded in statement of profit and loss under other income/other expenses. Derivatives are classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

a) Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

b) Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

·the functional currency of any substantial party to that contract,

· the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world, and

· a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

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 counterparty

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.

The obligations are presented as current liabilities in the balance sheet if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(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 INR 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 estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Gains and losses 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.

o Provisions and contingent liabilities

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.

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 is calculated by adjusting the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the financial year, for the effects of all dilutive potential equity shares.

s 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.

3A 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 current tax expense and deferred tax

The calculation of the company's tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax in the period in which such determination is made.

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the Company. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Significant items on which the Company has exercised accounting judgment include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgment as described above. (Refer note 11)

ii) Estimation of Provisions and Contingent Liabilities

The company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is 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)

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. (Refer note 13)

v) Estimation of defined benefit obligation

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. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. 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. (Refer note 29)

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. As at March 31, 2018, this particular provision had a carrying amount of Rs. 4.54 Crores (March 31, 2017 — Rs 2.83 Crores, 1 April 2016 - Rs. 2.03 Crores).(Refer note 37)

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer note 14)

3 B New accounting standards/ amendments to existing standards issued but not yet effective

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

a) Amendments to Ind AS 115, Revenue from contracts with customers:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The Company is currently under the process of assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2018.

b) Amendments to Appendix B to Ind AS 21 Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/ contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The Company is currently assessing the potential impact of this amendment. These amendments will be applied prospectively to items in scope, for the reporting period beginning on or after April 01, 2018.

c) Amendments to Ind AS 40 Investment property - Transfers of investment property:

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The Company is currently assessing the potential impact of this amendment.

The Company has opted to apply these amendments prospectively to changes in use that occur on or after the date of initial application i.e. April 01, 2018. On April 01, 2018, the Company shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

d) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses:

The amendment clarify the accounting for deferred taxes where an asset is measured at fair value and at fair value is below the asset's tax base. The management is in the process of assessing the impact of above amendments. The company will adopt the amendment from April 1, 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the company in the current of future reporting periods and on forseeable future transactions.

(₹ in Crores)

4 Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Leasehold land #	5.85	-	-	5.85	0.71	0.07	-	0.78	5.07
Buildings # **	17.56	-	(0.46)	18.02	1.17	1.06	(0.02)	2.25	15.77
Plant and machinery	9.32	14.78	0.02	24.08	2.01	2.35	*	4.36	19.72
Data processing machines	2.02	1.50	*	3.52	0.74	0.88	*	1.62	1.90
Moulds and dies	8.08	1.01	-	9.09	2.02	1.87	-	3.89	5.20
Furniture and fixtures	6.24	3.00	0.03	9.21	2.68	2.40	0.03	5.05	4.16
Office equipment	1.14	1.22	0.02	2.34	0.38	0.40	0.02	0.76	1.58
Vehicles	6.79	2.73	0.87	8.65	1.08	1.18	0.08	2.18	6.47
Total	**57.00**	**24.24**	**0.48**	**80.76**	**10.79**	**10.21**	**0.11**	**20.89**	**59.87**
Capital Work-in-Progress	**0.32**	**0.19**	**0.28**	**0.23**	**-**	**-**	**-**	**-**	**0.23**

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	Deemed Cost as at April 1, 2016	Additions	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2017	As at March 31, 2017
Leasehold land	5.85	-	-	5.85	-	0.71	-	0.71	5.14
Building #	17.49	0.07	-	17.56	-	1.17	-	1.17	16.39
Plant and machinery	7.98	1.34	-	9.32	-	2.01	-	2.01	7.31
Data processing machines	0.97	1.06	0.01	2.02	-	0.74	-	0.74	1.28
Moulds and dies	6.96	1.14	0.02	8.08	-	2.02	-	2.02	6.06
Furniture and fixtures	3.63	2.62	0.01	6.24	-	2.68	-	2.68	3.56
Office equipment	0.88	0.26	-	1.14	-	0.38	-	0.38	0.76
Vehicles	5.64	1.61	0.46	6.79	-	1.08	-	1.08	5.71
Total	**49.40**	**8.10**	**0.50**	**57.00**	**-**	**10.79**	**-**	**10.79**	**46.21**
Capital Work-in-Progress	**0.89**	**0.27**	**0.84**	**0.32**	**-**	**-**	**-**	**-**	**0.32**

*Amount is below the rounding off norm adopted by the Company

** An amount of Rs. 0.46 Crores (March 31, 2017: Nil) included in building is reclassified from investment property

An amount of Rs 0.95 Crores (March 31, 2017: Rs 0.53 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].

Notes :

i) The company has opted to measure all of its property, plant and equipment at their previous GAAP carrying value. [Refer note 48(A.1.2)]

ii) Contractual obligations : Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii) Capital work-in-progress : Capital work-in-progress mainly comprises of moulds to be used for production

iv) Working capital loans from banks are secured by second charge on the fixed assets of the Company located at Sinnar.

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
5	**Investment properties**			
	Gross Carrying amount			
	Opening Gross Carrying amount/Deemed cost	1.50	1.50	1.50
	Additions	-	-	-
	Disposals	-	-	-
	Transfer	(0.46)	-	-
	Closing gross carrying amount	**1.04**	**1.50**	**1.50**
	Accumulated depreciation			
	Opening accumulated depreciation	0.03	-	-
	Depreciation charged	0.03	0.03	-
	Disposals	-	-	-
	Transfer	(0.01)	-	-
	Closing accumulated depreciation	**0.05**	**0.03**	**-**
	Net Carrying amount #	**0.99**	**1.47**	**1.50**

An amount of Rs 0.01 Crores (March 31, 2017: Rs 0.01 Crores) included in freehold land, Rs * Crores (March 31, 2017: Rs * Crores) included in leasehold land and Rs 0.96 Crores (March 31, 2017: Rs 1.44 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, 2018	March 31, 2017
Rental income	1.58	1.53
Direct operating expenses	0.07	0.08
Profit from investment properties before depreciation	**1.51**	**1.45**
Depreciation	0.03	0.03
Profit from investment properties	**1.48**	**1.42**

(ii) Fair Value (₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Investment properties	50.14	69.51	66.03

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. Resulting fair value estimate for investment are included in level 3.

iii) The company has opted to measure all of its investment property at their previous GAAP carrying value. [Refer note 48(A.1.2)]

iv) Leasing Arrangements (Refer Note 38)

(₹ in Crores)

6 Intangible assets

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Computer software	1.62	0.65	-	2.27	0.60	0.59	-	1.19	1.08
Patent and trademarks	0.05	-	-	0.05	0.03	0.02	-	0.05	-
Total	**1.67**	**0.65**	**-**	**2.32**	**0.63**	**0.61**	**-**	**1.24**	**1.08**
Intangible Assets under development	**0.26**	**0.28**	**-**	**0.54**	-	-	**-**	**-**	**0.54**

	Gross carrying amount				Amortisation				Net carrying amount
	Deemed cost as at April 1, 2016	Additions	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2017	As at March 31, 2017
Computer software	0.73	0.89	*	1.62	-	0.60	*	0.60	1.02
Patent and trademarks	0.05	-	-	0.05	-	0.03	-	0.03	0.02
Total	**0.78**	**0.89**	*	**1.67**	**-**	**0.63**	*	**0.63**	**1.04**
Intangible Assets under development	**0.13**	**0.13**	**-**	**0.26**	**-**	**-**	**-**	**-**	**0.26**

*Amount is below the rounding off norm adopted by the Company

i) Contractual obligations : Refer note 39 for disclosure of contractual commitments for the acquisition of intangible assets.

ii) The company has opted to measure all of its intangible assets at their previous GAAP carrying value. [Refer note 48(A.1.2)]

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
7 Equity investments in subsidiaries and joint ventures			
Unquoted			
i) In subsidiaries (at cost)			
50,000 (March 31, 2017: 50,000) equity shares of Rs. 10 each fully paid-up held in Blow Plast Retail Limited	0.05	0.05	0.05
9,070,475 (March 31, 2017: 9,070,475) equity shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited [Refer note 46(f)]	6.44	6.44	6.44
11,305 (March 31, 2017:Nil) equity shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited [Refer note 46(f)]	0.01	-	-
10,000 (March 31, 2017: Nil) equity shares of BDT 10 each fully paid-up held in VIP Luggage BD Private Limited [Refer note 46(f)]	0.01	-	-
40,41,500 (March 31, 2017: Nil) 8% convertible Preference Shares of BDT 10 each fully paid-up held in VIP Industries BD Manufacturing Private Limited [Refer note 46(f)]	3.27	-	-
Total	**9.78**	**6.49**	**6.49**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
ii)	**In joint venture (at cost)#**			
	25,003 (March 31, 2017: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitol Industries Limited [Refer note 46(f)]	2.12	2.12	2.12
	Less : Provision for diminution in value of investments	(2.12)	(2.12)	(2.12)
	Total	-	-	-
	Total Investment in Equity Instruments of subsidiaries and joint ventures	**9.78**	**6.49**	**6.49**
	Aggregate amount of unquoted investments in subsidiaries and joint venture	11.90	8.61	8.61
	Aggregate amount of provision for diminution in value of investments	2.12	2.12	2.12

During the year 2014 - 2015, an application has been filed for voluntary winding up of VIP Nitol Industries Limited. Consequently, the disclosure under Ind AS 28 "Investments in Associates and Joint Ventures" is not applicable.

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
8	**Investments**			
A)	**Non-Current Investments**			
I	**Investment in Equity Instruments (fully paid-up)**			
	a) Quoted (at FVOCI)			
	1,000 (March 31, 2017:1,000, April 1, 2016:1,000) equity shares of Rs. 2 each fully paid-up in Windsor Machines Limited	0.01	0.01	*
	1,909 (March 31, 2017:1,909, April 1, 2016:1,909) equity shares of Rs. 10 each fully paid-up in Kemp and Company Limited [Refer note 46(f)]	0.11	0.04	0.10
	2,250 (March 31, 2017: 2,250, April 1, 2016:2,250) equity shares of Rs. 10 each fully paid-up in Jindal South West Holdings Limited	0.37	0.34	0.22
	Total Quoted equity shares	**0.49**	**0.39**	**0.32**
	b) Unquoted			
	In other entities (at FVOCI)			
	500 (March 31, 2017: 500, April 1, 2016: 500) equity shares of Rs. 100 each fully paid-up held in Dinette Exclusive Club Private Limited	**0.01**	0.01	0.01
	2,000 (March 31, 2017: 2,000, April 1, 2016: 2,000) equity shares of Rs. 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*	*
	100 (March 31, 2017: 100, April 1, 2016: 100) equity shares of Rs. 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*	*
	10 (March 31, 2017: 10, April 1, 2016: 10) equity shares of Rs. 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*	*
	Total Unquoted equity shares	**0.01**	**0.01**	**0.01**
	Total Investment in Equity Instruments	**0.50**	**0.40**	**0.33**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
II	**Preference shares** (unquoted and fully paid up)			
	In subsidiaries (At FVTPL)			
	1,70,39,279 (March 31, 2017: 1,70,39,279; April1, 2016: 1,70,39,279) 8% cumulative preference shares of BDT 10 each fully paid-up held in VIP Industries Bangladesh Private Limited. [Refer note 46(f)]	12.94	13.15	14.31
	Total Investment in Preference shares	**12.94**	**13.15**	**14.31**
III	**Share application money pending allotment#**			
	VIP Industries BD Manufacturing Private Limited [Refer note 46(f)]	**6.37**	-	-
	VIP BD Luggage Private Limited [Refer note 46(f)]	*		
	Total Share application money pending allotment	**6.37**	**-**	**-**
	Total Non-current investments (I+II+III)	**19.81**	**13.55**	**14.64**
	Aggregate amount of quoted investments and market value thereof	**0.49**	**0.39**	**0.32**
	Aggregate amount of unquoted investments	**19.32**	**13.16**	**14.32**

*Amount is below the rounding off norm adopted by the Company

Above share application money shall be settled against issue of 82,90,000 convertible preference shares of equity classification of VIP Industries BD Manufacturing Private Limited and 1,412 equity shares of VIP BD Luggage Private Limited.

(₹ in Crores)

		As at		
B)	**Current investments**	March 31, 2018	March 31, 2017	April 1, 2016
	Investments in mutual funds (unquoted)			
	Birla Sun Life savings fund - daily dividend - direct plan 6,72,797(March 31, 2017:20,54,946.87 units; April 1, 2016:Nil units)	6.74	20.61	-
	HDFC Cash Management fund - treasury advantage plan - direct plan - retail - daily dividend 3,03,73,783 (March 31, 2017: 1,68,50,938.18 units; April 1 2016: Nil units)	30.57	16.96	-
	Reliance Liquid Fund - treasury plan - direct plan - daily dividend option 75,946 (March 31,2017:54,657.68 units; April 1, 2016: Nil units)	11.62	8.36	-
	Reliance Medium Term fund - direct plan - daily dividend plan 13,1,16,669 (March 31,2017:1,16,41,968.81 units; April 1,2016 : Nil units)	22.44	19.90	-
	Birla Sun Life floating rate long term - daily dividend - direct plan Nil (March 31,2017 :2,03,297.54 units; April 1 2016: Nil units)	-	2.04	-
	Total current investments	**71.37**	**67.87**	**-**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
9	**Loans**			
A)	**Non-current**			
	Unsecured, considered good			
	Security deposits	14.04	11.37	12.10
	Total non-current Loans	**14.04**	**11.37**	**12.10**
B)	**Current**			
	Unsecured, considered good			
	Security deposits	4.13	6.67	4.57
	Total current Loans	**4.13**	**6.67**	**4.57**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
10	**Other financial assets**			
	A) Non-current			
	Margin money deposit	0.08	0.07	0.07
	Receivable against sale of property	2.60	2.84	3.06
	Total non-current other financial assets	**2.68**	**2.91**	**3.13**
	B) Current			
	Receivable against sale of property	0.50	0.50	0.50
	Interest accrued on deposits	0.11	0.10	0.11
	Receivable from subsidiary	0.14	-	0.63
	Others	-	-	0.25
	Total current other financial assets	**0.75**	**0.60**	**1.49**
11	**Deferred tax assets (net)**			
	The balance comprises temporary differences attributable to:			
	Deferred tax assets			
	Provision for doubtful debts	0.63	0.37	0.37
	Expenses disallowed u/s 43B of the Income tax act, 1961	2.52	2.51	1.61
	On account of voluntary retirement scheme	0.14	0.28	0.42
	Depreciation	1.62	1.95	1.71
	FVTPL	0.17	0.15	-
	Others	0.25	0.33	0.43
	Deferred tax liabilities			
	FVOCI	(0.11)	(0.09)	(0.07)
	FVTPL	-	-	(0.15)
	Total deferred tax assets (net) (Refer note 42)	**5.22**	**5.50**	**4.32**
12	**Other assets**			
	A) Non-current			
	Unsecured, considered good			
	Capital advances	1.44	1.10	0.53
	Prepaid expenses	4.24	3.51	3.79
	Balances with government authorities	1.76	2.14	3.18
	Total other non-current assets	**7.44**	**6.75**	**7.50**
	B) Current			
	Unsecured, considered good			
	Prepaid expenses	4.47	4.30	3.73
	Balances with government authorities	58.30	23.08	27.90
	Advances to employees	0.31	1.06	0.23
	Advance to suppliers	2.60	1.22	3.24
	Export benefit receivable	0.24	0.66	2.16
	Others	0.22	0.16	0.12
	Total other current assets	**66.14**	**30.48**	**37.38**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
13	**Inventories**			
	Stores and spares	0.68	0.96	0.89
	Packing material	3.17	1.32	1.16
	Raw Materials	22.50	16.41	15.73
	Raw Materials in transit	0.46	0.34	1.83
	Work-in-progress	8.49	6.02	6.02
	Finished goods	33.43	36.47	40.39
	Stock-in-trade	184.07	169.24	157.85
	Stock-in-trade in transit	50.64	42.43	54.24
	Total inventories	**303.44**	**273.19**	**278.11**
14	**Trade receivables**			
	Trade receivables	178.07	121.35	150.03
	Receivables from related parties (refer note 46)	0.32	0.32	0.38
	Less: Provision for doubtful debts	(1.82)	(1.07)	(1.08)
	Total receivables	176.57	120.60	149.33
	Current portion	176.57	120.60	149.33
	Non-current portion	-	-	-
	Break-up of security details			
	Unsecured, considered good	176.57	120.60	149.33
	Unsecured, considered doubtful	1.82	1.07	1.08
		178.39	121.67	150.41
	Less: Provision for doubtful debts	(1.82)	(1.07)	(1.08)
	Total trade receivables	**176.57**	**120.60**	**149.33**
15	**Cash and cash equivalents**			
	Cash and cash equivalents			
	Cash on hand	0.43	0.48	0.45
	Balances with banks			
	In current accounts	8.15	5.98	3.94
	In EEFC accounts	0.67	0.35	-
	Deposits with maturity of less than 3 months	7.80	-	-
	Interest accrued on deposits with banks	*	-	-
	Total cash and cash equivalents	**17.05**	**6.81**	**4.39**
	*Amount is below the rounding off norm adopted by the Company			
16	**Bank balances other than cash and cash equivalents**			
	Unpaid dividend account	3.27	2.94	2.52
	Deposits with maturity more than 3 months but less than 12 months	-	0.01	0.01
	Total bank balances other than cash and cash equivalents	**3.27**	**2.95**	**2.53**

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.

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
17	**Current tax assets (net)**			
	Advance income tax and income tax deducted at source (Net of provision for taxation)	1.48	-	1.00
	Total current tax assets	**1.48**	**-**	**1.00**
18	**Equity share capital**			
	Authorised share capital:			
	24,65,00,000 (March 31, 2017: 24,65,00,000,March 31, 2016: 24,65,00,000) equity shares of Rs. 2 each	49.30	49.30	49.30
	1,000 (March 31, 2017: 1,000,March 31, 2016: 1,000) 9% redeemable cumulative preference shares of Rs. 1,000 each	0.10	0.10	0.10
	Issued, subscribed and fully paid up			
	14,13,17,315 (March 31, 2017: 14,13,17,315,March 31, 2016: 14,13,17,315) equity shares of Rs. 2 each	28.26	28.26	28.26
	Total equity share capital	**28.26**	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Issued, subscribed and paid-up capital		
As at April 1, 2016	14,13,17,315	28.26
Add : Issued during the year	-	-
As at March 31, 2017	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2018	**14,13,17,315**	**28.26**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 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

As at April 1, 2016	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2017	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2018	**Number of shares**	**% holding**
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
19 Other equity			
(i) Capital reserve	0.15	0.15	0.15
(ii) Capital redemption reserve	0.15	0.15	0.15
(iii) Securities premium reserve	33.53	33.53	33.53
(iv) General reserve	208.76	208.76	208.76
(v) Retained earnings	200.71	127.17	89.01
(vi) Other Reserves	0.38	0.29	0.25
Total reserves and surplus	**443.68**	**370.05**	**331.85**

	As at	
	March 31, 2018	March 31, 2017
(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 reserve		
At the beginning and end of the year	**33.53**	**33.53**
(iv) General reserve		
At the beginning and end of the year	**208.76**	**208.76**
(v) Retained earnings		
Balance as at the beginning of the year	127.17	89.01
Add: Profit for the year	118.57	76.39
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefits obligation, net of tax	(1.02)	(1.19)
Less: Appropriations		
Dividends		
Interim dividend	14.13	11.31
Final dividend	22.61	19.79
Dividend distribution tax	7.27	5.94
Closing balance	**200.71**	**127.17**

Other reserves	**FVOCI - Equity investments**	**Total other reserves**
As at April 1, 2016	0.25	0.25
Changes in fair value of FVOCI equity instruments	0.06	0.06
Deferred tax	(0.02)	(0.02)
As at March 31, 2017	**0.29**	**0.29**
Changes in fair value of FVOCI equity instruments	0.11	0.11
Deferred tax	(0.02)	(0.02)
As at March 31, 2018	**0.38**	**0.38**

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 reserve - Securities premium reserve is used to record the premium on issue of shares. This reserve is 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 is net of amounts reclassified to retained earnings when such instruments are disposed off.

(₹ in Crores)

			As at		
			March 31, 2018	March 31, 2017	April 1, 2016
20	**Other financial liabilities**				
	A)	**Non-current**			
		Deposits received	0.55	0.49	1.26
		Total other non-current financial liabilities	**0.55**	**0.49**	**1.26**
	B)	**Current**			
		Unpaid dividends (Refer note below)	3.27	2.94	2.52
		Payable on capital purchases	1.26	0.07	0.04
		Deposits received	0.65	0.98	-
		Foreign exchange forward contracts	-	*	0.15
		Total other current financial liabilities	**5.18**	**3.99**	**2.71**
		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.			
		*Amount is below the rounding off norm adopted by the Company			
21	**Provisions**				
	A)	**Non-current**			
		Provision for sales tax disputes (Refer Note 37)	1.87	1.88	1.49
		Provisions for warranties (Refer Note 37)	3.04	1.89	1.35
		Provision for compensated absences (Refer Note 45)	4.34	4.65	2.58
		Total non-current provisions	**9.25**	**8.42**	**5.42**
	B)	**Current**			
		Provisions for warranties (Refer Note 37)	1.50	0.94	0.68
		Provision for gratuity (Refer Note 45)	0.78	-	-
		Provision for compensated absences (Refer Note 45)	1.49	1.13	0.60
		Total current provisions	**3.77**	**2.07**	**1.28**

(₹ in Crores)

		As at	
	March 31, 2018	March 31, 2017	April 1, 2016
22 Other liabilities			
A) Non-current			
Unearned income on deposit received	0.14	0.14	0.18
Total other non-current liabilities	**0.14**	**0.14**	**0.18**
B) Current			
Employee benefits payable	14.43	11.52	11.37
Advances from customers	7.19	5.03	5.35
Statutory dues including provident fund and tax deducted at source	11.77	12.93	10.85
Unearned income on deposit received	*	0.03	-
Unearned income-Commission received in advance from subsidiary	0.12	-	-
Others	17.15	9.65	8.18
Total other current liabilities	**50.66**	**39.16**	**35.75**
*Amount is below the rounding off norm adopted by the Company			
23 Borrowings (Current)			
Secured:			
Working capital loans	-	-	14.28
Maturity date and terms of repayment: Payable on demand			
Coupon/ Interest rate: 10.15%			
Total current borrowing	**-**	**-**	**14.28**
Working capital loans from banks are secured by hypothecation of inventories, receivables and by second charge on the fixed assets of the Company located at Sinnar.			
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	8.29	8.92	5.95
(ii) Others	190.36	134.05	148.72
Trade payables to related parties (Refer note 46)	25.74	8.99	4.02
Total	**224.39**	**151.96**	**158.69**

Disclosure of payable 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)

		As at	
	March 31, 2018	March 31, 2017	April 1, 2016
25 Current tax liabilities (net)			
Provision for income tax (net)	-	0.50	-
Total current tax liabilities	**-**	**0.50**	**-**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
26	**Revenue from operations**		
	Sale of products (including excise duty)		
	Finished goods	343.26	311.73
	Traded goods	1,104.87	991.24
	Sale of services	-	0.79
	Other operating revenues		
	Scrap sales	0.62	0.77
	Export incentive	0.68	1.32
		1,449.43	**1,305.85**
	Less: Discounts and rebates	33.09	23.66
	Total revenue from operations	**1,416.34**	**1,282.19**

Goods and Service Tax (GST) has been implemented from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products, and 'Revenue from operations' for the year ended March 31, 2018 are not comparable with those of previous year.

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
27	**Other income**		
	Interest Income on financial assets at amortised cost:		
	On security Deposits	0.26	0.28
	On bank deposits	0.07	0.03
	Others	0.12	0.26
	Unwinding of interest on security deposits	1.67	1.25
	Dividend income:		
	From subsidiaries	1.10	1.84
	From mutual funds investments measured at FVTPL	5.11	2.91
	Other non-operating income:		
	Claims received from insurance company	-	0.38
	Rental income	1.63	1.70
	Liabilities written back to the extent no longer required	0.12	0.37
	Other Income from subsidiary-guarantee commission	0.02	-
	Miscellaneous Income	0.16	0.37
	Other gains and losses:		
	Net gain arising on sale of property, plant and equipment	0.17	-
	Total other income	**10.43**	**9.39**

(₹ in Crores)

			Year ended	
			March 31, 2018	March 31, 2017
28	(A)	**Cost of materials consumed**		
		Raw material and packing material consumed		
		Opening inventory	18.07	18.72
		Add: Purchases (net)	153.49	127.39
		Less: Inventory at the end of the year	26.13	18.07
		Total cost of raw material and packing material consumed	**145.43**	**128.04**
28	(B)	**Purchases of stock-in-trade**		
		Stock-in-trade	611.90	564.32
		Total purchase of stock-in-trade	**611.90**	**564.32**
28	(C)	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
		Stock at the end of the year:		
		Finished goods	33.43	36.47
		Work-in-progress	8.49	6.02
		Stock-in-trade	234.71	211.67
			276.63	**254.16**
		Stock at the beginning of the year		
		Finished goods	36.47	40.39
		Work-in-progress	6.02	6.02
		Stock-in-trade	211.67	212.09
			254.16	**258.50**
		Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(22.47)**	**4.34**
29		**Employee benefits expense**		
		Salaries, wages and bonus	138.36	118.82
		Contribution to provident fund and other funds (Refer note 45)	6.41	5.68
		Gratuity (Refer note 45)	1.51	1.21
		Leave compensation (Refer note 45)	0.84	3.88
		Staff welfare expenses	6.11	4.60
		Total employee benefits expense	**153.23**	**134.19**
30		**Finance costs**		
		Unwinding of interest on security deposits	0.06	0.11
		Interest expense	0.08	0.17
		Interest on income tax	0.11	0.23
		Other borrowing costs	0.05	0.17
		Total finance costs	**0.30**	**0.68**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
31	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (Refer note 4)	10.21	10.79
	Amortisation of intangible assets (Refer note 6)	0.61	0.63
	Depreciation on investment property (Refer note 5)	0.03	0.03
	Total depreciation and amortisation expense	**10.85**	**11.45**
32	**Other expenses**		
	Consumption of stores and spare parts	1.80	1.27
	Power and fuel	12.86	12.07
	Rent (Refer note 38)	48.57	47.07
	Repairs and maintenance		
	Buildings	0.21	0.31
	Plant and machinery	0.40	0.22
	Others	7.59	6.45
	Insurance	0.40	0.94
	Rates and taxes	3.05	5.99
	Travelling expenses	21.74	17.77
	Directors fees	0.18	0.12
	Payment to auditors (Refer note 33)	0.37	0.35
	Expenditure towards corporate social responsibility (CSR) activities (Refer note 34)	1.82	1.50
	Professional fees	5.51	5.53
	Communication expenses	4.34	4.14
	Advertisement and publicity expenses	89.53	76.78
	Freight, handling and octroi	68.24	59.27
	Commission on sales	0.37	0.86
	Bank charges and commission	2.10	1.94
	Human resource procurement	39.93	30.85
	Allowance for doubtful debts (net)	0.96	0.53
	Bad debts written off during the year	0.21	0.54
	Less: Provision for doubtful debts	(0.21)	(0.54)
	Net loss on foreign currency transactions and translation	0.25	(1.37)
	Obsolescence of fixed assets	0.01	0.01
	Net loss on sale of investments	0.25	0.06
	Net loss on sale of fixed assets	-	0.06
	Miscellaneous expenses	30.81	28.64
	Total	**341.29**	**301.36**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
33	**Details of payment to auditors**		
	As auditor :		
	Audit fee	0.33	0.33
	In other capacities		
	Certification fees	0.04	0.02
	Re-imbursement of expenses	*	*
	Total payment to auditors	**0.37**	**0.35**
	*Amount is below the rounding off norm adopted by the Company		
34	**Corporate social responsibility expenditure**		
	Amount required to be spent as per section 125 of the Act	1.82	1.47
	Amount spent during the year on		
	(i) Construction/ acquisition of an asset	-	-
	(ii) on purpose other than (i) above	1.82	1.50
	Contribution 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	**1.82**	**1.50**
35	**Income tax expense**		
	a) Income tax expense		
	Current tax		
	Current tax on profits for the year	60.23	40.85
	Adjustments for current tax of prior periods	0.43	0.13
	Total current tax expense	**60.66**	**40.98**
	Deferred tax		
	Decrease (increase) in deferred tax assets	0.26	(1.05)
	(Decrease) increase in deferred tax liabilities	*	(0.15)
	Total Deferred tax expense/(benefit)	**0.26**	**(1.20)**
	Total income tax expense	**60.92**	**39.78**
	*Amount is below the rounding off norm adopted by the Company		
	b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit before tax	179.49	116.17
	Enacted Income tax rate in India applicable to the Company	34.608%	34.608%
	Current tax expenses on profit before tax calculated at the rate above	62.12	40.20
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
	Exempted Income	(1.77)	(1.01)
	Expenses disallowed	0.48	0.97
	Items subject to differential tax rate	(0.29)	(0.39)
	Adjustments for current tax of prior periods	0.43	0.13
	Others	(0.05)	(0.12)
	Total income tax expense	**60.92**	**39.78**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
36	**Earnings per share**		
	Profit after tax attributable to equity shareholders	118.57	76.39
	Weighted average number of shares outstanding during the year (numbers)	14,13,17,315	14,13,17,315
	Earnings per share (Basic and Diluted) (₹)	8.39	5.41
	Nominal value per share (₹)	2	2

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
37	**Provision for warranty and sales tax**			
	Warranty provision			
	Balance as at the beginning of the year	2.83	2.03	1.61
	Additions	5.43	3.62	4.22
	Amounts used	3.72	2.82	3.80
	Balance as at the end of the year	4.54	2.83	2.03
	Classified as non-current	3.04	1.89	1.35
	Classified as current	1.50	0.94	0.68
	Sales tax provision			
	Balance as at the beginning of the year	1.88	1.49	0.06
	Additions	-	0.51	1.49
	Amounts used	0.01	0.12	0.06
	Balance as at the end of the year	1.87	1.88	1.49
	Classified as non-current	1.87	1.88	1.49
	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.

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 2-3 years.

38 Leases

As a leasee:

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). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

(₹ in Crores)

	Year ended	
	March 31, 2018	March 31, 2017
With respect to all operating leases:		
Lease payments recognised in the statement of profit and loss during the year	46.89	45.81

As a lessor:

The Company has given certain assets-building on leases. These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
39	**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:			
	Property, plant and equipment	3.89	2.24	1.62
	ii) Other commitments			
	Custom duty liabilities on duty free import of raw materials (export obligations)	-	-	0.53
40	**Contingent Liabilities**			
	Claims against the company not acknowledged as debts	0.04	0.04	0.04
	Income tax matters	1.25	1.22	1.55
	Sales tax matters	145.84	106.89	88.03
	Excise and customs matters	0.55	0.75	0.98

41 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, 2018.

(₹ in Crores)

	March 31, 2018	March 31, 2017
Revenue from external customer		
India	1,355.32	1,213.29
Outside India	61.02	68.90
Total Revenue	**1,416.34**	**1,282.19**
Non Current Assets		
India	85.99	70.44
Outside India	30.46	19.93
Total Non Current Assets	**116.45**	**90.37**

There is no transactions with single external customer which amounts to 10% or more of the Company’s revenue.

(₹ in Crores)

42 Movement in deferred tax assets

	Depreciation	Voluntary retirement scheme	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Others	Total
At April 1, 2016	1.71	0.42	0.37	1.61	(0.15)	(0.07)	0.43	4.32
(charged)/credited:								
- to profit or loss	0.24	(0.14)	*	0.90	0.30	-	(0.10)	1.20
- to other comprehensive income	-	-	-	-	-	(0.02)	-	(0.02)
At March 31, 2017	**1.95**	**0.28**	**0.37**	**2.51**	**0.15**	**(0.09)**	**0.33**	**5.50**
(charged)/credited:								
- to profit or loss	(0.33)	(0.14)	0.26	0.01	0.02	-	(0.08)	(0.26)
- to other comprehensive income	-	-	-	-	-	(0.02)	-	(0.02)
At March 31, 2018	**1.62**	**0.14**	**0.63**	**2.52**	**0.17**	**(0.11)**	**0.25**	**5.22**

*Amount is below the rounding off norm adopted by the Company

43 Fair value measurements

(₹ in Crores)

	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
Financial instruments by category	**FVTPL**	**FVOCI**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Amortised Cost**	**FVTPL**	**FVOCI**	**Amortised Cost**
Financial assets									
Investments									
- Equity instruments#	-	0.50	-	-	0.40	-	-	0.33	
- Preference shares	12.94	-	-	13.15	-	-	14.31	-	-
- Mutual Funds	71.37	-	-	67.87	-	-	-	-	-
- Share application money pending allotment	-	-	6.37	-	-	-	-	-	-
Trade receivables	-	-	176.57	-	-	120.60	-	-	149.33
Cash and cash equivalents	-	-	17.05	-	-	6.81	-	-	4.39
Bank balances other than cash and cash equivalents	-	-	3.27	-	-	2.95	-	-	2.53
Loans	-	-	18.17	-	-	18.04	-	-	16.67
Other financial assets	-	-	3.43	-	-	3.51	-	-	4.62
Total Financial assets	**84.31**	**0.50**	**224.86**	**81.02**	**0.40**	**151.91**	**14.31**	**0.33**	**177.54**
Financial Liabilities									
Borrowings	-	-	-	-	-	-	-	-	14.28
Trade payables	-	-	224.39	-	-	151.96	-	-	158.69
Other financial liabilities	-	-	5.73	-	-	4.48	-	-	3.82
Forward contracts	-	-	-	-	-	-	0.15	-	-
Total Financial liabilities	**-**	**-**	**230.12**	**-**	**-**	**156.44**	**0.15**	**-**	**176.79**

#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, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Preference shares	8A	-	-	12.94	**12.94**
-Mutual funds - Dividend plan	8B	-	71.37	-	**71.37**
Financial investments at FVOCI					
-Listed equity investments - steel sector	8A (a)	0.37	-	-	**0.37**
-Listed equity investments - others	8A (a)	0.12	-	-	**0.12**
-Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
Total financial assets		**0.49**	**71.37**	**12.95**	**84.81**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	176.57	176.57
Cash and cash equivalents	15	-	-	17.05	17.05
Bank balances other than cash and cash equivalents	16	-	-	3.27	3.27
Loans	9A,9B	-	-	18.17	18.17
Investments		-	-		
- Share application money pending allotment	8A	-	-	6.37	6.37
Other financial assets	10A,10B	-	-	3.43	3.43
Total financial assets		**-**	**-**	**224.86**	**224.86**
Financial liabilities					
Trade payables	24	-	-	224.39	224.39
Other financial liabilities	20A,20B	-	-	5.73	5.73
Total financial liabilities		**-**	**-**	**230.12**	**230.12**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Preference shares	8A (a)	-	-	13.15	**13.15**
-Mutual funds - Dividend plan	8B	-	67.87	-	**67.87**
Financial investments at FVOCI					
-Listed equity investments - steel sector	8A (a)	0.34	-		**0.34**
-Listed equity investments - others	8A (a)	0.05	-		**0.05**
-Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
-Foreign exchange forward contracts		-	*	-	*
Total financial assets		**0.39**	**67.87**	**13.16**	**81.42**

*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, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	120.60	**120.60**
Cash and cash equivalents	15	-	-	6.81	**6.81**
Bank balances other than cash and cash equivalents	16	-	-	2.95	**2.95**
Loans	9A,9B	-	-	18.04	**18.04**
Other financial assets	10A,10B	-	-	3.51	**3.51**
Total Financial assets		**-**	**-**	**151.91**	**151.91**
Financial liabilities					
Trade Payables	24	-	-	151.96	151.96
Other financial liabilities	20A,20B	-	-	4.48	4.48
Total Financial liabilities		**-**	**-**	**156.44**	**156.44**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at April 1, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
-Preference shares	8A (a)	-	-	14.31	14.31
-Mutual funds - Dividend plan	8B	-	-		-
Financial investments at FVOCI					
-Listed equity investments - steel sector	8A (a)	0.22	-	-	0.22
-Listed equity investments - others	8A (a)	0.10	-	-	0.10
-Unquoted equity investments	8A (b)	-	-	0.01	0.01
-Foreign exchange forward contracts		-	(0.15)	-	(0.15)
Total financial assets and liabilities		**0.32**	**(0.15)**	**14.32**	**14.49**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at April 1, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14			149.33	149.33
Cash and cash equivalents	15	-	-	4.39	4.39
Bank balances other than cash and cash equivalents	16	-	-	2.53	2.53
Loans	9A,9B	-	-	16.67	16.67
Other financial assets	10A,10B	-	-	4.62	4.62
Total financial assets		**-**	**-**	**177.54**	**177.54**
Financial liabilities					-
Borrowings	23	-	-	14.28	14.28
Trade Payables	24	-	-	158.69	158.69
Other financial liabilities	20A,20B	-	-	3.82	3.82
Total financial liabilities		**-**	**-**	**176.79**	**176.79**

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 fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date, prevailing with Authorised Dealers dealing in foreign exchange.

· 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, 2018 and March 31, 2017:

(₹ in Crores)

	Unquoted preference shares	Unquoted equity shares	Total
As at April 1, 2016	14.31	0.01	14.32
Loss recognised in profit and loss	1.16	*	1.16
As at March 31, 2017	13.15	0.01	13.16
Loss recognised in profit and loss	0.22	*	0.22
As at March 31, 2018	12.93	0.01	12.94
Unrealised loss recognised in profit and loss related to assets held			
Year ended March 31, 2018	0.22	*	0.22
Year ended March 31, 2017	1.16	*	1.16
*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, 2018	As at March 31, 2017	As at April 1, 2016		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Unquoted preference shares	12.94	13.15	14.31	Risk adjusted discount rate	10%	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

(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, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Trade receivables	176.57	176.57	120.60	120.60	149.33	149.33
Cash and cash equivalents	17.05	17.05	6.81	6.81	4.39	4.39
Bank balances other than cash and cash equivalents	3.27	3.27	2.95	2.95	2.53	2.53
Loans	18.17	18.17	18.04	18.04	16.67	16.67
Investments						
Share application money pending allotment	6.37	6.37	-	-	-	-
Other financial assets	3.43	3.43	3.51	3.51	4.62	4.62
Total financial assets	**224.86**	**224.86**	**151.91**	**151.91**	**177.54**	**177.54**
Financial liabilities						
Borrowings	-	-	-	-	14.28	14.28
Trade payables	224.39	224.39	151.96	151.96	158.69	158.69
Other financial liabilities	5.73	5.73	4.48	4.48	3.82	3.82
Total financial liabilities	**230.12**	**230.12**	**156.44**	**156.44**	**176.79**	**176.79**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings 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.

44A Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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 - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company risk management is carried out by a central treasury department under the guidane 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 arisesreceivables 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 Rs. 176.57Crores as at March 31, 2018 (March 31, 2017– Rs.120.96 Crores; April 1, 2016 – Rs.149.33 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 aninfluence on credit risk assessment.

Credit risk is managed through credit approvals,establishing credit limits and continuously monitoring the credit worthiness 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, 2018	As at March 31, 2017
Opening provision	1.07	1.08
Add: Additional provision made	0.75	-
Less: Provision write off	-	-
Less: Provision reversed	-	0.01
Closing provision	1.82	1.07

The average credit period on sales of products is less than 90 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. There is no customer representing more than 5% of the total balance of trade receivables. 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 Rs. 17.05 Crores (March 31, 2017: Rs. 6.81 Crores and April 1, 2016: Rs. 4.39 Crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

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.

e) Other financial assets:

Other financial assets are neither past due nor impaired.

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, 2018	**March 31, 2017**	**April 1, 2016**
Floating Rate			
Expiring within one year (bank overdraft and other facilities)	75.00	75.00	60.72

(ii) Maturity pattern of financial liabilities (₹ in Crores)

As at March 31, 2018	**Not Due**	**0-6 months**	**6 - 12 months**	**More than 12 months**
Trade Payable	154.75	65.51	2.83	1.26
Payable related to Capital goods	1.25	0.01	-	-
Other financial liabilities (current and non-current)	0.21	0.59	0.49	3.18

As at March 31, 2017	**Not Due**	**0-6 months**	**6 - 12 months**	**More than 12 months**
Trade Payable	115.46	34.81	0.62	1.07
Payable related to Capital goods	0.02	0.03	-	0.02
Other financial liabilities (current and non-current)	0.27	0.56	0.79	2.79

As at April 1, 2016	**Not Due**	**0-6 months**	**6 - 12 months**	**More than 12 months**
Trade Payable	117.20	38.48	2.24	0.77
Payable related to Capital goods	0.01	0.01	-	0.02
Other financial liabilities (current and non-current)	0.23	0.15	0.26	3.29

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 marketprices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to interest rate risk whereas the exposure to currency risk and other price risk is given below:

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

Derivatives instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars/ Currency	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Forward contract to buy						
- USD	-	-	85,989	0.56	11,60,571	7.70

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) 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, 2018		March 31, 2017		April 1, 2016	
	USD	Others	USD	Others	USD	Others
Financial assets						
Investment in equity shares	9.73	-	6.44	-	6.44	-
Investment in preference shares	12.93	-	13.15	-	14.31	-
Share application money pending allotment	6.37	-	-	-	-	-
Trade receivables	8.72	-	6.26	-	17.11	-
Other financial assets	-	-	-	-	-	-
Loans	0.14	0.36	-	0.33	0.63	0.30
Cash and Cash equivalents	0.66	0.25	0.32	0.20	*	0.24
Net exposure to foreign currency risk (assets)	**38.55**	**0.61**	**26.17**	**0.53**	**38.49**	**0.54**
Financial liabilities						
Trade payables	81.93	0.40	60.45	0.59	68.72	0.52
Net exposure to foreign currency risk (liabilities)	**81.93**	**0.40**	**60.45**	**0.59**	68.72	0.52
Less: Forward contracts (USD-INR)	-	-	0.56		7.70	-
Net unhedge foreign currency exposure	**43.38**	**-**	**33.72**	**0.06**	**22.53**	**-**

The company 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.

*Amount is below the rounding off norm adopted by the Company

	Effect on Profit after Tax	
	For year ended March 31, 2018	
	1% increase	1% decrease
USD	(0.43)	(0.43)
Increase / (decrease) in profit or loss	**(0.43)**	**(0.43)**

B) Market Risk- 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 and are included in the BSE Sensex 30 index.

(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.

	Impact on other Component of Equity	
	For year ended	
	March 31, 2018	March 31, 2017
BSE Sensex 30- Increase 5%	0.03	0.03
BSE Sensex 30- Decrease 5%	(0.03)	(0.03)

44B 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, 2018	March 31, 2017	April 1, 2016
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	Not applicable	Not applicable	7.36
Total equity			360.11
Net debt equity ratio			2.04%

(b) Dividends

(₹ in Crores)

	As at	
	March 31, 2018	March 31, 2017
i) Equity Share		
Final dividend	22.61	19.79
Interim dividend	14.13	11.31
Dividend distribution tax on above dividend	7.27	5.94
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	28.26	22.61
Dividend distribution tax on proposed dividend	5.75	4.60

45 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2018	**March 31, 2017**
Amount recognised in the statement of profit and loss		
(i) Employer Contribution to Provident Fund (under Pension Plan)	1.92	1.80
Total	**1.92**	**1.80**

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, 2016	**17.75**	**(17.76)**	**(0.01)**
Current service cost	1.21	-	1.21
Interest expense/(income)	1.39	(1.39)	-
Total amount recognised in profit or loss	**2.59**	**(1.39)**	**1.21**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	(1.03)	(1.03)
Experience losses	2.16	-	2.16
Loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	0.70	-	0.70
Total amount recognised in other comprehensive income	**2.86**	**(1.03)**	**1.83**
Employer's contribution	-	(3.83)	(3.83)
Benefits paid from the fund	(6.10)	6.10	-
March 31, 2017	**17.11**	**(17.91)**	**(0.80)**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**17.11**	**(17.91)**	**(0.80)**
Current service cost	1.31	-	1.31
Interest expense/(income)	1.29	(1.35)	(0.06)
Past service costs	0.26	-	0.26
Total amount recognised in profit or loss	**2.86**	**(1.35)**	**1.51**

Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.15	0.15
Experience losses	0.69	-	0.69
Loss from change in demographic assumptions	0.79	-	0.79
Gain from change in financial assumptions	(0.10)	-	(0.10)
Total amount recognised in other comprehensive income	**1.38**	**0.15**	**1.53**
Employer's contribution	-	-	-
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.79)	2.33	(1.46)
March 31, 2018	**17.56**	**(16.78)**	**0.78**

ii) The net liabilities disclosed above relating to funded plans are as follows:

(₹ in Crores)

	As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Present value of funded obligations	17.56	17.11	17.75
Fair value of plan assets	(16.78)	(17.91)	(17.76)
Deficit/ (surplus) of gratuity plan	**0.78**	**(0.80)**	**(0.01)**

iii) The principal assumptions used in determining gratuity benefit obligations are shown below:

	As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Discount rate	7.68%	7.52%	7.80%
Expected return on plan assets	7.68%	7.52%	7.80%
Salary escalation rate	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	5.00%
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 ages 44 years and below 2.00% p.a. For ages 45 years and above 1.00% p.a.	For ages 44 years and below 2.00% p.a. For ages 45 years and above 1.00% p.a.

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring 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, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount Rate	1%	1%	Decreased by	0.61	0.93	Increased by	0.67	1.02
Salary Increase	1%	1%	Increased by	0.66	1.03	Decreased by	0.62	0.91
Employee Turnover	1%	1%	Increased by	0.06	0.15	Decreased by	0.07	0.17

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 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, 2018		March 31, 2017		April 1, 2016	
	Amount	in %	Amount	in %	Amount	in %
Government securities (Central and State)	0.27	2%	0.27	2%	0.27	2%
Special deposit scheme	0.38	2%	0.38	2%	0.38	2%
Cash and cash equivalents	0.11	1%	0.68	4%	0.53	3%
Insurance fund	15.99	95%	16.55	92%	16.54	93%
Others	0.03	0%	0.03	0%	0.04	0%
Total	**16.78**	**100%**	**17.91**	**100%**	**17.76**	**100%**

vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, salary risk.

Investment risk:	The present value of the defined benefit 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 liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants 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, 2019 is Rs. 2.12 Crores (March 31, 2018: Rs.0.51 Crores, March 31, 2017: Rs. 4.66 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, 2018					
Defined benefit obligations - Gratuity	4.43	1.99	7.61	11.06	25.09
March 31, 2017					
Defined benefit obligations - Gratuity	3.98	1.72	4.34	20.59	30.63
April 1, 2016					
Defined benefit obligations - Gratuity	4.66	2.40	4.70	7.20	18.96

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, 2018. The Company has contributed Rs.2.93 Crores (March 31,2017: Rs.2.58 Crores; April 1, 2016: Rs. 2.29 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2018.

i) Amount recognised in the Balance Sheet (₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Present value of benefit obligation	57.72	53.11	52.16
Plan assets at period end, at fair value, restricted to present value of benefit obligation	57.72	53.11	52.16
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, 2018	March 31, 2017	April 1, 2016
Discounting Rate	7.68%	7.52%	7.95%
Expected Guaranteed interest rate	8.55%	8.65%	8.80%
* Rate mandated by EPFO for the FY 2017-18 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, 2018	March 31, 2017	April 1, 2016
Leave obligations expected to be settled within the next 12 months	1.49	1.13	0.60
Leave obligations not expected to be settled within the next 12 months	4.34	4.65	2.58

46 Related Party

a) List of related parties:

Relationships	Country	As at		
		March 31, 2018	March 31, 2017	April 01, 2016
Subsidiaries				
VIP Industries Bangladesh Private Limited	Bangladesh	100%	100%	100%
VIP Industries BD Manufacturing Private Limited (Incorporated on September 28, 2017)	Bangladesh	100%	Not applicable	Not applicable
VIP Luggage BD Private Limited (Incorporated on March 21, 2018)	Bangladesh	100%	Not applicable	Not applicable
Blow Plast Retail Limited	India	100%	100%	100%
Joint ventures				
VIP Nitol Industries Limited	Bangladesh	50%	50%	50%

b) Key management personnel

Name	Nature of relationship
Mr Dilip G. Piramal	Chairman and Managing Director
Ms. Radhika Piramal	Vice Chairperson and Executive Director
Mr. Ashish K Saha	Director Works

c) List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year:

Name	Nature of relationship
DGP Securities Limited	Mr. Dilip G. Piramal - Chairman and Managing Director of the Company is also Director of DGP Securities Limited.
Kemp & Company Limited	Mrs. Shalini D. Piramal, Managing Director of KEMP & Company Limited is wife of Mr. Dilip G. Piramal, Chairman and Managing Director of the Company.
Indian Merchants' Chambers (IMC)	Mr. Dilip G. Piramal - Chairman and Managing Director of the Company was President of IMC till June 28, 2016

d) Trust

VIP Industries Limited Employees Gratuity Fund Trust

VIP Industries Limited Employees Provident Fund Trust

e) Disclosure in respect of significant transactions with related parties during the year:

(₹ in Crores)

Transactions	Year ended	
	March 31, 2018	March 31, 2017
1) Sale of product**		
1. Kemp & Company Limited	1.16	1.22
Total sale of product	**1.16**	**1.22**
2) Dividend income		
1. VIP Industries Bangladesh Private Limited	1.10	1.84
Total dividend income	**1.10**	**1.84**
3) Purchase of goods and expenses incurred		
1. VIP Industries Bangladesh Private Limited	52.00	48.94
2. VIP Industries BD Manufacturing Private Limited	4.98	-
Total purchase of goods and expenses incurred	**56.98**	**48.94**
4) Rent paid		
1. DGP Securities Limited	*	*
Total rent paid	*	*

(₹ in Crores)

Transactions	Year ended	
	March 31, 2018	March 31, 2017
5) Guarantee commission		
1. VIP Industries BD Manufacturing Private Limited	0.02	-
Total Guarantee commission	**0.02**	**-**
6) Membership and other fees		
1. Indian Merchants' Chamber (IMC)	-	0.01
Total Membership and other fees	**-**	**0.01**
7) Advertisement and other expenses		
1. Indian Merchants' Chamber (IMC)	-	0.06
Total advertisement and other expenses	**-**	**0.06**
8) Advance given to subsidiary		
1. Blow Plast Retail Limited	-	*
Total advance given to subsidiary	**-**	*****
9) Advance received back from subsidiary		
1. Blow Plast Retail Limited	-	*
Total advance received back from subsidiary	**-**	*****
10) Investment in subsidiaries		
Equity Shares		
1. VIP Industries BD Manufacturing Private Limited	0.01	-
2. VIP BD Luggage Private Limited	0.01	-
Preference Shares		
1. VIP Industries BD Manufacturing Private Limited	3.27	-
Total investment in subsidiaries	**3.29**	**-**
11) Deposit repaid		
1. DGP Securities Limited	1.12	-
Total deposit repaid	**1.12**	-
12) Key management personnel compensation		
a) Remuneration***		
1. Mr. Dilip G. Piramal	1.81	1.00
2. Ms.Radhika Piramal	1.91	2.38
3. Mr. Ashish Saha	0.88	0.74
b) Commission		
1. Mr. Dilip G. Piramal	1.89	1.22
2. Ms.Radhika Piramal	1.89	1.22
Total key management personnel compensation	**8.38**	**6.56**
13) Share application money paid to subsidiaries		
1. VIP Industries BD Manufacturing Private Limited	6.37	-
2. VIP Luggage BD Private Limited	*	-
Total share application money paid to subsidiaries	**6.37**	**-**
14) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	3.04	3.04
2. VIP Industries Limited Employees Provident Fund Trust	2.93	2.58
Total Contribution to Trust	**5.97**	**5.62**

* Amount is below the rounding off norm adopted by the Company

** Including applicable taxes

*** Key Management personnel who are 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 significant closing balances:** (₹ in Crores)

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
1) Trade receivables			
1. Kemp & Company Limited	0.32	0.32	0.38
Total trade receivables	**0.32**	**0.32**	**0.38**
2) Trade payables			
1. VIP Industries Bangladesh Private Limited	22.86	8.99	4.02
2. VIP Industries BD Manufacturing Private Limited	2.88	-	-
Total trade payables	**25.74**	**8.99**	**4.02**
3) Advances and deposits given			
1. DGP Securities Limited	-	1.12	1.12
Total advances and deposits given	**-**	**1.12**	**1.12**
4) Reimbursement receivable			
1. VIP Industries Bangladesh Private Limited	-	-	0.30
Total reimbursement receivable	**-**	**-**	**0.30**
5) Other current liabilities - commission payable			
1. Mr Dilip G. Piramal	1.89	1.22	0.97
2. Ms. Radhika Piramal	1.89	1.22	0.97
Total other current liabilities - commission payable	**3.78**	**2.44**	**1.94**
6) Other financial assets - commission receivable			
1. VIP Industries Bangladesh Private Limited	-	-	0.33
2. VIP Industries BD Manufacturing Private Limited	0.14	-	-
Total other financial assets - commission receivable	**0.14**	**-**	**0.33**
7) Non Current Investment			
1. Kemp & Co Limited	0.11	0.04	0.10
Total Non Current Investment	**0.11**	**0.04**	**0.10**
8) Other Payable			
1. Indian Merchants' Chamber (IMC)	-	-	*
Total Other Payable	**-**	**-**	*****
9) Equity investments in subsidiaries and joint ventures			
Equity			
1. VIP Industries Bangladesh Private Limited	6.44	6.44	6.44
2. VIP Industries BD Manufacturing Private Limited	0.01	-	-
3. VIP BD Luggage Private Limited	0.01	-	-
4.VIP Nitol Industries Limited (net of Provision for diminution in value of investments)	-	-	-
5. Blow Plast Retail Limited	0.05	0.05	0.05
Preference share			
1. VIP Industries BD Manufacturing Private Limited	3.27	-	-
Total equity investments in subsidiaries and joint ventures	**9.78**	**6.49**	**6.49**
10) Non-current investments			
Preference share			
1. VIP Industries Bangladesh Private Limited	12.94	13.15	14.31
Share application money			
1. VIP Industries BD Manufacturing Private Limited	6.37	-	-
2. VIP Luggage BD Private Limited	*	-	-
Total Non-Current Investments	**19.31**	**13.15**	**14.31**

*Amount is below the rounding off norm adopted by the Company

47 Specified bank notes

i The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

ii Following are the details of holdings as well as dealings in Specified Bank Notes for the previous year ended March 31, 2017.

(₹ in Crores)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.34	0.63	0.96
Permitted receipts	-	4.30	4.30
Permitted payments	0.01	0.87	0.88
Amount deposited in Banks	0.33	3.31	3.63
Closing cash in hand as on December 30, 2016	**-**	**0.75**	**0.75**

48 First Time Adoption of Ind AS

Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company opted to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost for Property, Plant and Equipment, Intangible Assets and Investment Property.

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment properties covered by Ind AS 40 Investment Properties.

Accordingly, the company has opted to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value and use the same as deemed cost in the opening Ind AS balance sheet.

A.1.3 Designation of previously recognised financial instrument

Ind AS 101 allows an entity to recognise investments in equity instruments at fair value through other comprehensive income (FVOCI) through an irrevocable election on the basis of the facts and circumstances at the date of transition to Ind AS.The company has opted to apply this exemption for its investment in quoted equity investments.

A.1.4 Investment in subsidiaries and joint ventures

The Company has opted to measure its equity investment in subsidiaries and joint ventures at its previous GAAP carrying values which shall be the deemed cost as at the date of transition to Ind AS.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP

- Investment in equity instruments carried at FVTPL or FVOCI
- Investment in debt instruments carried at FVTPL
- Impairment of financial assets based on expected credit loss model

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Effect of Ind AS adoption on the Balance sheet as at April 1, 2016 (₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	50.90	(1.50)	49.40
Capital work-in-progress		0.89	-	0.89
Investment properties	1	-	1.50	1.50
Other intangible assets		0.78	-	0.78
Intangible assets under development		0.13	-	0.13
Equity investments in subsidiaries and joint ventures		6.49	-	6.49
Financial assets				
Investments	2	13.68	0.96	14.64
Loans	4	13.57	(1.47)	12.10
Other financial assets	3	4.07	(0.94)	3.13
Deferred tax assets (net)	11	4.11	0.21	4.32
Other non-current assets	4	4.64	2.86	7.50
Total non-current assets		**99.26**	**1.62**	**100.88**
Current assets				
Inventories		278.11	-	278.11
Financial assets				
Investments		-	-	-
Trade receivables	5	149.33	-	149.33
Cash and cash equivalents		4.39	-	4.39

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
Loans	4	6.40	(1.83)	4.57
Other financial assets		1.49	-	1.49
Current tax assets (net)		1.00	-	1.00
Other current assets	4, 12	37.24	0.14	37.38
Total current assets		**480.49**	**(1.69)**	**478.80**
Total assets		**579.75**	**(0.07)**	**579.68**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		28.26	-	28.26
Other equity				
Reserves and surplus	6,13	308.09	23.76	331.85
Total equity		**336.35**	**23.76**	**360.11**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	7	1.46	(0.20)	1.26
Provisions		5.42	-	5.42
Other non-current liabilities	7	-	0.18	0.18
Total non-current liabilities		**6.88**	**(0.02)**	**6.86**
Current liabilities				
Financial liabilities				
Borrowings		14.28	-	14.28
Trade payables		158.69	-	158.69
Other financial liabilities		2.71	-	2.71
Provisions	6	25.09	(23.81)	1.28
Other current liabilities		35.75	-	35.75
Total current liabilities		**236.52**	**(23.81)**	**212.71**
Total liabilities		**243.40**	**(23.83)**	**219.57**
Total equity and liabilities		**579.75**	**(0.07)**	**579.68**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of equity as at transition April 1, 2016

(₹ in Crores)

Particulars	Note to first-time adoption	March 31, 2016
Total equity as per previous GAAP		**336.35**
Adjustments:		
Effect of measuring investments at fair value through profit and loss	2	0.64
Effect of measuring investments at fair value through other comprehensive income	2	0.32
Effect on account of reversal of proposed dividend	6	23.81
Others		(1.22)
Deferred Tax impact on Ind AS adjustments	11	0.21
Total Adjustments		23.76
Total equity as per Ind AS		**360.11**

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

Effect of Ind AS adoption on the Balance sheet as at March 31, 2017 (₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	47.68	(1.47)	46.21
Capital work-in-progress		0.32	-	0.32
Investment properties	1	-	1.47	1.47
Other intangible assets		1.04	-	1.04
Intangible assets under development		0.26	-	0.26
Equity investments in subsidiaries and joint ventures		6.49	-	6.49
Financial assets				
Investments	2	13.75	(0.20)	13.55
Loans	4	13.89	(2.52)	11.37
Other financial assets	3	3.57	(0.66)	2.91
Deferred tax assets (net)	11	5.11	0.39	5.50
Other non-current assets	4	3.49	3.26	6.75
Total non-current assets		**95.60**	**0.27**	**95.87**
Current assets				
Inventories		273.19	-	273.19
Financial assets				
Investments		67.92	(0.05)	67.87
Trade receivables	5	120.60	-	120.60
Cash and cash equivalents		6.81	-	6.81
Bank balances other than cash and cash equivalents		2.95	-	2.95
Loans	4	7.91	(1.24)	6.67
Other financial assets		0.60	-	0.60
Other current assets	4,12	30.27	0.21	30.48
Total current assets		**510.25**	**(1.08)**	**509.17**
Total assets		**605.85**	**(0.81)**	**605.04**

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6, 13	28.26	-	28.26
Other equity				
Reserves and surplus		370.84	(0.79)	370.05
Total equity		**399.10**	**(0.79)**	**398.31**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	7	1.29	(0.80)	0.49
Provisions		8.42	-	8.42
Other non-current liabilities	7	-	0.14	0.14
Total non-current liabilities		**9.71**	**(0.66)**	**9.05**
Current liabilities				
Financial liabilities				
Trade payables		151.96	-	151.96
Other financial liabilities	7	3.38	0.61	3.99
Provisions		2.07	-	2.07
Current tax liabilities (net)		0.50	-	0.50
Other current liabilities	7	39.13	0.03	39.16
Total current liabilities		**197.04**	**0.64**	**197.68**
Total liabilities		**206.75**	**(0.02)**	**206.73**
Total equity and liabilities		**605.85**	**(0.81)**	**605.04**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of equity as at March 31, 2017

(₹ in Crores)

Particulars	Note to first- time adoption	March 31, 2017
Total equity as per previous GAAP		**399.10**
Adjustments:		
Effect of measuring investments at fair value through profit and loss	2	(0.63)
Effect of measuring investments at fair value through other comprehensive income	2	0.39
Others	-	(0.94)
Deferred Tax impact on Ind AS adjustments	11	0.39
Total Adjustments		(0.79)
Total equity as per Ind AS		**398.31**

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
Revenue from operations	9,14	1,274.82	7.37	1,282.19
Other income	3,4,7	7.75	1.64	9.39
Total income		**1,282.57**	**9.01**	**1,291.58**
Expenses:				
Cost of materials consumed		128.04	-	128.04
Purchases of stock-in-trade		564.32	-	564.32
Changes in inventories of finished goods, work-in-progress and stock-in-trade		4.34	-	4.34
Excise duty	9	-	31.03	31.03
Employee benefits expense	8	136.02	(1.83)	134.19
Finance costs	7	0.57	0.11	0.68
Depreciation and amortisation expense		11.45	-	11.45
Other expenses	2,4,14	322.51	(21.15)	301.36
Total expenses		**1,167.25**	**8.16**	**1,175.41**
Profit before tax		**115.32**	**0.85**	**116.17**
Tax expense				
Current tax	8	40.21	0.64	40.85
Deferred tax	11	(1.00)	(0.20)	(1.20)
Short provision for tax relating to prior years		0.13	-	0.13
Total tax expense		**39.34**	**0.44**	**39.78**
Profit for the year		**75.98**	**0.41**	**76.39**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement benefit of defined benefit plans	8, 10	-	(1.83)	(1.83)
Equity instruments through other comprehensive income	10	-	0.06	0.06
Income tax relating to above items	11	-	0.62	0.62
Other comprehensive income for the year, net of tax		**-**	**(1.15)**	**(1.15)**
Total comprehensive income for the year		**75.98**	**(0.74)**	**75.24**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Crores)

Particulars	Note to first- time adoption	March 31, 2017
Profit after tax as per previous GAAP		**75.98**
Adjustments:		
Recognition of Financial assets at Fair value	3	0.28
Effects of measuring investments at Fair value through Profit and Loss	2	(1.26)
Reclassification of remeasurement of employee benefits	8	1.83
Taxes on account of above items	11	(0.44)
Net Profit as per IND AS		**76.39**
Other Comprehensive Income (Net of tax)	10	(1.15)
Total Comprehensive Income for the period		**75.24**

Effect of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017

(₹ in Crores)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from operating activities	125.24	0.34	125.58
Net cash flows from investing activities	(71.52)	(0.16)	(71.68)
Net cash flows from financing activities	(51.30)	(0.18)	(51.48)
Net increase in cash and cash equivalents	2.42	-	2.42
Cash and cash equivalents at the beginning of the year	4.39	-	4.39
Cash and cash equivalents at the end of the year	**6.81**	-	**6.81**

Note 1: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debt instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments recognised at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017 which reduced the retained earnings by Rs. 0.63 Crores as at March 31, 2017 (increased by Rs. 0.64 Crores as at April 1, 2016).

Fair value changes with respect to investments in equity instruments have been recognised in 'Other reserves - FVOCI-Equity investment' as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. Consequently other reserves have been increased by Rs. 0.39 Crores as at March 31, 2017 (increased by Rs. 0.32 Crores as at April 1, 2016).

Consequent to the above, the total equity decreased by Rs. 0.25 Crores as at March 31, 2017 (increased by Rs. 0.96 Crores as at April 1, 2016) and profit for the year ended March 31, 2017 decreased by Rs. 1.27 Crores and other comprehensive income for the year ended March 31, 2017 increased by Rs. 0.06 Crores.

Note 3: Long-term receivable

Under the previous GAAP, interest free long-term receivable are to be recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these long-term receivable on sale of property under Ind AS. Difference between the fair value and transaction value of the receivable has been recognised in equity as at the date of transition. Consequent to this change, the amount of receivable decreased by Rs. 0.66 Crores as at March 31, 2017 (decreased by Rs. 0.94 Crores as at April 1, 2016). The profit for the year and total equity as at March 31, 2017 increased by Rs. 0.28 Crores due to notional interest income recognised on the receivable.

Note 4: Security deposits - Paid

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 3.76 Crores as at March 31, 2017 (decreased by Rs. 3.30 Crores as at April 1, 2016). The prepaid rent increased by Rs. 3.47 Crores as at March 31, 2017 (increased by Rs. 3.01 Crores as at April 1, 2016). Total equity decreased by Rs. 0.29 Crores as at April 1, 2016. The profit for the year and total equity as at March 31, 2017 decreased by Rs. 0.01 Crores due to amortisation of the prepaid rent of Rs. 1.26 Crores which is partially off-set by the notional interest income of Rs. 1.25 Crores recognised on security deposits.

Note 5: Trade receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts remained at the same level as earlier resulting in no impact to the Profit for the year ended March 31, 2017 and to the total equity as at March 31, 2017 and as at April 1, 2016.

Note 6: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 23.81 Crores as at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 7: Security deposits - Received

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unearned income. Consequent to this change, the amount of security deposits decreased by Rs.0.19 Crores as at March 31, 2017 (decreased by Rs. 0.20 Crores as at April 1, 2016). The unearned income increased by Rs. 0.17 Crores as at March 31, 2017 (increased by Rs. 0.18 Crores as at April 1, 2016). Total equity increased by Rs. 0.02 Crores as at April 1, 2016. The profit for the year and total equity as at March 31, 2017 decreased by Rs. * due to amortisation of the unearned income of Rs. 0.11 Crores which is partially off-set by the notional interest expense of Rs. 0.11 Crores recognised on security deposits.

Note 8: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 1.83 Crores. There is no impact on the total equity as at March 31, 2017.

Note 9: Excise duty

Under the previous GAAP, revenue from sale of products was presented net of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs. 31.03 Crores. There is no impact on the total equity and profit.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Deferred tax

Deferred taxes impact of the above adjustments, wherever applicable have been recognised on transition to Ind AS.

Note 12: Financial instruments - derivatives

Under the previous GAAP, forward contracts were accounted for as prescribed under AS 11 " The Effects of Changes in Foreign Exchange Rates", under which forward premium was amortised over the period of forward contract and forward contracts were restated at the closing spot exchange rate. Under Ind AS 109, all derivative financial instrument are to be marked to market and any resultant gain or loss is to be charged to the statement of profit and loss. Accordingly, the marked to market has been recognised and forward premium unamortised balance has been derecognised. As a result of this adjustment, the total equity as at March 31, 2017 decreased by Rs. * Crores (decrease by Rs. 0.01 Crores as at April 01, 2016). The profit for the year ended March 31, 2017 is decreased by Rs. * Crores.

Note 13: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 14: Discount

Under the previous GAAP, discounts and rebates paid to customers were recorded as part of expenses in the statement of profit and loss. However, under Ind AS, these expenses are netted off against revenue. This change has resulted in decrease in total revenue and total expenses for the year ended 31 March 2017 by Rs. 23.66 Crores. There is no impact on the total equity and profit.

*Amount is below the rounding off norm adopted by the Company

49 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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

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

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of V.I.P. Industries Limited (“hereinafter referred to as the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) (refer Note 41 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as “the Consolidated Ind AS Financial Statements”).

Management’s Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company’s Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company’s Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8, 9 and 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by 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, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial information of a subsidiary company located outside India whose financial information reflect total assets of Rs. 23.81 Crores and net assets of Rs. 17.50 Crores as at March 31, 2018, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 8.71 Crores and net cash flows amounting to Rs. 0.27 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial information in respect of the aforesaid subsidiary have been audited by other auditor, 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 is based solely on the reports of the other auditor.

9. We did not audit the financial statements of a subsidiary company located in India whose financial statements reflect total assets of Rs. 0.03 Crores and net assets of Rs. (0.02) Crores as at March 31, 2018, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (*) Crores and net cash flows amounting to Rs. (*) 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.

10. The financial statements of 2 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 14.10 Crores and net assets of Rs. 0.85 Crores as at March 31, 2018, total revenue of Rs. Nil, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 0.84 Crores and net cash flows amounting to Rs. 2.36 Crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS 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.

11. The comparative financial information of the Group for the year ended March 31, 2017 included in these consolidated Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 18, 2017. The transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide report dated May 25, 2016. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

12. As required by Section143(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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary incorporated in India included in the Group, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the holding company and subsidiary company incorporated in India, are disqualified as on March 31, 2018 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 financial statements of the Holding Company and its subsidiary company incorporated in India 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 Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group. Refer Note 39 to the consolidated Ind AS financial statements.

ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2018.

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 company incorporated in India during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Holding Company and its subsidiary company incorporated in India for the year ended March 31, 2018.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(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, 2018

Report on the Internal Financial Controls 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, 2018, we have audited the internal financial controls over financial reporting of V.I.P. Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, 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 over financial reporting 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

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 over financial reporting insofar as it relates to one subsidiary company, which is 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: 012754N/N500016

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	74.97	58.50	64.09
Capital work-in-progress	4	2.66	0.32	0.96
Investment properties	5	0.99	1.47	1.50
Other intangible assets	6	1.08	1.08	0.97
Intangible assets under development	6	0.54	0.26	0.13
Equity investments in subsidiaries and joint ventures	7	-	-	-
Financial assets				
Investments	8A	0.50	0.40	0.33
Loans	9A	15.00	11.80	12.53
Other financial assets	10A	2.68	2.91	3.13
Deferred tax assets (net)	11	5.40	5.25	3.79
Other non-current assets	12A	7.74	6.75	7.50
Total non-current assets		**111.56**	**88.74**	**94.93**
Current assets				
Inventories	13	316.52	282.63	287.42
Financial assets				
Investments	8B	71.37	67.87	-
Trade receivables	14	176.57	120.96	149.33
Cash and cash equivalents	15	20.53	7.66	5.50
Bank balances other than cash and cash equivalents	16	3.27	2.95	2.53
Loans	9B	4.13	6.67	4.57
Other financial assets	10B	0.61	0.60	0.86
Current tax assets (net)	17	1.48	-	1.00
Other current assets	12B	66.61	30.65	37.51
Total current assets		**661.09**	**519.99**	**488.72**
Total assets		**772.65**	**608.73**	**583.65**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	28.26	28.26	28.26
Other equity	19	460.83	379.64	333.65
Total equity		**489.09**	**407.90**	**361.91**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	20A	0.55	0.49	1.26
Provisions	21A	9.25	8.42	5.42
Other non-current liabilities	22A	0.14	0.14	0.18
Total non-current liabilities		**9.94**	**9.05**	**6.86**
Current liabilities				
Financial liabilities				
Borrowings	23	-	-	14.28
Trade payables	24	212.48	145.38	160.56
Other financial liabilities	20B	5.18	3.99	2.71
Provisions	21B	3.77	2.07	1.28
Current tax liabilities (net)	25	0.76	0.82	-
Other current liabilities	22B	51.43	39.52	36.05
Total current liabilities		**273.62**	**191.78**	**214.88**
Total liabilities		**283.56**	**200.83**	**221.74**
Total equity and liabilities		**772.65**	**608.73**	**583.65**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN:02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	26	1,416.34	1,282.57
Other income	27	9.31	7.55
Total income		**1,425.65**	**1,290.12**
Expenses:			
Cost of materials consumed	28A	179.31	155.41
Purchases of stock-in-trade	28B	554.92	515.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28C	(22.55)	5.23
Excise duty		6.75	31.03
Employee benefits expense	29	159.39	139.67
Finance costs	30	0.30	0.68
Depreciation and amortisation expense	31	12.85	13.61
Other expenses	32	345.15	303.51
Total expenses		**1,236.12**	**1,164.52**
Profit before tax		**189.53**	**125.60**
Tax expense	35		
Current tax		62.04	41.19
Deferred tax		0.31	(0.93)
Short provision for tax relating to prior years		0.43	0.13
Total tax expense		**62.78**	**40.39**
Profit for the year		**126.75**	**85.21**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		0.11	0.06
Remeasurement benefit of defined benefit plans		(1.53)	(1.83)
Income tax relating to above items		0.49	0.62
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(1.08)	(1.58)
Income tax relating to above items		0.36	0.55
Other comprehensive income for the year, net of tax		**(1.65)**	**(2.18)**
Total comprehensive income for the year		**125.10**	**83.03**
Earnings per equity share			
Basic and diluted earnings per share (in ₹)	36	8.97	6.03

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

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Chairman and Managing Director

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(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	189.53	125.60
Adjustments for:		
Depreciation and amortisation expense	12.85	13.61
Dividend income classified as investing cash flows	(5.11)	(2.91)
Interest income classified as investing cash flows	(0.19)	(0.29)
Unwinding of interest on security deposits paid	(1.67)	(1.25)
Interest income from financial assets at amortised cost	(0.26)	(0.28)
Amortisation of prepaid rent on discounting of security deposits paid	1.67	1.26
Finance costs	0.24	0.57
Unwinding of interest on security deposits received	0.06	0.11
Changes in fair value of financial assets at fair value through profit and loss	(0.08)	0.04
Amortisation of unearned income on discounting of security deposits received	(0.05)	(0.11)
Obsolescence of fixed assets	0.01	0.01
(Profit)/Loss on Sale of Investment (net)	0.25	0.06
(Gain) /Loss on Translation	(0.61)	(1.70)
Provision for doubtful debts	0.75	(0.01)
Bad Debts written off during the year	0.21	0.54
(Gain)/Loss on disposal of property, plant and equipment (net)	(0.17)	0.06
Liabilities written back to the extent no longer required	(0.12)	(0.37)
Net exchange differences (unrealised)	1.15	0.42
Operating profit before change in operating assets and liabilities	**198.46**	**135.36**
Change in operating assets and liabilities:		
Increase/(Decrease) in trade payables	65.81	(15.39)
Increase in other liabilities	11.67	3.75
Increase in provisions	1.01	1.95
(Increase)/Decrease in other assets	(36.82)	7.14
(Increase)/Decrease in inventories	(33.89)	4.79
(Increase)/Decrease in trade receivables	(56.37)	27.80
Cash Generated from Operations	149.87	165.40
Direct Taxes Paid (Net of refund received)	(64.02)	(38.86)
Net cash inflow from operating activities	**85.85**	**126.54**
Cash flow from investing activities		
Payments for property, plant and equipment	(31.81)	(9.05)
Payments for purchase of investments	(3.52)	(67.97)
Proceeds from sale of property, plant and equipment	0.96	0.92
Interest received	0.19	0.29
Dividend received	5.11	2.91
Net cash outflow from investing activities	**(29.07)**	**(72.90)**

(₹ in Crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from financing activities		
Interest Paid	(0.24)	(0.57)
Repayment of short term borrowings	-	(14.28)
Dividend paid	(36.40)	(30.69)
Dividend Distribution tax paid	(7.27)	(5.94)
Net cash outflow from financing activities	**(43.91)**	**(51.48)**
Net changes in cash and cash equivalents	12.87	2.16
Cash and cash equivalents at the beginning of the year (refer note 15)	7.66	5.50
Cash and cash equivalents at the end of the year (refer note 15)	20.53	7.66
Cash and cash equivalents comprise of :		
Cash on hand	0.43	0.47
Balances with banks	20.10	7.19
Total	20.53	7.66

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

(₹ in Crores)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 1, 2016	18	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2017	18	**28.26**
Changes in equity share capital		-
Balance as at March 31, 2018	18	**28.26**

B. Other equity

Particulars	Notes	Reserves and Surplus					Other reserves		Total other equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Foreign currency monetary item translation difference account	
Balance as at April 1, 2016	19	**0.15**	**0.15**	**33.53**	**208.76**	**89.54**	**0.25**	**1.27**	**333.65**
Profit for the year		-	-	-	-	85.21	-	-	85.21
Other comprehensive income for the year		-	-	-	-	(1.19)	0.04	(1.03)	(2.18)
Total comprehensive income for the year,net of tax		-	-	-	-	**84.02**	**0.04**	**(1.03)**	**83.03**
Dividend paid on equity shares	19	-	-	-	-	(31.10)	-	-	(31.10)
Dividend distribution tax paid	19	-	-	-	-	(5.94)	-	-	(5.94)
Balance as at March 31, 2017		**0.15**	**0.15**	**33.53**	**208.76**	**136.52**	**0.29**	**0.24**	**379.64**
Profit for the year		-	-	-	-	126.75	-	-	126.75
Other comprehensive income for the year		-	-	-	-	(1.02)	0.09	(0.72)	(1.65)
Total comprehensive income for the year,net of tax		-	-	-	-	**125.73**	**0.09**	**(0.72)**	**125.10**
Tax on opening FCTR		-	-	-	-	-	-	0.10	0.10
Dividend paid on equity shares	19	-	-	-	-	(36.74)	-	-	(36.74)
Dividend distribution tax paid	19	-	-	-	-	(7.27)	-	-	(7.27)
Balance as at March 31, 2018		**0.15**	**0.15**	**33.53**	**208.76**	**218.24**	**0.38**	**(0.38)**	**460.83**

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

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 and bags. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

These financial statements were approved for issue by the board of directors on May 22, 2018

2. **Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these 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.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2014 and other relevant provisions of the Act ("Previous GAAP").

These financial statements are the first financial statements of the group under Ind AS. Refer note 49 related to First-time Adoption of Ind AS for an explanation of how the transition from previous GAAP to Ind AS has affected the group’s financial position, financial performance and cash flows.

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

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.

b Principles of consolidation and equity accounting

Subsidiaries are all entities over which the group has control. The group controls an entity when the group 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 group. They are deconsolidated from the date that control ceases.

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. Intercompany 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.

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 V.I.P Industries Limited'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 or other income as may be applicable.

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) Translation 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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise duty, net of return, trade allowances, rebates, value added tax, Goods and Service Tax and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i) Sale of goods

Timing of recognition: The group manufactures and sells a range of luggage and bags in the wholesale and retail market. In case of domestic customers, generally sale takes place when goods are dispatched or at the time of completion of delivery and in case of export customers, generally sale takes place when goods are shipped onboard based on bill of lading.

Measurement of revenue: The luggage and bags are often sold with discounts and customers have a right to return faulty products. Revenue from sales is based on the price specified in the sales contracts, net of the estimated discounts and returns at the time of sale.

ii) Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

iii) 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 on shipment of direct exports. Premium on sale of import licences, if any, is recognised on an accrual basis.

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 of the group assesses the financial performance and position of the group and makes strategic decisions. The chief operating decision maker of the group is the Chairman and Managing director of V.I.P. Industries Limited.

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.

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 tax is charged to Statement of Profit and Loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised 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 in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

ii) As a lessor

Lease income from operating leases where the group is a lessor is recognised in 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. The respective leased assets are included in the balance sheet based on their nature.

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 to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to 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.

Transition to Ind AS

On transition to Ind AS, the group has opted to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment on the transition date.

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**
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

Leasehold land is amortised over the remaining economic useful life of lease or lease term whichever is shorter. Leasehold improvements are amortised over the economic useful life of lease or lease term whichever is shorter.

Tangible assets which are not ready for their intended use on the reporting date are carried as capital work-in-progress.

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 within other expenses or other income, as applicable.

Foreign Subsidiaries

The estimates of useful lives are as follows:

Assets	**Estimated Useful life**
Buildings	20 years
Furniture	10 years
Plant and machinery	5 years

i Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, 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 to the group 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
Buildings	
- Factory building	30 years
- Others	60 years

Transition to Ind AS

On transition to Ind AS, the group has opted to continue with the carrying value of all of its investment properties recognised as at April 1, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties on the transition date.

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 it
- there is an ability to use 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 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
Patents, copyrights and other rights	10 years
Computer Software	3 years

Transition to Ind AS

On transition to Ind AS, the group has opted to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets on the transition date.

The estimated useful life in case of foreign subsidiary is as follows

Assets	Estimated Useful life
Computer Software	3.33 years

k Impairment of assets

Assets that are subject to depreciation and amortisation are tested for impairment 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, components, stores and spares, work in progress, traded goods and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials, components, stores and spares and traded goods 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 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.

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

For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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 group 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 and is not part of a hedging relationship 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). Interest income from these financial assets is included in other income using the effective interest rate method.

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 profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

b) Equity instruments

The group measures all equity investments at fair value. The group's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit and loss. 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.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in other income or other expenses, as applicable 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.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime 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 to the group, 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.

vii) Trade Receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

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) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109, Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

v) Derivatives and hedging activities

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 accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged tems. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are also classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

Derivatives that are not designated as hedges

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss and are included in other gains/(losses).

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 holding company:

The holding 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 INR 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 estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 for the holding company:

Provident Fund contributions are made to a Trust administered by VIP Industries Ltd. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Gains and losses 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.

C) Contributory Provident Fund for overseas subsidiaries-

The Company has introduced a Contributory Provident Fund for its eligible employees, obtaining necessary approval from the National Board of Revenue, GOB. Provident Fund is administered by a Board of Trustees. All confirmed employees are contributing 8.33% of their basic salary as subscription of the fund and the Company has 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

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

o Provisions and contingent liabilities

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.

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 group, 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 is calculated by adjusting the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the financial year, for the effects of all dilutive potential equity shares.

s 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.

3A 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.

Critical estimates and judgments

i) Estimation of current tax expense and deferred tax

The calculation of the group’s tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax in the period in which such determination is made.

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the group. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the group. Significant items on which the group has exercised accounting judgment include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the group's best estimation and judgment as described above. (Refer note 11)

ii) Estimation of Provisions and Contingent Liabilities

The group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is 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)

iii) Estimation of useful life of Property, Plant and Equipment

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. (Refer note 13)

v) Estimation of defined benefit obligation

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. Any changes in these assumptions will impact the carrying amount of such obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. (Refer note 29)

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. For details of the key assumptions used and the impact of changes to these assumptions.

vii) Estimation of provision for warranty claims

The group 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. As at March 31, 2018, this particular provision had a carrying amount of Rs. 4.54 (March 31, 2017 — Rs 2.83, 1 April 2016 - Rs. 2.03). (Refer note 37)

viii) Impairment of trade receivable

The impairment provisions for trade receivable are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer note 14)

3B New accounting standards/ amendments to existing standards issued but not yet effective

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the group :

a) Amendments to Ind AS 115, Revenue from contracts with customers:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2018.

b) Amendments to Appendix B to Ind AS 21 Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The group is currently assessing the potential impact of this amendment. These amendments will be applied prospectively to items in scope, for the reporting period beginning on or after April 1, 2018.

c) Amendments to Ind AS 40 Investment property - Transfers of investment property:

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The group is currently assessing the potential impact of this amendment.

The group has opted to apply these amendments prospectively to changes in use that occur on or after the date of initial application i.e. April 1, 2018. On April 1, 2018, the group shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

d) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses:

The amendment clarify the accounting for deferred taxes where an asset is measured at fair value and at fair value is below the asset's tax base.

The management is in the process of assessing the impact of above amendments. The group will adopt the amendment from April 1, 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the group in the current of future reporting periods and on foreseeable future transactions.

(₹ in Crores)

4 Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Leasehold land #	5.85	-	-	5.85	0.71	0.07	-	0.78	5.07
Buildings # **	27.67	-	(0.12)	27.79	1.70	1.62	0.07	3.25	24.54
Plant and machinery	12.95	19.21	0.16	32.00	3.14	3.71	0.12	6.73	25.27
Data processing machines	2.07	1.55	*	3.62	0.77	0.89	*	1.66	1.96
Moulds and dies	8.08	1.01	-	9.09	2.02	1.87	-	3.89	5.20
Furniture and fixtures	6.38	3.53	0.02	9.89	2.70	2.43	0.02	5.11	4.78
Office equipment	1.21	1.27	0.02	2.46	0.39	0.41	0.01	0.79	1.67
Vehicles	6.80	2.73	0.87	8.66	1.08	1.18	0.08	2.18	6.48
Total	**71.01**	**29.30**	**0.94**	**99.36**	**12.51**	**12.18**	**0.30**	**24.39**	**74.97**
Capital Work-in-Progress	**0.32**	**2.60**	**0.26**	**2.66**	**-**	**-**	**-**	**-**	**2.66**

	Gross carrying amount				Accumulated Depreciation				Net carrying Amount
	Deemed Cost as at April 1, 2016	Additions	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2017	As at March 31, 2017
Leasehold land #	5.85	-	-	5.85	-	0.71	-	0.71	5.14
Buildings #	28.20	0.06	0.59	27.67	-	1.78	0.08	1.70	25.97
Plant and machinery	11.72	1.50	0.27	12.95	-	3.35	0.21	3.14	9.81
Data processing machines	1.01	1.06	-	2.07	-	0.77	*	0.77	1.30
Moulds and dies	6.95	1.14	0.01	8.08	-	2.02	-	2.02	6.06
Furniture and fixtures	3.77	2.62	0.01	6.38	-	2.70	*	2.70	3.68
Office equipment	0.95	0.26	-	1.21	-	0.39	*	0.39	0.82
Vehicles	5.65	1.61	0.46	6.80	-	1.08	-	1.08	5.72
Total	**64.09**	**8.25**	**1.34**	**71.01**	**-**	**12.80**	**0.29**	**12.51**	**58.50**
Capital Work-in-Progress	**0.96**	**0.27**	**0.91**	**0.32**	**-**	**-**	**-**	**-**	**0.32**

*Amount is below the rounding off norm adopted by the group

** An amount of Rs. 0.46 Crores (March 31, 2017: Nil) included in building is reclassified from investment property

An amount of Rs 0.95 Crores (March 31, 2017: Rs 0.53 Crores) included in building is yet to be registered in the name of the group. For other properties yet to be registered in the name of the group [Refer note 5].

Notes :

i) The company has opted to measure all of its property, plant and equipment at their previous GAAP carrying value. [Refer note 49(A.1.2)]

ii) Contractual obligations : Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii) Capital work-in-progress : Capital work-in-progress mainly comprises of moulds to be used for production.

iv) Working capital loans from banks are secured by second charge on the fixed assets of the group located at Sinnar.

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
5	**Investment properties**			
	Gross Carrying amount			
	Opening Gross Carrying amount/Deemed cost	1.50	1.50	1.50
	Additions	-	-	-
	Disposals	-	-	-
	Transfer	(0.46)	-	-
	Closing gross carrying amount	**1.04**	**1.50**	**1.50**
	Accumulated depreciation			
	Opening accumulated depreciation	0.03	-	-
	Depreciation charged	0.03	0.03	-
	Disposals	-	-	-
	Transfer	(0.01)	-	-
	Closing accumulated depreciation	**0.05**	**0.03**	**-**
	Net Carrying amount #	**0.99**	**1.47**	**1.50**

An amount of Rs 0.01 Crores (March 31, 2017: Rs 0.01 Crores) included in freehold land, Rs * Crores (March 31, 2017: Rs * Crores) included in leasehold land and Rs 0.96 Crores (March 31, 2017: Rs 1.44 Crores) included in building is yet to be registered in the name of the group.

*Amount is below the rounding off norm adopted by the group

(i) Amount recognised in profit or loss for Investment properties

	As at	
	March 31, 2018	March 31, 2017
Rental income	1.58	1.53
Direct operating expenses	0.07	0.08
Profit from investment properties before depreciation	**1.51**	**1.45**
Depreciation	0.03	0.03
Profit from investment properties	**1.48**	**1.42**

(ii) Fair Value

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Investment properties	50.14	69.51	66.03

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 detemined by an independent valuer. The main inputs used are the rental growth rates and market rates bases on comparable transactions. Resulting fair value estimate for investment are included in level 3.

iii) The group has opted to measure all of its investment property at their previous GAAP carrying value. [Refer note 49(A.1.2)]

iv) Leasing Arrangements (Refer Note 38)

6 **Intangible assets**

(₹ in Crores)

	Gross carrying amount				Amortisation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Computer Software	1.79	0.65	0.01	2.43	0.73	0.62	-	1.35	1.08
Patent and trademarks	0.05	-	-	0.05	0.03	0.02	-	0.05	-
Total	**1.84**	**0.65**	**0.01**	**2.48**	**0.76**	**0.64**	**-**	**1.40**	**1.08**
Intangible Assets under development	**0.26**	**0.28**	**-**	**0.54**	**-**	**-**	**-**	**-**	**0.54**

	Gross Carrying amount				Amortisation				Net carrying amount
	Deemed cost as at April 1, 2016	Additions	Disposal/ Adjustments	As at March 31, 2017	As at April 1, 2016	Amortisation charge during the year	Disposal/ Adjustments	As at March 31, 2017	As at March 31, 2017
Computer software	0.92	0.89	0.02	1.79	-	0.75	0.02	0.73	1.06
Patent and trademarks	0.05	-	-	0.05	-	0.03	-	0.03	0.02
Total	**0.97**	**0.89**	**0.02**	**1.84**	**-**	**0.78**	**0.02**	**0.76**	**1.08**
Intangible Assets under development	**0.13**	**0.13**	**-**	**0.26**	**-**	**-**	**-**	**-**	**0.26**

i) Contractual oblligations : Refer note 40 for disclosure of contractual commitements for the acquisition of intangible assets.

ii) The group has opted to measure all of its intangible assets at their previous GAAP carrying value. [Refer note 49(A.1.2)]

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
7 Equity investments in subsidiaries and joint ventures			
Unquoted			
In joint venture (at cost) #			
25,003 (March 31, 2017: 25,003) equity shares of BDT 1,000 each fully paid-up held in VIP Nitol Industries Limited [Refer note 46(f)]	2.12	2.12	2.12
Less : Provision for diminution in value of investments	(2.12)	(2.12)	(2.12)
Total Investment in equity instruments of joint ventures	**-**	**-**	**-**

During the year 2014 - 2015, an application has been filed for voluntary winding up of VIP Nitol Industries Limited. Consequently, the disclosure under Ind AS 28 "Investments in Associates and Joint Ventures" is not applicable.

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
8 Investments			
A) Non-Current Investments			
Investment in Equity Instruments (fully paid-up)			
a) Quoted (at FVOCI)			
1,000 (March 31, 2017:1,000, April 1, 2016:1,000) equity shares of Rs. 2 each fully paid-up in Windsor Machines Limited	0.01	0.01	*
1,909 (March 31, 2017:1,909, April 1, 2016:1,909) equity shares of Rs. 10 each fully paid-up in Kemp and Company Limited [Refer note 46(f)]	0.11	0.04	0.10
2,250 (March 31, 2017: 2,250, April 1, 2016:2,250) equity shares of Rs. 10 each fully paid-up in Jindal South West Holdings Limited	0.37	0.34	0.22
Total Quoted equity shares	**0.49**	**0.39**	**0.32**
b) Unquoted			
In other entities (at FVOCI)			
500 (March 31, 2017: 500, April 1, 2016: 500) equity shares of Rs. 100 each fully paid-up held in Dinette Exclusive Club Private Limited	**0.01**	0.01	0.01
2,000 (March 31, 2017: 2,000, April 1, 2016: 2,000) equity shares of Rs. 10 each fully paid-up held in Saraswat Co-operative Bank Limited	*	*	*
100 (March 31, 2017: 100, April 1, 2016: 100) equity shares of Rs. 25 each fully paid-up held in the Shamrao Vithal Co-operative Bank Limited	*	*	*
10 (March 31, 2017: 10, April 1, 2016: 10) equity shares of Rs. 100 each fully paid-up held in Taluka Audyogik Sahakari Vasahat Maryadit, Sinnar	*	*	*
Total Unquoted equity shares	**0.01**	**0.01**	**0.01**
Total Investment in Equity Instruments	**0.50**	**0.40**	**0.33**
Total Non-current investments	**0.50**	**0.40**	**0.33**
Aggregate amount of quoted investments and market value thereof	**0.49**	**0.39**	**0.32**
Aggregate amount of unquoted investments	**0.01**	**0.01**	**0.01**

*Amount is below the rounding off norm adopted by the group

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
B) Current investments			
Investments in mutual funds (unquoted)			
Birla Sun Life savings fund - daily dividend - direct plan 6,72,797(March 31, 2017:20,54,946.87 units; April 1, 2016:Nil units)	6.74	20.61	-
HDFC Cash Management fund - treasury advantage plan - direct plan - retail - daily dividend 3,03,73,783 (March 31, 2017: 1,68,50,938.18 units; April 1 2016: Nil units)	30.57	16.96	-
Reliance Liquid Fund - treasury plan - direct plan - daily dividend option 75,946 (March 31,2017:54,657.68 units; April 1, 2016: Nil units)	11.62	8.36	-
Reliance Medium Term fund - direct plan - daily dividend plan 1,31,16,669(March 31,2017:1,16,41,968.81 units; April 1,2016 : Nil units)	22.44	19.90	-
Birla Sun Life floating rate long term - daily dividend - direct plan Nil (March 31,2017 :2,03,297.54 units; April 1 2016: Nil units)	-	2.04	-
Total current investments	**71.37**	**67.87**	**-**

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
9 Loans			
A) Non-current			
Unsecured, considered good			
Security deposits	15.00	11.80	12.53
Total non-current loans	**15.00**	**11.80**	**12.53**
B) Current			
Unsecured, considered good			
Security deposits	4.13	6.67	4.57
Total current loans	**4.13**	**6.67**	**4.57**
10 Other financial assets			
A) Non-current			
Margin money deposit	0.08	0.07	0.07
Receivable against sale of property	2.60	2.84	3.06
Total non-current other financial assets	**2.68**	**2.91**	**3.13**
B) Current			
Receivable against sale of property	0.50	0.50	0.50
Interest accrued on deposits	0.11	0.10	0.11
Others	-	-	0.25
Total current other financial assets	**0.61**	**0.60**	**0.86**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
11	**Deferred tax assets (net)**			
	The balance comprises temporary differences attributable to:			
	Deferred tax assets			
	Provision for doubtful debts	0.63	0.37	0.37
	Expenses disallowed u/s 43B of the Income tax act, 1961	2.52	2.51	1.61
	On account of voluntary retirement scheme	0.14	0.28	0.42
	Depreciation	1.62	1.95	1.71
	FVTPL	-	0.02	-
	Others	0.36	0.32	0.42
	Foreign currency translation reserve	0.24	-	-
	Deferred tax liabilities			
	FVOCI	(0.10)	(0.08)	(0.07)
	FVTPL	(0.01)	-	-
	Foreign currency translation reserve	-	(0.12)	(0.67)
	Total deferred tax assets (net) (Refer note 42)	**5.40**	**5.25**	**3.79**
12	**Other assets**			
	A) Non-current			
	Unsecured, considered good			
	Capital advances	1.74	1.10	0.53
	Prepaid expenses	4.24	3.51	3.79
	Balances with government authorities	1.76	2.14	3.18
	Total other non-current assets	**7.74**	**6.75**	**7.50**
	B) Current			
	Unsecured, considered good			
	Prepaid expenses	4.69	4.43	3.84
	Balances with government authorities	58.30	23.08	27.90
	Advances to employees	0.31	1.06	0.23
	Advance to suppliers	2.85	1.25	3.25
	Export benefit receivable	0.24	0.66	2.16
	Others	0.22	0.17	0.13
	Total other current assets	**66.61**	**30.65**	**37.51**
13	**Inventories**			
	Stores and spares	1.23	1.10	1.00
	Packing material	3.17	1.32	1.16
	Raw Materials	34.10	24.82	23.07
	Raw Materials in transit	0.46	0.34	1.83
	Work-in-progress	11.07	7.10	7.18
	Finished goods	44.70	39.79	47.35
	Stock-in-trade	171.15	165.73	151.59
	Stock-in-trade in transit	50.64	42.43	54.24
	Total inventories	**316.52**	**282.63**	**287.42**

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
14	**Trade receivables**			
	Trade receivables	178.07	121.71	150.03
	Receivables from related parties (Refer note 46)	0.32	0.32	0.38
	Less: Provision for doubtful debts	(1.82)	(1.07)	(1.08)
	Total receivables	176.57	120.96	149.33
	Current portion	176.57	120.96	149.33
	Non-current portion	-	-	-
	Break-up of security details			
	Unsecured, considered good	176.57	120.96	149.33
	Unsecured, considered doubtful	1.82	1.07	1.08
		178.39	122.03	150.41
	Less: Provision for doubtful debts	(1.82)	(1.07)	(1.08)
	Total trade receivables	**176.57**	**120.96**	**149.33**
15	**Cash and cash equivalents**			
	Cash and cash equivalents			
	Cash on hand	0.43	0.47	0.45
	Balances with banks			
	In current accounts	11.63	6.84	5.05
	In EEFC accounts	0.67	0.35	-
	Deposits with maturity of less than 3 months	7.80	-	-
	Interest accrued on deposits with banks	*	-	-
	Total cash and cash equivalents	**20.53**	**7.66**	**5.50**
	*Amount is below the rounding off norm adopted by the group			
16	**Bank balances other than cash and cash equivalents**			
	Unpaid dividend account	3.27	2.94	2.52
	Deposits with maturity more than 3 months but less than 12 months	-	0.01	0.01
	Total bank balances other than cash and cash equivalents	**3.27**	**2.95**	**2.53**
	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	**Current tax assets (net)**			
	Advance income tax and income tax deducted at source (Net of provision for taxation)	1.48	-	1.00
	Total current tax assets	**1.48**	**-**	**1.00**

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
18 Equity share capital			
Authorised share capital:			
24,65,00,000 (March 31, 2017: 24,65,00,000,March 31, 2016: 24,65,00,000) equity shares of Rs. 2 each	49.30	49.30	49.30
1,000 (March 31, 2017: 1,000,March 31, 2016: 1,000) 9% redeemable cumulative preference shares of Rs. 1,000 each	0.10	0.10	0.10
	49.40	49.40	49.40
Issued, subscribed and fully paid up			
14,13,17,315 (March 31, 2017: 14,13,17,315,March 31, 2016: 14,13,17,315) equity shares of Rs. 2 each	28.26	28.26	28.26
Total Equity share capital	**28.26**	**28.26**	**28.26**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Issued, subscribed and paid-up capital		
As at April 1, 2016	14,13,17,315	28.26
Add : Issued during the year	-	-
As at March 31, 2017	**14,13,17,315**	**28.26**
Add : Issued during the year	-	-
As at March 31, 2018	**14,13,17,315**	**28.26**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 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

As at April 1, 2016	Number of shares	% holding
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2017	Number of shares	% holding
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

As at March 31, 2018	Number of shares	% holding
Equity Shares held by:		
DGP Securities Limited	3,65,81,765	25.89%
Vibhuti Investments Company Limited	2,18,62,645	15.47%

(₹ in Crores)

		As at		
		March 31, 2018	March 31, 2017	April 1, 2016
19	**Other equity**			
(i)	Capital reserve	0.15	0.15	0.15
(ii)	Capital redemption reserve	0.15	0.15	0.15
(iii)	Securities premium reserve	33.53	33.53	33.53
(iv)	General reserve	208.76	208.76	208.76
(v)	Retained earnings	218.24	136.52	89.54
(vi)	Other Reserves	*	0.53	1.52
	Total reserves and surplus	**460.83**	**379.64**	**333.65**

		As at	
		March 31, 2018	March 31, 2017
(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 reserve**		
	At the beginning and end of the year	**33.53**	**33.53**
(iv)	**General reserve**		
	At the beginning and end of the year	**208.76**	**208.76**
(v)	**Retained earnings**		
	Balance as at the beginning of the year	136.52	89.54
	Add: Profit for the year	126.75	85.21
	Items of other comprehensive income recognised directly in retained earnings		
	Remeasurements of post-employment benefits obligation, net of tax	(1.02)	(1.19)
	Less: Appropriations		
	Dividends		
	Interim Dividend	14.13	11.31
	Final Dividend	22.61	19.79
	Dividend Distribution Tax	7.27	5.94
	Closing Balance	**218.24**	**136.52**

vi)	**Other reserves**	**FVOCI - Equity investments**	**Foreign currency translation reserve (FCTR)**	**Total other reserves**
	As at April 1, 2016	0.25	1.27	1.52
	Changes in fair value of FVOCI equity instruments	0.06	-	0.06
	Deferred tax	(0.02)	-	(0.02)
	Exchange difference arising on translation of foreign operations	-	(1.58)	(1.58)
	Income tax relating to above	-	0.55	0.55
	As at March 31, 2017	**0.29**	**0.24**	**0.53**
	Changes in fair value of FVOCI equity instruments	0.11	-	0.11
	Deferred tax	(0.02)	-	(0.02)
	Exchange difference arising on translation of foreign operations	-	(1.08)	(1.08)
	Income tax relating to above	-	0.36	0.36
	Tax on opening FCTR	-	0.10	0.10
	As at March 31, 2018	**0.38**	**(0.38)**	*

*Amount is below the rounding off norm adopted by the group

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 reserve - Securities premium reserve is used to record the premium on issue of shares. This reserve is 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 securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Foreign currency translation reserve - Exchange differences arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit or loss when net investment is disposed off.

(₹ in Crores)

			As at		
			March 31, 2018	**March 31, 2017**	**April 1, 2016**
20	**Other financial liabilities**				
	A)	**Non-current**			
		Deposits received	0.55	0.49	1.26
		Total other non-current financial liabilities	**0.55**	**0.49**	**1.26**
	B)	**Current**			
		Unpaid dividends (Refer note below)	3.27	2.94	2.52
		Payable on capital purchases	1.26	0.07	0.04
		Deposits received	0.65	0.98	-
		Foreign exchange forward contracts	-	*	0.15
		Total other current financial liabilities	**5.18**	**3.99**	**2.71**
		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.			
		*Amount is below the rounding off norm adopted by the group			
21	**Provisions**				
	A)	**Non-current**			
		Provision for sales tax disputes (Refer Note 37)	1.87	1.88	1.49
		Provisions for warranties (Refer Note 37)	3.04	1.89	1.35
		Provision for compensated absences (Refer Note 45)	4.34	4.65	2.58
		Total non-current provisions	**9.25**	**8.42**	**5.42**

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
B) Current			
Provisions for warranties (Refer Note 37)	1.50	0.94	0.68
Provision for gratuity (Refer Note 45)	0.78	-	-
Provision for compensated absences (Refer Note 45)	1.49	1.13	0.60
Total current provisions	**3.77**	**2.07**	**1.28**
22 Other Liabilities			
A) Non-current			
Unearned income on deposit received	0.14	0.14	0.18
Total other non-current liabilities	**0.14**	**0.14**	**0.18**
B) Current			
Employee benefits payable	15.27	11.84	11.61
Advances from customers	7.19	5.03	5.35
Statutory dues including provident fund and tax deducted at source	11.82	12.97	10.91
Unearned income on deposit received	*	0.03	-
Others	17.15	9.65	8.18
Total other current liabilities	**51.43**	**39.52**	**36.05**
*Amount is below the rounding off norm adopted by the group			
23 Borrowings (Current)			
Secured:			
Working capital loans	-	-	14.28
Maturity date and terms of repayment: Payable on demand			
Coupon/ Interest rate: 10.15%			
Total current borrowing	**-**	**-**	**14.28**
Working capital loans from banks are secured by hypothecation of inventories, receivables and by second charge on the fixed assets of the Company located at Sinnar.			
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	8.29	8.92	5.95
(ii) Others	204.19	136.46	154.61
Total	**212.48**	**145.38**	**160.56**

Disclosure of payable 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)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
25 Current tax liabilities (net)			
Provision for income tax (net)	0.76	0.82	-
Total current tax liabilities	**0.76**	**0.82**	**-**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
26	**Revenue from operations**		
	Sale of products (including excise duty)		
	Finished goods	343.26	312.11
	Traded goods	1,104.87	991.24
	Sale of services	-	0.79
	Other operating revenues		
	Scrap sales	0.62	0.77
	Export incentives	0.68	1.32
		1,449.43	**1,306.23**
	Less: Discounts and rebates	33.09	23.66
	Total revenue from operations	**1,416.34**	**1,282.57**

Goods and Service Tax (GST) has been implemented from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products, and 'Revenue from operations' for the year ended March 31, 2018 are not comparable with those of previous year.

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
27	**Other income**		
	Interest Income on financial assets at amortised cost		
	On security deposits	0.26	0.28
	On bank deposits	0.07	0.03
	Others	0.12	0.26
	Unwinding of interest on security deposits	1.67	1.25
	Dividend income		
	From mutual funds investments measured at FVTPL	5.11	2.91
	Other non-operating income		
	Claims received from insurance company	-	0.38
	Rental Income	1.63	1.70
	Liabilities written back to the extent no longer required	0.12	0.37
	Miscellaneous Income	0.16	0.37
	Other gains and losses		
	Net gain arising on sale of property, plant and equipment	0.17	-
	Total other income	**9.31**	**7.55**

(₹ in Crores)

			Year ended	
			March 31, 2018	March 31, 2017
28	**(A)**	**Cost of materials consumed**		
		Raw material and packing material consumed (Refer note 34)		
		Opening inventory	26.26	26.07
		Add: Purchases (net)	190.77	156.26
		Less: Inventory at the end of the year	37.72	26.92
		Total cost of raw material and packing material consumed	**179.31**	**155.41**
	(B)	**Purchases of stock-in-trade**		
		Stock-in-trade	554.92	515.38
		Total purchase of stock-in-trade	**554.92**	**515.38**
	(C)	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
		Stock at the end of the year (Refer note 34):		
		Finished goods	44.70	39.81
		Work-in-progress	11.07	7.16
		Stock-in-trade	221.80	208.16
			277.57	**255.13**
		Less: Stock at the beginning of the year (Refer note 34):		
		Finished goods	39.78	47.35
		Work-in-progress	7.08	7.18
		Stock-in-trade	208.16	205.83
			255.02	**260.36**
		Total changes in inventories of finished goods, work-in-progress and stock-in-trade	**(22.55)**	**5.23**
29	**Employee benefits expense**			
	Salaries, wages and bonus		144.09	123.98
	Contribution to provident fund and other funds (Refer note 45)		6.58	5.85
	Gratuity (Refer note 45)		1.51	1.21
	Leave compensation (Refer note 45)		0.84	3.88
	Staff welfare expenses		6.37	4.75
	Total employee benefits expense		**159.39**	**139.67**
30	**Finance costs**			
	Unwinding of interest on security deposits		0.06	0.11
	Interest expense		0.08	0.17
	Interest on income tax		0.11	0.23
	Other borrowing costs		0.05	0.17
	Total finance costs		**0.30**	**0.68**
31	**Depreciation and amortisation expense**			
	Depreciation on property, plant and equipment (Refer note 4)		12.18	12.80
	Amortisation of intangible assets (Refer note 6)		0.64	0.78
	Depreciation on investment property (Refer note 5)		0.03	0.03
	Total depreciation and amortisation expense		**12.85**	**13.61**

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
32	**Other expenses**		
	Consumption of stores and spare parts	2.47	1.88
	Power and fuel	13.19	12.34
	Rent (Refer note 38)	49.06	47.25
	Repairs and maintenance		
	Buildings	0.21	0.31
	Plant and machinery	0.40	0.22
	Others	7.60	6.47
	Insurance	1.08	1.50
	Rates and taxes	3.05	6.00
	Travelling expenses	22.03	18.01
	Directors fees	0.18	0.12
	Payment to auditors		
	As auditor:		
	Audit fee	0.36	0.35
	Other services - Certification fees	0.04	0.02
	Reimbursement of expenses	*	*
	Expenditure towards corporate social responsibility (CSR) activities (Refer note 33)	1.82	1.50
	Professional fees	5.68	5.70
	Communication expenses	4.38	4.18
	Advertisement and publicity expenses	89.53	76.78
	Freight, handling and octroi	69.49	60.34
	Commission on sales	0.37	0.86
	Bank charges and commission	2.10	1.94
	Human resource procurement	39.93	30.85
	Allowance for doubtful debts (net)	0.96	0.53
	Bad debts written off during the year	0.21	0.54
	Less: Provision for doubtful debts	(0.21)	(0.54)
	Net loss on foreign currency transactions and translation	(0.19)	(1.48)
	Obsolescence of fixed assets	0.01	0.01
	Net loss on sale of investments	0.25	0.06
	Net loss on sale of fixed assets	-	0.06
	Miscellaneous expenses	31.15	27.71
	Total	**345.15**	**303.51**

*Amount is below the rounding off norm adopted by the group

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
33	**Corporate social responsibility expenditure**		
	Amount required to be spent as per section 125 of the Act	1.82	1.47
	Amount spent during the year on		
	(i) Construction/ acquisition of an asset	-	-
	(ii) on purpose other than (i) above	1.82	1.50
	Contribution 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	**1.82**	**1.50**

34 Closing stock of inventory of the subsidiaries, VIP Industries Bangladesh Private Limited and VIP Industries BD Manufacturing Private Limited included in 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 Rs 0.01 Crores (previous year profit Rs. 0.51 Crores) has been debited to foreign currency translation reserve. Opening stock of Inventory of the subsidiary, VIP Industries Bangladesh Private Limited, has been translated at an average rate of exchange prevailing during the year. Consequently, profit of Rs. 0.77 Crores (previous year loss Rs. 0.09 Crores) has been debited to the statement of profit and loss.

(₹ in Crores)

		Year ended	
		March 31, 2018	March 31, 2017
35	**Income tax expense**		
	a) Income tax expense		
	Current tax		
	Current tax on profits for the year	62.04	41.19
	Adjustments for current tax of prior periods	0.43	0.13
	Total current tax expense	**62.47**	**41.32**
	Deferred tax		
	Decrease / (increase) in deferred tax assets	0.31	(0.93)
	(Decrease) / increase in deferred tax liabilities	*	*
	Total Deferred tax expense/ (benefit)	**0.31**	**(0.93)**
	Total income tax expense	**62.78**	**40.39**
	*Amount is below the rounding off norm adopted by the group		
	b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit before tax	189.53	125.60
	Enacted Income tax rate in India applicable to the Company	34.608%	34.608%
	Current tax expenses on profit before tax calculated at the rate above	65.59	43.47
	Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
	Exempted Income	(1.77)	(1.01)
	Expenses disallowed	0.48	0.97
	Difference in overseas tax rates	(2.13)	(2.49)
	Adjustments for current tax of prior periods	0.43	0.13
	Tax losses for which no deferred income tax was recognised	-	(0.27)
	Others	0.18	(0.41)
	Total income tax expense	**62.78**	**40.39**

(₹ in Crores)

	Year ended	
	March 31, 2018	March 31, 2017
36 Earnings per share		
Profit after tax attributable to equity shareholders	126.75	85.21
Weighted average number of shares outstanding during the year (numbers)	14,13,17,315	14,13,17,315
Earnings per share (Basic/ diluted) (₹)	8.97	6.03
Nominal value per share (₹)	2	2

(₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
37 Provision for warranty and sales tax			
Warranty provision			
Balance as at the beginning of the year	2.83	2.03	1.61
Additions	5.43	3.62	4.22
Amounts used	3.72	2.82	3.80
Balance as at the end of the year	4.54	2.83	2.03
Classified as non-current	3.04	1.89	1.35
Classified as current	1.50	0.94	0.68
Sales tax provision			
Balance as at the beginning of the year	1.88	1.49	0.06
Additions	-	0.51	1.49
Amounts used	0.01	0.12	0.06
Balance as at the end of the year	1.87	1.88	1.49
Classified as non-current	1.87	1.88	1.49
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 earstwhile local sales tax acts, value added tax acts of respective states and the central sales tax act 1961.

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 2-3 years.

38 Leases

As a leasee:

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). These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

(₹ in Crores)

	Year ended	
	March 31, 2018	March 31, 2017
With respect to all operating leases:		
Lease payments recognised in the statement of profit and loss during the year	47.38	45.99

As a lessor:

The group has given certain assets-building on leases. These leasing arrangements which are cancellable, range 11 months to 3 years, or longer and are usually renewable by mutually agreed terms and conditions.

(₹ in Crores)

		Year ended		
		March 31, 2018	March 31, 2017	April 1, 2016
39	**Contingent liabilities**			
	Claims against the company not acknowledged as debts	0.04	0.04	0.04
	Income tax matters	1.25	1.22	1.55
	Sales tax matters	145.84	106.89	88.03
	Excise and customs matters	0.55	0.75	0.98
40	**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:			
	Property, plant and equipment	3.89	2.24	1.62
	ii) Other commitments			
	Custom duty liabilities on duty free import of raw materials (export obligations)	-	-	0.53

41 Interests in other entities

i Subsidiaries

The subsidiaries included in the group as at March 31, 2018 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, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016	
		%	%	%	%	%	%	
VIP Industries Bangladesh Private Limited	Bangladesh	100	100	100	-	-	-	Luggage manufacturers
VIP Industries BD Manufacturing Private Limited (Incorporated on September 28, 2017)	Bangladesh	100	NA	NA	-	NA	NA	Luggage manufacturers
VIP Luggage BD Private Limited (Incorporated on March 21, 2018)	Bangladesh	100	NA	NA	-	NA	NA	Luggage manufacturers
Blow Plast Retail Limited	India	100	100	100	-	-	-	Marketing of Luggage

ii Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2018. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					March 31, 2018	March 31, 2017	April 1, 2016
VIP Nitol Industries Limited #	Bangladesh	50%	Joint ventures	Equity	-	-	-

During the year 2014 - 2015 an application has been filed for voluntary winding up of the VIP Nitol Industries Limited.

42 Movement in deferred tax assets

(₹ in Crores)

	Depreciation	Voluntary retirement scheme	Provision for doubtful debts	Expenses disallowed u/s 43B of the Income tax act, 1961	FVTPL	FVOCI	Foreign Currency Translations Reserve	Others	Total
As at April 1, 2016	1.71	0.42	0.37	1.61	-	(0.07)	(0.67)	0.42	3.79
(charged)/ credited:									
- to profit or loss	0.24	(0.14)	*	0.90	0.02	-	-	(0.10)	0.92
- to other comprehensive income	-	-	-	-	-	(0.01)	0.55	-	0.54
As at March 31, 2017	**1.95**	**0.28**	**0.37**	**2.51**	**0.02**	**(0.08)**	**(0.12)**	**0.32**	**5.25**
(charged)/ credited:									
- to profit or loss	(0.33)	(0.14)	0.26	0.01	(0.03)	-	-	(0.08)	(0.31)
- to other comprehensive income	-	-	-	-	-	(0.02)	0.36	0.12	0.46
As at March 31, 2018	**1.62**	**0.14**	**0.63**	**2.52**	**(0.01)**	**(0.10)**	**0.24**	**0.36**	**5.40**

*Amount is below the rounding off norm adopted by the group.

43 Fair value measurements

(₹ in Crores)

Financial instruments by category	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets									
Investments									
- Equity instruments#	-	0.50	-	-	0.40	-	-	0.33	-
- Mutual Funds	71.37	-	-	67.87	-	-	-	-	-
Trade receivables	-	-	176.57	-	-	120.96	-	-	149.33
Cash and cash equivalents	-	-	20.53	-	-	7.66	-	-	5.50
Bank balances other than cash and cash equivalents	-	-	3.27	-	-	2.95	-	-	2.53
Loans	-	-	19.13	-	-	18.47	-	-	17.10
Other financial assets	-	-	3.29	-	-	3.51	-	-	3.99
Total Financial assets	**71.37**	**0.50**	**222.79**	**67.87**	**0.40**	**153.55**	**-**	**0.33**	**178.45**
Financial Liabilities									
Borrowings	-	-	-	-	-	-	-	-	14.28
Trade Payables	-	-	212.48	-	-	145.38	-	-	160.56
Other financial liabilities	-	-	5.73	-	-	4.48	-	-	3.82
Forward contracts	-	-	-	-	-	-	0.15	-	-
Total Financial liabilities	**-**	**-**	**218.21**	**-**	**-**	**149.86**	**0.15**	**-**	**178.66**

#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, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	8B	-	71.37	-	**71.37**
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.37	-	-	**0.37**
- Listed equity investments - others	8A (a)	0.12	-	-	**0.12**
- Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
Total Financial assets		**0.49**	**71.37**	**0.01**	**71.87**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	176.57	176.57
Cash and cash equivalents	15	-	-	20.53	20.53
Bank balances other than cash and cash equivalents	16	-	-	3.27	3.27
Loans	9A,9B	-	-	19.13	19.13
Other financial assets	10A,10B			3.29	3.29
Total financial assets		**-**	**-**	**222.79**	**222.79**
Financial liabilities					
Trade Payables	24	-	-	212.48	212.48
Other financial liabilities	20A,20B	-	-	5.73	5.73
Total financial liabilities		**-**	**-**	**218.21**	**218.21**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL					
- Mutual funds - Dividend plan	8B	-	67.87	-	**67.87**
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.34	-	-	**0.34**
- Listed equity investments - others	8A (a)	0.05	-	-	**0.05**
- Unquoted equity investments	8A (b)	-	-	0.01	**0.01**
Total financial assets		**0.39**	**67.87**	**0.01**	**68.27**

(₹ in Crores)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					-
Trade receivables	14	-	-	120.96	120.96
Cash and cash equivalents	15	-	-	7.66	7.66
Bank balances other than cash and cash equivalents	16	-	-	2.95	2.95
Loans	9A,9B	-	-	18.47	18.47
Other financial assets	10A,10B	-	-	3.51	3.51
Total financial assets		**-**	**-**	**153.55**	**153.55**
Financial liabilities					
Trade Payables	24	-	-	145.38	145.38
Other financial liabilities	20A,20B	-	-	4.48	4.48
Total financial liabilities		**-**	**-**	**149.86**	**149.86**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at April 1, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVOCI					
- Listed equity investments - steel sector	8A (a)	0.22	-	-	0.22
- Listed equity investments - others	8A (a)	0.10	-	-	0.10
- Unquoted equity investments	8A (b)	-	-	0.01	0.01
Total financial assets		**0.32**	**-**	**0.01**	**0.33**
Financial liabilities					
- Foreign exchange forward contracts		-	0.15	-	0.15
Total financial liabilities		**-**	**0.15**	**-**	**0.15**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed as at April 1, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	14	-	-	149.33	149.33
Cash and cash equivalents	15	-	-	5.50	5.50
Bank balances other than cash and cash equivalents	17	-	-	2.53	2.53
loans	9A,9B	-	-	17.10	17.10
Other financial assets	10A,10B	-	-	3.99	3.99
Total financial assets		**-**	**-**	**178.45**	**178.45**
Financial liabilities					
Borrowings	23	-	-	14.28	14.28
Trade Payables	24	-	-	160.56	160.56
Other financial liabilities	20A, 20B	-	-	3.82	3.82
Total financial liabilities		**-**	**-**	**178.66**	**178.66**

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 group 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 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 fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date, prevailing with Authorised Dealers dealing in foreign exchange.

· 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, 2018 and March 31, 2017:

(₹ in Crores)

	Unquoted equity shares
As at April 1, 2016	0.01
Gain recognised in other comprehensive income	*
As at March 31, 2017	0.01
Gain recognised in other comprehensive income	*
As at March 31, 2018	0.01
Unrealised gain recognised in profit or loss related to assets held	-
Year ended March 31, 2018	*
Year ended March 31, 2017	*

*Amount is below the rounding off norm adopted by the group.

(iv) Valuation inputs and relationships to fair value

The following table (₹ in Crores)

	Fair Value			Significant unobservable inputs	Probability weighted range			Sensitivity
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Unquoted equity investments	0.01	0.01	0.01	Risk adjusted discount rate	10%	10%	10%	The estimated fair value would increase / (decrease) if - Discount rate were lower / (higher)

(v) **Fair value of financial assets and liabilities measured at amortised cost** (₹ in Crores)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Trade receivables	176.57	176.57	120.96	120.96	149.33	149.33
Cash and cash equivalents	20.53	20.53	7.66	7.66	5.50	5.50
Bank balances other than cash and cash equivalents	3.27	3.27	2.95	2.95	2.53	2.53
loans	19.13	19.13	18.47	18.47	17.10	17.10
Other financial assets	3.29	3.29	3.51	3.51	3.99	3.99
Total financial assets	**222.79**	**222.79**	**153.55**	**153.55**	**178.45**	**178.45**
Financial Liabilities						
Borrowings	-	-	-	-	14.28	14.28
Trade payables	212.48	212.48	145.38	145.38	160.56	160.56
Other financial liabilities	5.73	5.73	4.48	4.48	3.82	3.82
Total financial liabilities	**218.21**	**218.21**	**149.86**	**149.86**	**178.66**	**178.66**

a) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, borrowings 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.

44 A Financial risk management

The group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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 - 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 Rs. 176.57 Crores as at March 31, 2018 (March 31, 2017– Rs.120.96 Crores, April 1, 2016 –Rs.149.33 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 credit worthiness 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)

Particulars	As at	
	March 31, 2018	March 31, 2017
Opening provision	1.07	1.08
Add: Additional provision made	0.75	-
Less: Provision write off	-	-
Less: Provision reversed	-	0.01
Closing provision	1.82	1.07

The average credit period on sales of products is less than 90 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. There is no customer representing more than 5% of the total balance of trade receivables. 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 Rs. 20.53 Crores (March 31, 2017: Rs. 7.66 Crores and April 1, 2016: Rs. 5.50 Crores). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

c) Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

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 Company does not expect any losses from non-performance by these counter-parties.

e) Other financial assets:

Other financial assets are neither past due nor impaired.

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, 2018	**March 31, 2017**	**April 1, 2016**
Floating Rate Expiring within one year (bank overdraft and other facilities)	75.00	75.00	60.72

(ii) Maturity pattern of financial liabilities (₹ in Crores)

As at March 31, 2018	Not Due	0-6 months	6 - 12 months	More than 12 months
Trade Payable	141.98	66.24	2.87	1.39
Payable related to Capital goods	1.25	0.01	-	-
Other financial liabilities (current and non-current)	0.21	0.59	0.49	3.18

As at March 31, 2017	Not Due	0-6 months	6 - 12 months	More than 12 months
Trade Payable	108.93	34.61	0.66	1.18
Payable related to Capital goods	0.02	0.03	-	0.02
Other financial liabilities (current and non-current)	0.27	0.56	0.79	2.79

As at April 1, 2016	Not Due	0-6 months	6 - 12 months	More than 12 months
Trade Payable	116.20	41.00	2.45	0.90
Payable related to Capital goods	0.01	0.01	-	0.02
Other financial liabilities (current and non-current)	0.23	-	0.26	3.29

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 three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The group is not exposed to interest rate risk whereas the exposure to currency risk and other price risk is given below:

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.

Derivatives instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars/ Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores	Amount in Foreign Currency	₹ in Crores
Forward contract to buy						
- USD	-	-	85,989	0.56	11,60,571	7.70

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) 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, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	Others	USD	Others	USD	Others
Financial assets						
Trade receivables	8.72	-	6.63	-	17.10	-
Loans	1.43	0.36	0.42	0.33	1.06	0.30
Cash and Cash equivalents	10.11	0.25	1.07	0.20	1.04	0.24
Net exposure to foreign currency risk (assets)	**20.26**	**0.61**	**8.12**	**0.53**	**19.20**	**0.54**
Financial liabilities						
Trade payables	59.04	0.40	61.75	0.59	69.36	0.52
Net exposure to foreign currency risk (liabilities)	**59.04**	**0.40**	**61.75**	**0.59**	**69.36**	**0.52**
Less: Forward contracts (USD-INR)	-	-	0.56	-	7.70	-
Net unhedge foreign currency exposure	**38.78**	**-**	**53.07**	**0.06**	**42.46**	**-**

The group 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, 2018	
	1% increase	1% decrease
USD	(0.39)	0.39
Increase / (decrease) in profit or loss	**(0.39)**	**0.39**

B) Market Risk- 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 and are included in the BSE Sensex 30 index.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the gorup'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, 2018	For year ended March 31, 2017
BSE Sensex 30- Increase 5%	0.03	0.03
BSE Sensex 30- Decrease 5%	(0.03)	(0.03)

44B 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, 2018	As at March 31, 2017	As at April 1, 2016
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	Not applicable	Not applicable	6.25
Total equity			361.91
Net debt equity ratio			1.73%

(₹ in Crores)

(b) Dividends

	As at March 31, 2018	As at March 31, 2017
i) Equity Share		
Final dividend	22.61	19.79
Interim dividend	14.13	11.31
Dividend distribution tax on above dividend	7.27	5.94
ii) Dividend not recognised at the end of the reporting period		
Proposed dividend	28.26	22.61
Dividend distribution tax on proposed dividend	5.75	4.60

45 Employee benefits obligations

A) Defined contribution plan

(₹ in Crores)

	Year ended	
	March 31, 2018	**March 31, 2017**
Amount recognised in the statement of profit and loss		
(i) Employer contribution to providend fund	0.17	0.16
(ii) Employer Contribution to Providend Fund (under Pension Plan)	1.92	1.80
Total	**2.09**	**1.96**

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

(₹ in Crores)

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2016	**17.75**	**(17.76)**	**(0.01)**
Current service cost	1.21	-	1.21
Interest expense/(income)	1.39	(1.39)	-
Total amount recognised in profit or loss	**2.60**	**(1.39)**	**1.21**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	(1.03)	(1.03)
Experience losses	2.16	-	2.16
Loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	0.70	-	0.70
Total amount recognised in other comprehensive income	**2.86**	**(1.03)**	**1.83**
Employer's contribution	-	(3.83)	(3.83)
Benefits paid from the fund	(6.10)	6.10	-
March 31, 2017	**17.11**	**(17.91)**	**(0.80)**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**17.11**	**(17.91)**	**(0.80)**
Current service cost	1.31	-	1.31
Interest expense/(income)	1.29	(1.35)	(0.06)
Past service costs	0.26	-	0.26
Total amount recognised in profit or loss	**2.86**	**(1.35)**	**1.51**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.15	0.15
Experience losses	0.69	-	0.69
Loss from change in demographic assumptions	0.79	-	0.79
Gain from change in financial assumptions	(0.10)	-	(0.10)
Total amount recognised in other comprehensive income	**1.38**	**0.15**	**1.53**
Employer's contribution	-	-	-
Benefits paid directly by the employer	-	-	-
Benefits paid from the fund	(3.79)	2.33	(1.46)
March 31, 2018	**17.56**	**(16.78)**	**0.78**

ii) The net liabilities disclosed above relating to funded plans are as follows:

(₹ in Crores)

	As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Present value of funded obligations	17.56	17.11	17.75
Fair value of plan assets	(16.78)	(17.91)	(17.76)
Deficit/ (surplus) of gratuity plan	**0.78**	**(0.80)**	**(0.01)**

iii) The principal assumptions used in determining gratuity benefit obligations are shown below:

	As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Discount rate	7.68%	7.52%	7.80%
Expected return on plan assets	7.68%	7.52%	7.80%
Salary escalation rate	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	7% for next 1 Year, 6% for next 2 Year, 5% thereafter	5.00%
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 ages 44 years and below 2.00% p.a. For ages 45 years and above 1.00% p.a.	For ages 44 years and below 2.00% p.a. For ages 45 years and above 1.00% p.a.

iv) Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring 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, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount Rate	1%	1%	Decreased by	0.61	0.93	Increased by	0.67	1.02
Salary Increase	1%	1%	Increased by	0.66	1.03	Decreased by	0.62	0.91
Employee Turnover	1%	1%	Increased by	0.06	0.15	Decreased by	0.07	0.17

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 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, 2018		March 31, 2017		April 1, 2016	
	Amount	in %	Amount	in %	Amount	in %
Government securities (Central and State)	0.27	2%	0.27	2%	0.27	2%
Special deposit scheme	0.38	2%	0.38	2%	0.38	2%
Cash and cash equivalents	0.11	1%	0.68	4%	0.53	3%
Insurance fund	15.99	95%	16.55	92%	16.54	93%
Others	0.03	0%	0.03	0%	0.04	0%
Total	**16.78**	**100%**	**17.91**	**100%**	**17.76**	**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 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 liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants 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, 2019 is Rs. 2.12 Crores (March 31, 2018 : Rs.0.51 Crores, March 31, 2017 : Rs. 4.66 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, 2018					
Defined benefit obligations - Gratuity	4.43	1.99	7.61	11.06	25.09
March 31, 2017					
Defined benefit obligations - Gratuity	3.98	1.72	4.34	20.59	30.63
April 1, 2016					
Defined benefit obligations - Gratuity	4.66	2.40	4.70	7.20	18.96

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, 2018. The Company has contributed Rs.2.93 Crores (March 31,2017: Rs.2.58 Crores; April 1, 2016: Rs. 2.29 Crores) towards VIP Industries Limited Employees Provident Fund Trust during the year ended March 31, 2018.

i) Amount recognised in the Balance Sheet (₹ in Crores)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Present value of benefit obligation	57.72	53.11	52.16
Plan assets at period end, at fair value, restricted to present value of benefit obligation	57.72	53.11	52.16
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, 2018	March 31, 2017	April 1, 2016
Discounting Rate	7.68%	7.52%	7.95%
Expected Guaranteed interest rate	8.55%	8.65%	8.80%
* Rate mandated by EPFO for the FY 2017-18 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, 2018	**March 31, 2017**	**April 1, 2016**
Leave obligations expected to be settled within the next 12 months	1.49	1.13	0.60
Leave obligations not expected to be settled within the next 12 months	4.34	4.65	2.58

46 Related Party

a) **List of related parties:**

Relationships	**Country**	**As at**		
		March 31, 2018	**March 31, 2017**	**April 01, 2016**
Joint ventures				
VIP Nitol Industries Limited	Bangladesh	50%	50%	50%

b) **Key management personnel**

Name	**Nature of relationship**
Mr. Dilip G. Piramal	Chairman and Managing Director
Ms. Radhika Piramal	Vice Chairperson and Executive Director
Mr. Ashish K Saha	Director Works

c) **List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year:**

Name	**Nature of relationship**
DGP Securities Limited	Mr. Dilip G. Piramal - Chairman and Managing Director of the Company is also Director of DGP Securities Limited.
Kemp & Company Limited	Mrs. Shalini D. Piramal, Managing Director of KEMP & Company Limited is wife of Mr. Dilip G. Piramal, Chairman and Managing Director of the Company.
Indian Merchants' Chambers (IMC)	Mr. Dilip G. Piramal - Chairman and Managing Director of the Company was President of IMC till June 28, 2016

d) **Trust**

VIP Industries Limited Employees Gratuity Fund Trust

VIP Industries Limited Employees Provident Fund Trust

e) **Disclosure in respect of significant transactions with related parties during the year:**

(₹ in Crores)

Transaction	Year ended	
	March 31, 2018	March 31, 2017
1) Sale of product**		
1. Kemp & Company Limited	1.16	1.22
Total sale of product	**1.16**	**1.22**
2) Rent paid		
1. DGP Securities Limited	*	*
Total Rent Paid	*	*
3) Membership and other fees		
1. Indian Merchants' Chamber (IMC)	-	0.01
Total membership and other fees	**-**	**0.01**
4) Advertisement and other expenses		
1. Indian Merchants' Chamber (IMC)	-	0.06
Total advertisement and other expenses	**-**	**0.06**
5) Deposit repaid		
1. DGP Securities Limited	1.12	-
Total deposit repaid	**1.12**	**-**
6) Key management personnel compensation		
a) Remuneration***		
1. Mr. Dilip G. Piramal	1.81	1.00
2. Ms.Radhika Piramal	1.91	2.38
3. Mr. Ashish Saha	0.88	0.74
b) Commission		
1. Mr. Dilip G. Piramal	1.89	1.22
2. Ms.Radhika Piramal	1.89	1.22
Total key management personnel compensation	**8.38**	**6.56**
7) Contribution to Trust		
1. VIP Industries Limited Employees Gratuity Fund Trust	3.04	3.04
2. VIP Industries Limited Employees Provident Fund Trust	2.93	2.58
Total Contribution to trust	**5.97**	**5.62**

* Amount is below the rounding off norm adopted by the group

** Including applicable taxes

***Key Management personnel who are 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 significant closing balances: (₹ in Crores)

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
1) Trade receivables			
1. Kemp & Company Limited	0.32	0.32	0.38
Total trade receivables	**0.32**	**0.32**	**0.38**
2) Advances and deposits given			
1. DGP Securities Limited	-	1.12	1.12
Total advances and deposits given	**-**	**1.12**	**1.12**
3) Other current liabilities - commission payable			
1. Mr. Dilip G. Piramal	1.89	1.22	0.97
2. Ms. Radhika Piramal	1.89	1.22	0.97
Total other current liabilities - commission payable	**3.78**	**2.44**	**1.94**
4) Non Current Investment			
1. Kemp & Co Limited	0.11	0.04	0.10
Total Non Current Investment	**0.11**	**0.04**	**0.10**
5) Other Payable			
1. Indian Merchants' Chamber (IMC)	-	-	*
Total Other Payable	**-**	**-**	*****
6) Equity investments in joint ventures			
1.VIP Nitol Industries Limited (net of Provision for diminution in value of investments)	-	-	-
Total equity investments in and joint ventures	**-**	**-**	**-**

*Amount is below the rounding off norm adopted by the group

47 Specified bank notes

i The reporting on disclosures relating to Specified Bank Notes is not applicable to the group for the year ended March 31, 2018.

ii Following are the details relating to Specified Bank Notes (SBN;s) held and transacted during the period from November 8, 2016 to December 30, 2016, which was applicable for the previous year ended March 31, 2017.

(₹ in Crores)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.34	0.63	0.96
Permitted receipts	-	4.30	4.30
Permitted payments	0.01	0.87	0.88
Amount deposited in Banks	0.33	3.31	3.63
Closing cash in hand as on December 30, 2016	**-**	**0.75**	**0.75**

48 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, 2018.

(₹ in Crores)

	March 31, 2018	March 31, 2017
Revenue from external customer		
India	1,355.32	1,213.67
Outside India	61.02	68.90
Total Revenue	**1,416.34**	**1,282.57**
Non Current Assets		
India	85.81	70.23
Outside India	20.35	13.25
Total Non Current Assets	**106.16**	**83.49**

There is no transactions with single external customer which amounts to 10% or more of the group's revenue.

49 First time adoption of Ind AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the group's date of transition). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group opted to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost for Property, Plant and Equipment, Intangible Assets and Investment Property.

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment properties covered by Ind AS 40 Investment Properties.

Accordingly, the group has opted to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Designation of previously recognised financial instrument

Ind AS 101 allows an entity to recognise investments in equity instruments at fair value through other comprehensive income (FVOCI) through an irrevocable election on the basis of the facts and circumstances at the date of transition to Ind AS.

The group has opted to apply this exemption for its investment in quoted equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Upon an assessment of the estimates made under Previous GAAP, the group has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Effect of Ind AS adoption on the Balance sheet as at April 1, 2016 (₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	65.59	(1.50)	64.09
Capital work-in-progress		0.96	-	0.96
Investment properties	1	-	1.50	1.50
Other intangible assets		0.97	-	0.97
Intangible assets under development		0.13	-	0.13
Equity investments in subsidiaries and joint ventures		-	-	-
Financial assets				
Investments	2	0.01	0.32	0.33
Loans	4	14.00	(1.47)	12.53
Other financial assets	3	4.07	(0.94)	3.13
Deferred tax assets (net)	11	4.11	(0.32)	3.79
Other non-current assets	4	4.64	2.86	7.50
Total non-current assets		**94.48**	**0.45**	**94.93**

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
Current assets				
Inventories		287.42	-	287.42
Financial assets				
Investments		-	-	-
Trade receivables	5	149.33	-	149.33
Cash and cash equivalents		5.50	-	5.50
Bank balances other than cash and cash equivalents		2.53	-	2.53
Loans	4	6.40	(1.83)	4.57
Other financial assets		0.86	-	0.86
Current tax assets (net)		1.00	-	1.00
Other current assets	4, 12	37.36	0.15	37.51
Total current assets		**490.40**	**(1.68)**	**488.72**
Total assets		**584.88**	**(1.23)**	**583.65**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		28.26	-	28.26
Other equity				
Reserves and surplus	6,13	311.05	22.60	333.65
Total equity		**339.31**	**22.60**	**361.91**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	7	1.46	(0.20)	1.26
Provisions		5.42	-	5.42
Other non-current liabilities	7	-	0.18	0.18
Total non-current liabilities		**6.88**	**(0.02)**	**6.86**
Current liabilities				
Financial liabilities				
Borrowings		14.28	-	14.28
Trade payables		160.56	-	160.56
Other financial liabilities		2.71	-	2.71
Provisions	6	25.09	(23.81)	1.28
Other current liabilities		36.05	-	36.05
Total current liabilities		**238.69**	**(23.81)**	**214.88**
Total liabilities		**245.57**	**(23.83)**	**221.74**
Total equity and liabilities		**584.88**	**(1.23)**	**583.65**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of equity as at transition April 1, 2016 (₹ in Crores)

Particulars	Note to first-time adoption	March 31, 2016
Total equity as per previous GAAP		**339.31**
Adjustments:		
Effect of measuring investments at fair value through other comprehensive income	2	0.32
Effect on account of reversal of proposed dividend	6	23.81
Deferred Tax impact on Ind AS adjustments	11	(0.32)
Others		(1.21)
Total Adjustments		22.60
Total equity as per Ind AS		**361.91**

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

Effect of Ind AS adoption on the Balance sheet as at March 31, 2017 (₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	59.97	(1.47)	58.50
Capital work-in-progress		0.32	-	0.32
Investment properties	1	-	1.47	1.47
Other intangible assets		1.08	-	1.08
Intangible assets under development		0.26	-	0.26
Equity investments in subsidiaries and joint ventures		-	-	-
Financial assets				
Investments	2	0.01	0.39	0.40
Loans	4	14.32	(2.52)	11.80
Other financial assets	3	3.57	(0.66)	2.91
Deferred tax assets (net)	11	5.11	0.14	5.25
Other non-current assets	4	3.50	3.25	6.75
Total non-current assets		**88.14**	**0.60**	**88.74**
Current assets				
Inventories		282.63	-	282.63
Financial assets				
Investments		67.92	(0.05)	67.87
Trade receivables	5	120.96	-	120.96
Cash and cash equivalents		7.66	-	7.66
Bank balances other than cash and cash equivalents		2.95	-	2.95
Loans	4	7.91	(1.24)	6.67
Other financial assets		0.60	-	0.60
Other current assets	4,12	30.44	0.21	30.65
Total current assets		**521.07**	**(1.08)**	**519.99**
Total assets		**609.21**	**(0.48)**	**608.73**

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6, 13	28.26	-	28.26
Other equity				
Reserves and surplus		380.09	(0.45)	379.64
Total equity		**408.35**	**(0.45)**	**407.90**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	7	1.29	(0.80)	0.49
Provisions		8.42	-	8.42
Other non-current liabilities	7	-	0.14	0.14
Total non-current liabilities		**9.71**	**(0.66)**	**9.05**
Current liabilities				
Financial liabilities				
Trade payables		145.38	-	145.38
Other financial liabilities	7	3.38	0.61	3.99
Provisions		2.07	-	2.07
Current tax liabilities (net)		0.82	-	0.82
Other current liabilities	7	39.50	0.02	39.52
Total current liabilities		**191.15**	**0.63**	**191.78**
Total liabilities		**200.86**	**(0.03)**	**200.83**
Total equity and liabilities		**609.21**	**(0.48)**	**608.73**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of equity as at March 31, 2017

(₹ in Crores)

Particulars	Note to first- time adoption	March 31, 2017
Total equity as per previous GAAP		**408.35**
Adjustments:		(0.05)
Effect of measuring investments at fair value through other comprehensive income	2	0.39
Others		(0.94)
Deferred Tax impact on Ind AS adjustments	11	0.15
Total Adjustments		(0.45)
Total equity as per Ind AS		**407.90**

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Crores)

Particulars	Note to first-time adoption	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
Revenue from operations	9,14	1,275.20	7.37	1,282.57
Other income	3,4,7	5.91	1.64	7.55
Total income		**1,281.11**	**9.01**	**1,290.12**
Expenses:				
Cost of materials consumed		155.41	-	155.41
Purchases of stock-in-trade		515.38	-	515.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade		5.23	-	5.23
Excise duty	9	-	31.03	31.03
Employee benefits expense	8	141.50	(1.83)	139.67
Finance costs	7	0.57	0.11	0.68
Depreciation and amortisation expense		13.61	-	13.61
Other expenses	2,4,14	325.88	(22.37)	303.51
Total expenses		**1,157.58**	**6.94**	**1,164.52**
Profit before tax		**123.53**	**2.07**	**125.60**
Tax expense				
Current tax	8	40.54	0.65	41.19
Deferred tax	11	(1.00)	0.07	(0.93)
Short provision for tax relating to prior years		0.13	-	0.13
Total tax expense		**39.67**	**0.72**	**40.39**
Profit for the year		**83.86**	**1.35**	**85.21**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement benefit of defined benefit plans	8, 10	-	(1.83)	(1.83)
Equity instruments through other comprehensive income	10	-	0.06	0.06
Income tax relating to above items	11	-	0.62	0.62
Items that will be reclassified to Profit or Loss				
Exchange differences arising on translation of foreign operations		-	(1.58)	(1.58)
Income tax relating to above items		-	0.55	0.55
Other comprehensive income for the year, net of tax		**-**	**(2.18)**	**(2.18)**
Total comprehensive income for the year		**83.86**	**(0.83)**	**83.03**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Crores)

Particulars	Note to first- time adoption	March 31, 2017
Profit after tax as per previous GAAP		**83.86**
Adjustments:		
Recognition of Financial assets at Fair value	3	0.28
Effects of measuring investments at Fair value through Profit and Loss	2	(0.05)
Reclassification of remeasurement of employee benefits	8	1.83
Taxes on account of above items	11	(0.71)
Net Profit as per IND AS		**85.21**
Other Comprehensive Income (Net of tax)	10	(2.18)
Total Comprehensive Income for the period		**83.03**

Effect of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017

(₹ in Crores)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from operating activities	126.37	0.17	126.54
Net cash flows from investing activities	(72.91)	0.01	(72.90)
Net cash flows from financing activities	(51.30)	(0.18)	(51.48)
Net increase in cash and cash equivalents	2.16	-	2.16
Cash and cash equivalents at the beginning of the year	5.50	-	5.50
Cash and cash equivalents at the end of the year	**7.66**	-	**7.66**

Note 1: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments, debt instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments recognised at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017 which reduced the retained earnings by Rs. 0.05 Crores as at March 31, 2017 (increased by Rs. Nil as at April 1, 2016).

Fair value changes with respect to investments in equity instruments have been recognised in 'Other reserves - FVOCI-Equity investment' as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. Consequently other reserves have been increased by Rs. 0.39 Crores as at March 31, 2017 (increased by Rs. 0.32 Crores as at April 1, 2016).

Consequent to the above, the total equity increased by Rs. 0.34 Crores as at March 31, 2017 (increased by Rs. 0.32 Crores as at April 1, 2016) and profit for the year ended March 31, 2017 decreased by Rs. 0.05 Crores and other comprehensive income for the year ended March 31, 2017 increased by Rs. 0.06 Crores.

Note 3: Long-term receivable

Under the previous GAAP, interest free long-term receivable are to be recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these long-term receivable on sale of property under Ind AS. Difference between the fair value and transaction value of the receivable has been recognised in equity as at the date of transition. Consequent to this change, the amount of receivable decreased by Rs. 0.66 Crores as at March 31, 2017 (decreased by Rs. 0.94 Crores as at April 1, 2016). The profit for the year and total equity as at March 31, 2017 increased by Rs. 0.28 Crores due to notional interest income recognised on the receivable.

Note 4: Security deposits - Paid

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 3.76 Crores as at March 31, 2017 (decreased by Rs. 3.30 Crores as at April 1, 2016). The prepaid rent increased by Rs. 3.47 Crores as at March 31, 2017 (increased by Rs. 3.01 Crores as at April 1, 2016). Total equity decreased by Rs. 0.29 Crores as at April 1, 2016. The profit for the year and total equity as at March 31, 2017 decreased by Rs. 0.01 Crores due to amortisation of the prepaid rent of Rs. 1.26 Crores which is partially off-set by the notional interest income of Rs. 1.25 Crores recognised on security deposits.

Note 5: Trade receivables

As per Ind AS 109, the group is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts remained at the same level as earlier resulting in no impact to the Profit for the year ended March 31, 2017 and to the total equity as at March 31, 2017 and as at April 1, 2016.

Note 6: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 23.81 Crores as at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 7: Security deposits - Received

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unearned income. Consequent to this change, the amount of security deposits decreased by Rs.0.19 Crores as at March 31, 2017 (decreased by Rs. 0.20 Crores as at April 1, 2016). The unearned income increased by Rs. 0.17 Crores as at March 31, 2017 (increased by Rs. 0.18 Crores as at April 1, 2016). Total equity increased by Rs. 0.02 Crores as at April 1, 2016. The profit for the year and total equity as at March 31, 2017 decreased by Rs. * Crores due to amortisation of the unearned income of Rs. 0.11 Crores which is partially off-set by the notional interest expense of Rs. 0.11 Crores recognised on security deposits.

Note 8: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs 1.83. Crores There is no impact on the total equity as at March 31, 2017.

Note 9: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by Rs. 31.03 Crores .There is no impact on the total equity and profit.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Deferred tax

Deferred taxes impact of the above adjustments, wherever applicable have been recognised on transition to Ind AS.

Note 12: Financial instruments - derivatives

Under the previous GAAP, forward contracts were accounted for as prescribed under AS 11 " The Effects of Changes in Foreign Exchange Rates", under which forward premium was amortised over the period of forward contract and forward contracts were restated at the closing spot exchange rate. Under Ind AS 109, all derivative financial instrument are to be marked to market and any resultant gain or loss is to be charged to the statement of profit and loss. Accordingly, the marked to market has been recognised and forward premium unamortised balance has been derecognised. As a result of this adjustment, the total equity as at March 31, 2017 decreased by Rs. * Crores (decrease by Rs. 0.01 Crores as at April 01, 2016). The profit for the year ended March 31, 2017 is decreased by Rs. * Crores.

Note 13: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 14: Discount

Under the previous GAAP, discounts and rebates paid to customers were recorded as part of expenses in the statement of profit and loss. However, under Ind AS, these expenses are netted off against revenue. This change has resulted in decrease in total revenue and total expenses for the year ended March 31, 2017 by Rs. 23.66. Crores. There is no impact on the total equity and profit.

*Amount is below the rounding off norm adopted by the group.

50 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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 22, 2018

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

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	Blow Plast Retail Limited
2	The date since when subsidiary was acquired/incorporated	05-04-2012	28/09/2017	21-03-2018	23-03-2007
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018
4	Reporting currency	BDT	BDT	BDT	INR
	Exchange Rate	0.7845 (BDT/INR)	0.7845 (BDT/INR)	0.7845 (BDT/INR)	1.00
5	Share capital	7.1	3.17	0.01	0.05
6	Reserves and surplus	16.43	0.88	(0.03)	(0.02)
7	Total assets	46.96	16.99	0.01	0.03
8	Total Liabilities	23.43	12.94	0.03	*
9	Investments	-	-	-	-
10	Turnover	52.01	4.93	-	-
11	Profit before taxation	10.52	0.87	(0.03)	*
12	Provision for taxation	1.81	-	-	-
13	Profit after taxation	8.71	0.87	(0.03)	*
14	Proposed Dividend	-	-	-	-
15	Extent of shareholding (in percentage)	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	NA
	iii. Extent of Holding (in percentage)	NA

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
	i.Considered in Consolidation	NA
	ii. Not Considered in Consolidation	NA

Note: During the year 2014-2015, an application has been filed for voluntary winding up of the VIP Nitol Industries Limited. Consequently the above disclosure is not applicable.

For and on behalf of the Board of Directors

Dilip G. Piramal
(DIN: 00032012)
Chairman and Managing Director

Radhika Piramal
(DIN: 02105221)
Vice Chairperson and
Executive Director

Jogendra Sethi
Chief Financial Officer

Anand Daga
Company Secretary
(FCS: F5141)

Place: Mumbai
Date: May 22, 2018

ATTENDANCE SLIP

V.I.P. INDUSTRIES LIMITED

Registered Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai 400 025.

Tel.: +91 -22 -66539000 **Fax:** +91 -22 – 66539089, **CIN No.** L25200MH1968PLC013914, **Website:** www.vipindustries.co.in

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*			DP ID*	
Client ID*			Client ID*	

NAME AND ADDRESS OF THE SHAREHOLDER/PROXY ______________________________________

______________________________________ I hereby record my presence at the 51st Annual General Meeting of the Company held on Tuesday , 17th July, 2018 at 3:30 p.m. at "Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/ Proxy

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

V.I.P. INDUSTRIES LIMITED

Registered Office: DGP House, 5th Floor, 88-C, Old Prabhadevi Road, Mumbai 400 025.

Tel.: 022 – 66539000 **Fax:** 022 - 66539089, **CIN No.** L25200MH1968PLC013914, **Website:** www.vipindustries.co.in

Name and Registered Address of Member(s):		**E-mail Id:** **Folio No. /*Client Id:** ***DP Id:**	

I/We, being the member(s) holding ______________ Shares of V.I.P. Industries Limited (the Company), hereby appoint:

1) ______________ of ______________ having e-mail id ______________ or failing him/her

2) ______________ of ______________ having e-mail id ______________ or failing him/her

3) ______________ of ______________ having e-mail id ______________ and whose signature(s) is/are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **51st Annual General Meeting** of the Company, to be held on Tuesday, 17th July, 2018 at 3:30 p.m. at "Hall of Culture", Opp. Nehru Planetarium, Nehru Centre, Ground Floor, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400018 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**I/we wish my/our above Proxy to vote in the manner as indicated in the box below::

Resolutions	For	Against
1. To consider and adopt the Audited Financial Statements of the Company on standalone and consolidated basis for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and the Auditors thereon.		
2. To confirm the payment of interim dividend on equity shares for the financial year 2017-18.		
3. To declare final dividend on equity shares for the financial year 2017-18.		
4. To appoint a Director in place of Mr. Dilip G. Piramal (DIN - 00032012), who retires by rotation and being eligible, seeks re-appointment.		
5. Appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company.		
6. Revision in remuneration of Mr. Dilip G. Piramal (DIN - 00032012), Chairman & Managing Director of the Company.		
7. Revision in remuneration of Ms. Radhika Piramal (DIN - 02105221), Vice Chairperson & Executive Director of the Company.		
8. Approval of Employee Stock Appreciation Rights to the Employees and Directors of the Company and its subsidiaries under 'VIP Employees Stock Appreciation Rights Plan 2018'.		

Signed on this _____ day of ______________ 2018

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and signed, deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a person as proxy and such person shall not act as a proxy for any other person or shareholder.

**4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as proxy holder thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.

CONSOLIDATED FINANCIALS - 5 YEAR HIGHLIGHTS

(₹ in Crores)

	Description	IND AS		IGAAP		
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
A.	**STATEMENT OF PROFIT & LOSS**					
	Revenue from operations	**1,416.34**	1,282.57	1,234.25	1,063.53	987.71
	Earning Before Interest, Depreciation & Tax (EBIDTA)	**202.68**	139.89	110.47	79.96	82.83
	Depreciation and amortisation expense	**12.85**	13.61	14.18	17.52	17.04
	Interest and Finance Cost	**0.30**	0.68	1.18	1.28	1.80
	Profit before tax and Exceptional/Extraordinary Items	**189.53**	125.60	95.11	61.16	63.99
	Exceptional/Extraordinary Items- Expense/(Income)	**-**	-	-	(4.32)	(15.76)
	Tax Expense	**62.78**	40.39	28.65	18.90	22.11
	Profit After Tax (PAT)	**126.75**	85.21	66.46	46.58	57.64
	Dividend (Including Proposed dividend and dividend distribution tax)	**50.80***	40.45*	34.02	25.49	28.11
B.	**BALANCE SHEET**					
	Assets Employed:					
	Fixed Assets (Net)	**80.24**	61.63	67.65	72.38	85.61
	Investments	**71.87**	68.27	0.01	0.01	0.01
	Net assets (Current and Non Current)	**331.58**	272.75	281.82	261.29	216.05
	Deferred Tax Assets/(Liabilities) (Net)	**5.40**	5.25	4.11	3.10	1.44
		489.09	407.90	353.59	336.78	303.11
	Financed by:					
	Net Worth	**489.09**	407.90	339.31	305.75	287.03
	Loan Funds	**-**	-	14.28	31.03	16.08
		489.09	407.90	353.59	336.78	303.11
C.	**KEY RATIOS / PERCENTAGES**					
	EBIDTA/Revenue from operations%	**14.31**	10.91	8.95	7.52	8.39
	Profit before Tax and Exceptional Items /Revenue from operations %	**13.38**	9.79	7.71	5.75	6.48
	Profit after Tax/Net Worth (RONW) %	**25.92**	20.89	19.59	15.23	20.08
	Return on Capital Employed (ROCE) %	**28.31**	22.50	19.49	14.84	19.63
	Earnings per Equity share (Rs) (EPS)	**8.97**	6.03	4.70	3.30	4.08
	Book Value per share (₹)	**34.61**	28.86	24.01	21.64	20.31
	Revenue from operations/ Fixed assets (Net)	**17.65**	20.81	18.24	14.69	11.54
	Current Ratio %	**2.42**	2.71	2.05	2.09	2.11
	Receivables (Days)	**38**	38	39	35	37
	Inventory (Days)	**154**	154	142	128	110
	Dividend including Proposed dividend and dividend distribution tax as % of PAT	**40***	48*	51	55	49
	Dividend including Proposed dividend %	**150***	120*	100	75	85

Note: * Includes proposed final dividend and dividend distribution tax thereon and will be accounted for as and when declared by the Company.

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